

CHENNAI FERROUS INDUSTRIES LIMITED

Eighth Annual Report 2017 - 18

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CHENNAI FERROUS INDUSTRIES LIMITED

CIN:L27310TN2010PLC075626

BOARD OF DIRECTORS

Mr.R. Natarajan	Chairman & Managing Director
Mr. Suresh Kedia	Director
Mr. Sunil Kumar Singh	Director
Mrs. Deepa	Director
Mr.K. Karthikeyan	Chief Financial Officer

REGISTERED OFFICE & FACTORY

OPG Nagar, Periya Obulapuram village,
Nagarajakandigai, Madharapakkam Road,
Gummidipoondi – 601201.

Website: www.chennaiferrous.com

AUDITORS

M/s.S.K GULECHA & ASSOCIATES

Chartered Accountants,

No.374, Mint Street, Adinath Arcade,

2nd Floor, Sowcarpet, Chennai-600079.

BANKERS

State Bank of India,

Industrial Financial Branch,

155, Anna Salai,

Chennai - 600 002.

SHARE TRANSFER AGENT

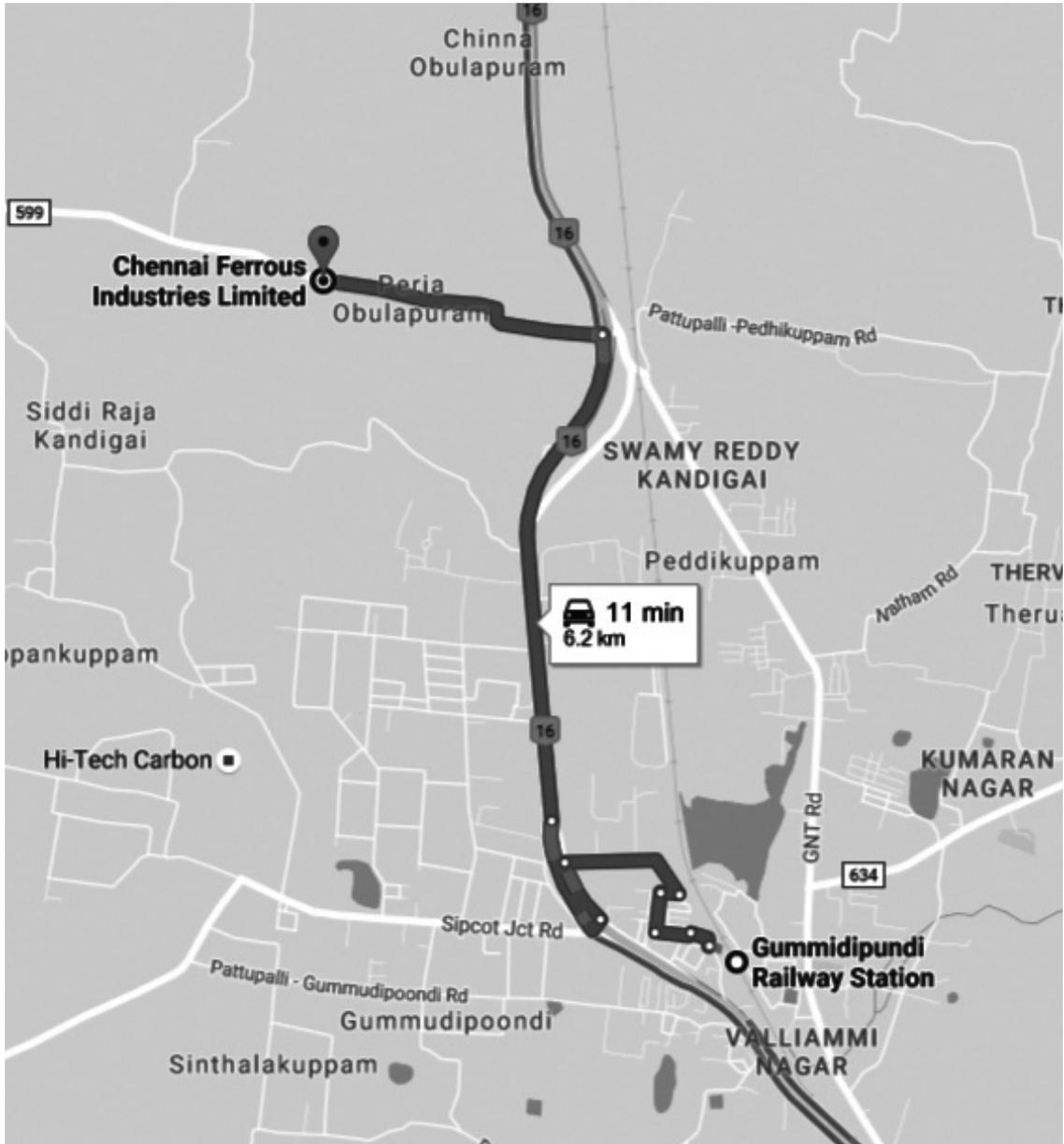
Cameo Corporate Services Limited

No.1, Subramanian Building

Club House Road, Chennai – 60002.

RouteMap to AGM Venue

OPG Nagar Periya Obulapuram Village, Nagaraja Kandigai, Madharapakkam Road, Gummidipoondi, Thiruvallur-601201, Tamil Nadu



Nearest Land mark :

Mularoad Junction, Thurapallam, Gummidipoondi, Thiruvallur-600 021, Tamil Nadu

Distance from Gummidipoondi : Railway Station - 6.2 km

NOTICE

Notice is hereby given that the Eighth Annual General Meeting (AGM) of Chennai Ferrous Industries Limited will be held on Friday, 28th September 2018, at 2.00 P.M. at the registered office of Company situated at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201, to transact the following business:

ORDINARY BUSINESS

1. Adoption of financial statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 together with the reports of the Board of Directors and the Auditors thereon.

2. Appointment of Mrs. Deepa as a Director liable to retire by rotation

To appoint a Director in place of Mrs Deepa (DIN:07140954) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. Leasing of property.

To consider and, if thought fit, to pass with or without modifications, the following resolution as a special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), consent of Company is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” which expression shall also include a committee thereof) to lease the Sponge Iron Unit situated at Periya Obulapuram Village, Gummidipoondi, Tamil Nadu- 601201, to any person(s) and /or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company;

RESOLVED FURTHER THAT the Board be and is hereby severally authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable or expedient to give effect to the aforesaid resolution.”

4. Reclassification of certain Shareholders from Promoter Group category to Public category.

To consider and, if thought fit, to pass with or without modifications, the following resolution as a special Resolution:

“RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI, Stock Exchange, RBI and other appropriate statutory

authorities, as may be necessary, consent of the members of Company is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the 'Applicants') forming part of the Promoter Group from 'Promoter & Promoter Group category' to 'Public category', with effect from the date of this Special Resolution:

Name of Applicants	No. of shares	%
Arvind Gupta	1,32,377	3.67
Arvind Gupta HUF	7,131	0.20
Sudha Gupta	1,88,580	5.23
Avantika Gupta	3,28,092	9.10
Samriddhi Gupta	9,340	0.26
Gita Devi	28,725	0.80
Ravi Kumar Gupta	10,008	0.28
Ravi Gupta HUF	10,100	0.28
Vandana Gupta	55,344	1.54
Alok Gupta	19,934	0.55
Nivedita Gupta	1,524	0.04
Renu Devi Jalan	1,00,000	2.77
Abhishek saraff	73,712	2.04
Roop Chand Betala	12,500	0.35
Satya Narain Gupta	47,200	1.31
Arvind Kumar Gupta	625	0.02
Subhash Chandra Saraff	36	0.00
Tamilnadu Property Developers Limited	3,00,000	8.32
Dhanvarsha Enterprises And Investments Private Limited	1,57,475	4.37
Goodfaith Vinimay Private Limited	1,25,155	3.47
Sri Hari Vallabhaa Enterprises And Investments Private Limited	85,907	2.38
Assam Mercantile Company Limited	65,643	1.82
Indian Corporate Business Centre Limited	43,675	1.21
Ameena Begum S	250,000	6.94
Radiant Solutions Private Limited	250,000	6.94
Total	18,03,083	63.89

RESOLVED FURTHER that the approval of the Company is hereby also given for re-classification of the following entities, if any, to the 'Public Category':

- All bodies corporate in which ten percent or more of the equity share capital is held by the applicants, either individually or jointly, but not by the remaining promoter group entities or a firm or Hindu Undivided Family in which none of the existing promoters except the applicant(s) is/are member(s);

- Any body corporate in which a body corporate as provided in (i) above holds ten percent or more, of the equity share capital;
- Any Hindu Undivided Family or firm in which the aggregate shareholding of the applicants, either individually or jointly (but not by the remaining promoter group entities), is equal to or more than ten percent of the total;
- Any Hindu Undivided Family or firm in which the aggregate shareholding of the applicants, either individually or jointly (but not by the remaining promoter group entities), is equal to or more than ten percent of the total;

RESOLVED FURTHER THAT the aforesaid applicants have fulfilled all the following necessary requirements for reclassification as required under Regulation 31 A(5) of the SEBI Listing Regulations:

- that none of the aforementioned shareholders have any special rights through formal or informal agreements;
- that none of the aforementioned shareholders hold, individually or in aggregate, more than 10% of the paid-up equity capital of the Company; and
- that none of the aforementioned shareholders or any person nominated by them, shall act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval.

RESOLVED FURTHER THAT on approval of the SEBI Board/ Stock Exchange upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions.

RESOLVED FURTHER THAT pursuant to the fulfillment of the above three conditions as per Regulation 31A(5) of the SEBI Listing Regulations, the above applicants shall cease to be part of the "Promoter Group" of the Company with effect from the date of this Special Resolution.

RESOLVED FURTHER THAT any of the Directors of the Company or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution."

5. Appointment of Mr. Chandikeshwar Sharma as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution 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. Chandikeshwar Sharma (DIN: 06598312) 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 4th September 2018 who holds office upto this Annual General Meeting, in terms of section 161 of the Companies Act, 2013 be and is hereby appointed /ratified as an Independent Director of the Company for a period of Five Years with effect from 4th September 2018 up to 3rd September 2023 who is not liable to retire by rotation.”

(By Order of the Board)

For **CHENNAI FERROUS INDUSTRIES LIMITED,**

Date: 4th September 2018
Place: Chennai

R. NATARAJAN,
Chairman & Managing Director.
DIN: 00595027

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

Item 3:

Considering the interests, opportunities and future revenues of the Company, the Board of Directors at their meeting held on 14th August 2018 has recommended to lease Sponge Iron unit situated at Periya Obulapuram Village, Gummidipoondi, Tamil Nadu- 601201 (“Unit”) on a long-term basis, subject to necessary approvals.

Section 180(1)(a) of the Companies Act, 2013 provides that lease of whole or substantially the whole of the undertaking of a company shall be approved at general meeting by special resolution. Therefore, it is recommended passing the resolution as special resolution as stated in Item No.3 of Notice hereof.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Item 4:

The Company is in receipt applications from the following persons belonging to promoter group for re-classifying them under the Public Category:

Name of Applicants	No. of shares	%
Arvind Gupta	1,32,377	3.67
Arvind Gupta HUF	7,131	0.20
Sudha Gupta	1,88,580	5.23

Avantika Gupta	3,28,092	9.10
Samriddhi Gupta	9,340	0.26
Gita Devi	28,725	0.80
Ravi Kumar Gupta	10,008	0.28
Ravi Gupta HUF	10,100	0.28
Vandana Gupta	55,344	1.54
Alok Gupta	19,934	0.55
Nivedita Gupta	1,524	0.04
Renu Devi Jalan	1,00,000	2.77
Abhishek saraff	73,712	2.04
Roop Chand Betala	12,500	0.35
Satya Narain Gupta	47,200	1.31
Arvind Kumar Gupta	625	0.02
Subhash Chandra Saraff	36	0.00
Tamilnadu Property Developers Limited	3,00,000	8.32
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Goodfaith Vinimay Private Limited	1,25,155	3.47
Sri Hari Vallabhaa Enterprises And Investments Private Limited	85,907	2.38
Assam Mercantile Company Limited	65,643	1.82
Indian Corporate Business Centre Limited	43,675	1.21
Ameena Begum S	250,000	6.94
Radiant Solutions Private Limited	250,000	6.94
Total	18,03,083	63.89

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides a regulatory mechanism for re-classification of promoters as Public Shareholders subject to fulfillment of conditions as provided therein.

Considering explanations, representations, declarations given by the applicants and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company at their meeting held on 4th September 2018 have approved all the applications for reclassification from Promoter group category to Public category subject to approval by the members and relevant regulatory authorities.

None of the concerned persons/entities, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfils the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

It is recommended passing of resolution as Special Resolution in Item No. 4 of the Notice hereof. None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution.

Item 5:

The Nomination and Remuneration Committee and the Board of Directors have recommended the appointment of Mr. Chandikeshwar Sharma, (DIN: 06598312) as Non-Executive Independent Director of the company at their respective meetings held on 4th September 2018 .

Mr. Chandikeshwar Sharma 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. Chandikeshwar Sharma as Non-Executive Independent Director with effect from 4th September 2018 is recommended for member's approval.

The terms and conditions of appointment of Mr. Chandikeshwar Sharma 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. Chandikeshwar Sharma as a candidate for being appointed as an independent director, together with requisite deposit.

Details of Mr. Chandikeshwar Sharma 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. Chandikeshwar Sharma, no other directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

I. Notes:

- 1 The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of the business under Item No: 3, 4, 5 above is annexed hereto. The relevant details of Directors seeking re-appointment under Item No. 3, 4, 5 above pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] and Secretarial Standard on General Meetings is also annexed.
- 2 A member entitled to attend and vote at this AGM is entitled to appoint a proxy to attend and Vote in the meeting instead of him/her and the proxy need not be a member of the company.
- 3 Pursuant to section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed

by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. Proxies, in order to be effective, must be complete and received at the registered office of the Company at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201 not less than 48 hours before the commencement of this Annual General Meeting.

- 4 Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- 5 Members/ Proxies/ Authorized Representatives attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
- 6 Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
- 7 The Register of Members and Share Transfer Books of the Company will be closed from 21st September 2018 to 28th September 2018 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2017-18.
- 8 Members holding shares in Physical Form are requested to furnish their address / or changes in address if any with Registrar & Transfer Agent of the Company, M/s.Cameo Corporate Services Limited, Chennai, quoting their Folio number and number of Shares held. Members holding shares in Electronic Form may communicate their change of Address to their respective Depository Participants.
- 9 As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.chennaiferrous.com (under 'Investors' section). Members holding shares in physical form may submit the same to the Registrar & Transfer Agent. Members holding shares in electronic form may submit the same to their respective depository participant.
- 10 Section 20 of the Companies Act, 2013, permits service of documents on Members by a company through electronic mode. Therefore in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Annual Report 2017-18 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant unless any Member has requested for a physical copy of the Report. For Members who have not registered their e-mail addresses, physical copies of the Annual Report 2017- 18 are being sent by the permitted mode. Members may note that the Annual

Report 2017-18 will also be available on the Company's website i.e. [www. Chennaiferrous.com](http://www.Chennaiferrous.com)

- 11 Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- 12 To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Company/ RTA Cameo Corporate Services Limited.

Updation of Members Information

- 13 The Securities and Exchange Board of India ("SEBI") has mandated the submission of PAN by every participant in the securities market. vide its circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 . Accordingly the format of the Register of Members prescribed under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their Permanent Account Number details (PAN), e-mail addresses, bank details for payment of dividend, etc.

A form for capturing the above details is sent along with this report. Members holding shares in physical form are requested to submit the filled-in form to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant(s).

- 14 The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only therefore Members holding shares in physical form are requested to convert their holding to dematerialized form .A letter requesting the respective members for dematerialization of their physical shares before 5th December 2018 is sent along with this report.

15 Voting by Members:

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Members the facility to cast their votes electronically, through e-voting services provided by National Securities Depository Limited ("NSDL"), on resolutions set forth in this Notice. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ("remote e-voting"). Instructions for remote e-voting are given herein below. The Resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting.

- 16 The facility for voting through electronic voting system or ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
- 17 The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- 18 Members can opt for only one mode of voting, i.e. either by e-voting or voting at Annual General Meeting. In case Members cast their vote through both the modes, voting done by e-voting shall prevail and votes cast at Annual General Meeting shall be treated as invalid.
- 19 The Board of Directors has appointed Mr.M.K.Madhavan, Proprietor, M/s.M.K.Madhavan & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

II. REMOTE E- VOTING PROCEDURE

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - 1) Open the PDF File viz; "CFIL e-voting.pdf" attached to the e-mail, using your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided in the PDF is an initial password.
 - 2) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - 3) Click on Shareholder – Login
 - 4) Insert user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - 5) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please make a note of the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - 6) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - 7) Select "EVEN" of "Chennai Ferrous Industries Limited".
 - 8) Now you are ready for remote e-voting as Cast Vote page opens.
 - 9) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - 10) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - 11) Once you have voted on the resolution, you will not be allowed to modify your vote
- 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 letters. together with attested specimen signature of the duly authorized signatory(ies) who are

authorized to vote, to the Scrutinizer through e-mail to cs.madhavanmk@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM[for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]

1) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote E-Voting Event Number)	USER ID	PASSWORD/PIN

2) Please follow all steps from Sl. No. (2) to Sl. No. (11) above, to cast vote.

III. OTHER INSTRUCTIONS

- 1) The e-voting period commences on Monday 24th September 2018 (10:00 a.m. IST) and ends on Thursday, 27th September 2018 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on 21st September 2018, i.e. the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently or cast vote again.
- 2) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 3) The voting rights of Members shall be in proportion to their share(s) of the paid up equity share capital of the Company as on the cut-off date i.e. on 21st September 2018 Friday and as per the Register of Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting through ballot form.
- 4) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e. 21st September 2018 Friday, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No. 1800-222-990 or email at evoting@nsdl.co.in.
- 5) Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall

be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through e-voting or ballot paper

- 6) All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 a.m. to 5:00 p.m.) on all working days, and including the date of the Annual General Meeting of the Company.
- 7) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the result of the voting forthwith.
- 8) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN THE EIGHTH 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. Chandikeshwar Sharma

Name of the Director	Mr.Chandikeshwar Sharma
Category	independent Director
Director Identification Number (DIN)	06598312
Date of birth	31.07.1951
Date of appointment/ re-appointment	04.09.2018
Qualifications	Master of Business Administration
Expertise in specific functional areas	Mr.Chandikeshwar Sharma has expertise in shipping and power industry
Directorships held in other companies	<ul style="list-style-type: none"> • Essar Steel Logistics Limited • Arkay Logistics Limited
Chairmanships/ Memberships of statutory committees across Companies	Gita Renewable Energy Limited <ul style="list-style-type: none"> • Chairman of the Audit Committee • Member of Nomination and Remuneration Committee
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil

Mrs. Deepa

Name of the Director	Mrs. Deepa
Category	Non-Executive Non independent Director
Director Identification Number (DIN)	07140954
Date of birth	27.02.1979
Date of appointment/ re-appointment	31.03.2015
Qualifications	Master of Business Administration - Human Resources
Expertise in specific functional areas	General Management and Administration
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

DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the Eight Annual Report together with its financial statements for the year ended 31st March 2018.

FINANCIAL HIGHLIGHTS

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

(Amount in Rupees)

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Sales (Net of Excise Duty) and other income	143,711,777	32,818,689
Profit /(loss) after Interest & Depreciation	(25,644,540)	(25,213,047)
Provision for Tax	-	--
Profit /(loss) after Tax	(25,644,540)	(25,213,047)
Add: Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	(36,6757,536)	(341,5,44,489)
Profit/Loss available for Appropriation	(25,644,540)	(25,213,047)
APPROPRIATIONS		
Equity Dividend Proposed (Final)		
Dividend Distribution Tax (Final)		
Transfer to General Reserve	-	-
Balance Carried Forward	(392,402,076)	(366,757,536)

OPERATIONS

The company had turnover of Rs. 143,711,777/- as against 32,818,689/- for the previous year. The company had incurred loss of Rs. (25,644,540)/- as against Rs(25,213,047)/. The Company has taken adequate steps to rejuvenate the plant operations in the current year.

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March 2018.

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

At the ensuing AGM, Mrs. Deepa (Non-Executive Non Independent Director),retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

At the ensuing AGM, Mr.Chandikeshwar Sharma who was appointed as an Additional Director on the Board with effect from 4th September 2018 and who holds his office up to this AGM seeks members' approval for his appointment as Non-Executive Independent Director of the Company.

Mr. Sunil Kumar Singh resigned from the directorship effective from 4th September 2018. The Board places its appreciation and thanks to Mr. Sunil Kumar Singh for the services rendered during his tenure.

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.

The Company has initiated all steps to recruit a Company Secretary.

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:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) 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

- f) 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. 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 Five (5) 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 2018 along with the Auditor's Certificate on its compliance is enclosed and forming part of this Report as **Annexure III**.

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

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S.K Gulecha & Associates, Chartered Accountants, Chennai were appointed as statutory auditors from the conclusion of the Fifth Annual General Meeting (AGM) held on 30th September 2015 till the conclusion of the Tenth Annual General Meeting (AGM) of the Company to be held in the year 2020.

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

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 (Listing Obligations and Disclosure Requirements) 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.

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs. 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**.

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 in the prescribed Form MGT - 9 is annexed herewith as **Annexure VII**.

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, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2017-18, is annexed herewith as **Annexure VIII**.

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)Regulation,2015 (The Company has a vigil mechanism / "Whistle Blower Policy", which is available on the website of the Company, namely 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 2017-18, no complaint

was reported to the Company.

CEO/ CFO CERTIFICATION:

Mr. R. Natarajan, Chairman and Managing Director and Mr.K.Karthikeyan, 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 4th September 2018.

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,**

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has one business segment namely manufacturing of sponge iron .This segment is reported in accordance with the Accounting Standard 17 issued by the Companies (Accounting Standards), Rules, 2006.

Steel is one of the most important products of the modern world and is of strategic importance to any industrial nation. From construction, industrial machinery and transportation to consumer products, steel finds a wide variety of applications. It is also an industry with diverse production-technologies based on the nature and extent of use of raw materials. It is often said that steel industry is the barometer of the economic health of the nation, at least in the early stages of economic development. India is set to become the second largest steel producer in the world. India is world's largest sponge iron producer with an annual installed capacity of 46-47 MT. There are over 400 sponge iron units in India. Sponge iron contributes to 23% of India's total crude steel production. As economic growth drives the demand for sponge iron domestic steel market has overcome the effects of glut in the market due to cheap imports from other countries. Industry is expected to be more profitable due to increased demand in domestic market aided by strong exports.

Increase in cost of production, lack of availability of Iron Ore at affordable prices, environmental concerns, continuous rise in crude Oil prices, regional demand & supply inequalities, demonitisation, fluctuation in INR Value against global currencies and reforms have impacted significantly the Indian Sponge Iron manufacturers and resulted sharp fall in demand which ultimately impacted on profit of the Company during the year. This may be improved in future. The high cost and short supply of power in India may hamper the steel industry's production level. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive.

The management has initiated steps to revive the company as the demand for sponge iron products seems better in the future with economic and Industrial growth.

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

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

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 31st March 2018.

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

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

ANNEXURE – III**REPORT ON CORPORATE GOVERNANCE**

(For the Financial Year 2017-18)

1. Company's philosophy on code of 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.

2. 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	Mr. R.Natarajan	Chairman and Managing Director; Executive Director	Non-Independent Director
2	Mr. Suresh Kedia	Non-Executive Director	Independent Director
3	Mr. Sunil Kumar Singh @	Non-Executive Director	Independent Director
4	Mr.Chandikeshwar Sharma %	Non-Executive Director	Independent Director
5	Mrs. Deepa	Non-Executive Director	Non-Independent Director

@Mr.Sunil Kumar Singh resigned on 4th September 2018

%Mr.Chandikeshwar Sharma was appointed Additional Director in the category Non-Executive Independent Director on 4th September 2018.

The Chairman of the Board is an Executive Director and is not a promoter. There are two Independent Directors which is more than half of the Board. The Managing Director is not liable to retire by rotation. Non-executive director retires by rotation and offers for re-appointment at the Annual General Meeting.

Brief resume of Director seeking appointment / reappointment is given in the Notice of 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 Independents director serves in more than 7 listed companies as Independent Director and hold 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 held any shares in the Company as on 31st March 2018. 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 public companies, nor membership of board committees (audit/Nomination and Remuneration/ Stakeholder's Relationship committees) in excess of 10 and chairmanship of afore-mentioned committees in excess of 5.

Name of the Directors	Number of directorships, Committee Memberships and Committee Chairmanship held in other Companies #		
	Directorships	Memberships	Chairmanships
Mr.R. Natarajan	1	2	-
Mr. Suresh Kedia	-	-	-
Mr. Sunil Kumar Singh	2	2	1
Mrs.Deepa	-	-	-

Only in public companies

3. Board Meetings:

Names and categories of Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting held during the FY 2017-18, are prescribed as under

Name of the Directors	DIN	Category	Attendance at Board Meeting		Attendance at last AGM held on 30.09.2017
			Held	Attended	
Mr. R. Natarajan	00595027	Executive Non-Independent Director	5	5	Yes
Mr. Suresh Kedia	06596808	Non-Executive Independent Director	5	5	Yes

Mr. Sunil Kumar Singh	05174226	Non-Executive Independent Director	5	5	Yes
Mrs. Deepa	07140954	Non-Executive Non-Independent Director	5	5	Yes

Number of Board Meeting	5
Board Meeting dates	30 th May 2017, 12 th August 2017, 14 th September 2017, 14 th December 2017, 14 th February 2018

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 2017-18, 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 familiarisation 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 Familiarisation Policy is available on the website of the Company, viz, 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. Sunil Kumar Singh was present at the Seventh Annual General Meeting held on 30th September 2017.

The composition of the Audit Committee and the details of meetings attended by the members during FY 2017-18, are given below

Name of members	Category	Position	No. of meetings held	No. of meetings attended
Mr. Sunil Kumar Singh	Non-Executive Independent Director	Chairman	4	4
Mr. Suresh Kedia	Non-Executive Independent Director	Member	4	4
Mr.R. Natarajan	Executive Independent Director	Member	4	4

No. of Audit Committee meetings held during the year 4
 dates of Audit Committee Meeting 30th May 2017, 14th September 2017, 14th December 2017, 14th February 2018

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 Seventh General Meeting held on 30th September 2017.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors during FY 2017-18, are given below

Name of the members	Category	Position	No. of meetings held	No. of meetings attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	1	1

Name of the members	Category	Position	No. of meetings held	No. of meetings attended
Mr. Sunil Kumar Singh	Non-Executive Independent Director	Member	1	1
Mrs. Deepa	Non-Executive Non-Independent Director	Member	1	1

No. of Nomination and Remuneration Committee 1
meetings held during the year
Nomination and Remuneration Committee 14th February 2018
Meeting date

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 composition of the Stakeholders' Relationship Committee and the details of meetings attended by the Directors during FY 2017-18 are given below

Name of the members	Category	Position	No. of meetings attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	4
Mr. R.Natarajan	Executive Non- Independent Director	Member	4
Mrs. Deepa	Non-Executive Non- Independent Director	Member	4

No. of Stakeholders Relationship Committee meetings held during the year	4
Nomination and Remuneration Committee Meeting date	30 th May 2017, 14 th September 2017, 14 th December 2017, 14 th February 2018

The necessary quorum was present for all the meetings.

Report on number of shareholder complaints received and resolved by the Company during the year ended 31st March 2018

No. of complaints pending as on April 1, 2017	0
No. of complaints identified and reported during FY 2017-18	0
No. of Complaints disposed of during the year ended March 31, 2018	0
No. of pending complaints as on March 31, 2018	0

5. INDEPENDENT DIRECTORS' MEETING:

During the year under review, one Meeting of Independent Directors held on 14th February 2018 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 MEETINGS

The details of last three Annual General Meetings of the Company are furnished below:

Year	Date	Time	Venue
2014-15	30.09.2015	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.
2015-16	30.09.2016	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201
2016-17	30.09.2017	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201

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 2017 the following special resolutions were passed for approval for
 - ♦ Re-appointment of Chairman and Managing Director – Mr.R.Natarajan
 - ♦ Re-appointment of Independent Director –Mr.Suresh Kedia
- At the Annual General Meeting held on 30th September 2016 no special resolutions were passed
- At the Annual General Meeting held on 30th September 2015 the following special resolutions were passed for approval for
 - ♦ Appointment of Mr. Suresh Kedia as an Independent Director
 - ♦ Appointment of Mrs. Deepa as an Non-Independent Director
 - ♦ Appointment of Mr.Sunil Kumar Singh 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 and the Company’s website www.chennaiferrous.com

Notice of General Meeting including Attendance slip, proxy form and polling paper are sent to all the shareholders by Registered Post or Speed post or Courier or through e-mail System. Annual Report is sent by Book post or email system or both at the desire of shareholders.

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 at all times at no cost for the benefit of all stakeholders concerned

8. GENERAL SHAREHOLDER INFORMATION

8 th Annual General Meeting	Date	28 th September 2018
	Time	2.00 P.M.
	Venue	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road,Gummidipoondi - 601201
	Financial Year	2017-18

Financial Calendar	Financial Reporting for the quarter ending 30 th Jun 2018- Latest by 14 th Aug 2018 30 th Sep 2018 –Latest by 14 th Nov 2018 31 st Dec 2018– Latest by 14 th Feb 2019 31 st Mar 2018 –Latest by 30 th May 2019
Dates of Book closure	From Friday 21 st September 2018 to Friday 28 th September 2018 (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 Scrip Code Security ID	INE 777O01016 539011 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 2017-18 is furnished below:

Months	Open Price (Rs)	High Price (Rs)	Low Price (Rs)	Close Price	No. of Shares
April 2017	4.21	4.9	4	4.9	18939
May 2017	4.9	6.67	4.9	6.67	3112
June 2017	7	7	5.28	5.28	1796
July 2017	5.02	5.02	4.23	4.23	14258
August 2017	4.3	4.3	3.89	4	2957
September 2017	4.04	4.1	3.04	3.15	10885
October 2017	3.15	3.25	3.1	3.1	3395
November 2017	3.25	3.92	3.25	3.91	2092
December 2017	3.88	4.27	3.88	4.27	1272
January 2018	4.48	4.7	4.47	4.5	4397
February 2018	4.55	6.9	4.5	6.9	373374
March 2018	6.85	8.15	6.85	8.15	5263

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 up to 31.03.2018 is NIL and shares pending for transfer as on 31.03.2018 is NIL

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

Shareholding of nominal value of		Share holders		Share amount		
Rs.		Rs.	Number	% of total	Rs.	% of total
10	-	5,000	4971	97.36	15,79,820	4.38
5,001	-	10,000	51	1.00	3,66,910	1.02
10,001	-	20,000	20	0.39	2,67,840	0.74
20,001	-	30,000	7	0.14	1,60,250	0.44
30,001	-	40,000	6	0.12	1,90,230	0.53
40,001	-	50,000	7	0.14	3,34,430	0.93
50,001	-	1,00,000	11	0.22	8,27,390	2.30
1,00,001	and	Above	33	0.65	3,23,18,220	89.66
		TOTAL	5106	100.00	3,60,45,090	100

12. Categories of shareholders as on 31st March 2018

SL.NO	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
	Shareholding of Promoter & Promoter Group		
	Indian		
	Individuals/Hindu undivided Family	1025228	28.44
	Central Government/ State Government(s)	-	-
	Financial Institutions/ Banks	-	-
	Any Other (specify)	1029792	28.57
	Sub-Total (A)(1)	2055020	57.01

SL.NO	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
	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
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2555020	70.88
	<u>Table II - Statement showing shareholding pattern of the Public shareholder</u>		
	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. "	342325	9.50
(a(ii))	"Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs."	-	-
(b)	NBFCs registered with RBI	-	-
(c)	Employee Trusts	-	-

SL.NO	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-
(e)	Any Other (specify)	707164	19.62
	Sub-Total (B)(3)	1049489	29.12
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1049489	29.12
	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	2899	56.78	380595	10.56
NDSL	1539	30.14	2457930	68.19
CDSL	668	13.08	765984	21.25

13. Demat of Shares:

The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 89.44 % as on 31.03.2018) 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.

14. 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,**

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the members of CHENNAI FERROUS INDUSTRIES LIMITED

1. We have examined the compliance of conditions of corporate governance by Chennai Ferrous Industries Limited for the year ended 31st March 2018 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule - V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations to the extent applicable to it.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

Date: 4th September 2018

For S.K Gulecha & Associates

Chartered Accountants

FRN: 013340S

SANDEEP KUMAR GULECHA

Proprietor

(Membership Number: 226263)

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:
 - Mr. R. Natarajan- the ratio is 2.4:1
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:
 - 5(which includes 1 Managing 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 remuneration. parameters for any variable component of remuneration availed by the directors
6. 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 : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and 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 2017-18.

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

Sl.No	Description	Particulars
a	Name of the related party and nature of the relationship	NIL
b	Nature of contract / arrangement / transactions	
c	Duration of contract / arrangement / transactions	
d	Salient terms of the Contract /arrangement/ transactions including the value, if any :	
e	Date(s) of approval by Board, if any	
f	Amount paid as advances, if any	

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

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and 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 equipments– NIL

B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption in financial year 2017-18 : NIL
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution in financial year 2017-18 : 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 2017-18 : 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 2017-18: NIL

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

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

ANNEXURE - VII**Form No.MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:L27310TN2010PLC075626

ii)Registration Date : **May 07, 2010**iii) Name of the Company: **CHENNAI FERROUS INDUSTRIES LIMITED**iv) Category / Sub-Category of the Company: Company Limited by Shares/
Non -Government Company

v) Address of the registered office and contact details:

OPG Nagar Periya Obulapuram Village, Nagaraja Kandigai,**Madharapakkam Road, Gummidipoondi – 601 201****E-Mail : investor@chennaiferrous.com**

vi)Whether listed company : Yes - Bombay Stock Exchange (BSE)

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Cameo Corporate Services Ltd**No.1, Subramanian Building****Club House Road, Chennai – 60002****II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No	Name and Description of main Products/Services	NIC Code of the Product / Service	% total turnover of the company
1	Manufacture of Sponge Iron	27120	100

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NA

Sl. No	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
	-	-	-	-	-

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

(i) Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	929520	97208	1026728	28.48	968028	57200	1025228	28.44	-0.04
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0.00
c.	BODIES CORPORATE	1029792	0	1029792	28.57	1029792	0	1029792	28.57	0.00
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	1959312	97208	2056520	57.05	1997820	57200	2055020	57.01	-0.04
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.00	0	0	0	0.00	0.00
b.	BODIES CORPORATE	0	250000	250000	6.94	0	250000	250000	6.94	0.00
c.	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e.	ANY OTHER									
	DIRECTORS/RELATIVE NRI	250000	0	250000	6.94	250000	0	250000	6.94	0.00
		250000	0	250000	6.94	250000	0	250000	6.94	0.00
	SUB - TOTAL (A)(2)	250000	250000	500000	13.88	250000	250000	500000	13.88	0.00
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	2209312	347208	2556520	70.93	2247820	307200	2555020	70.88	-0.04
B.	PUBLIC SHAREHOLDING									

1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.00	0	0	0	0.00	0.00
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.00	0	0	0		0.00
d.	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e.	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	630644	864	631508	17.52	631377	864	632241	17.52	0.02
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	154372	61977	216349	6.00	161306	61235	222541	6.17	0.17
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	134209	0	134209	3.72	119784	0	119784	3.32	-0.40
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
d.	ANY OTHER									
	CLEARING MEMBERS	0	0	0	0	896	0	896	0.02	0.02
	HINDU UNDIVIDED FAMILIES	48637	12	48649	1.3496	56691	12	56703	1.57	0.22
	NON RESIDENT INDIANS	5878	9336	15214	0.4220	6040	9224	15264	0.42	0.00
	OTHERS	0	2060	2060	0.0571	0	2060	2060	0.06	0.00
		54515	11408	65923	1.8289	63627	11296	74923	2.0785	0.2496
	SUB - TOTAL (B)(2)	973740	74249	1047989	29.07	976094	73395	1049489	29.12	0.04
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	973740	74249	1047989	29.07	976094	73395	1049489	29.12	0.04
	TOTAL (A)+(B)	3183052	421457	3604509	100.00	3223914	380595	3604509	100.00	0.00

C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
	Public	0	0	0	0.00	0	0	0	0.00	0.00
	TOTAL CUSTODIAN (C)	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	3183052	421457	3604509	100.00	3223914	380595	3604509	100.00	0.00

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	Pledged Shares at beginning of the Year	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	Pledged Shares at end of the Year	
1	RAVI KUMAR GUPTA	167058	4.63	0.00	0	10008	0.28	0.00	0	-4.35
2	RAVI GUPTA HINDU UNDIVIDED FAMILY	10100	0.28	0.00	0	10100	0.28	0.00	0	0.00
3	RAJESH KUMAR GUPTA	148768	4.13	0.00	0	10000	0.28	0.00	0	-3.85
4	RAJESH KUMAR GUPTA HINDU UNDIVIDED FAMILY	7131	0.20	0.00	0	7131	0.20	0.00	0	0.00
5	ARVIND GUPTA	132377	3.67	0.00	0	132377	3.67	0.00	0	0.00
6	ARVIND GUPTA.HINDU UNDIVIDED FAMILY	7131	0.20	0.00	0	7131	0.20	0.00	0	0.00
7	SUDHA GUPTA	121230	3.36	0.00	0	173580	4.82	0.00	0	1.60
8	GITADEVI	28725	0.80	0.00	0	28725	0.80	0.00	0	0.00
9	ALOK GUPTA	19934	0.55	0.00	0	19934	0.55	0.00	0	0.14
10	KANISHK GUPTA	57201	1.59	0.00	0	5000	0.14	0.00	0	-1.45
11	VANDANA GUPTA	55344	1.54	0.00	0	55344	1.54	0.00	0	0.00
12	AVANTIKA GUPTA	2701	0.07	0.00	0	320961	8.90	0.00	0	8.20
13	NIVEDITA GUPTA	1524	0.04	0.00	0	1524	0.04	0.00	0	0.00
14	SAMRIDHI GUPTA	9340	0.26	0.00	0	9340	0.26	0.00	0	0.00
15	SHAILJA GUPTA	24091	0.67	0.00	0	0	0	0.00	0	-0.67
16	RENU DEVI JALAN	100000	2.77	0.00	0	100000	2.77	0.00	0	0.00
17	ABHISHEK SARAFF	73712	2.04	0.00	0	73712	2.04	0.00	0	0.00
18	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI	47200	1.31	0.00	0	47200	1.31	0.00	0	0.00

19	ROOP CHAND BETALA	12500	0.35	0.00	0	12500	0.35	0.00	0	0.00
20	ARVIND KUMAR GUPTA	625	0.02	0.00	0	625	0.02	0.00	0	0.00
21	SUBHASH CHANDRA SARAFF	36	0	0.00	0	36	0	0.00	0	0.00
22	TAMILNADU PROPERTY DEVELOPERS LTD	300000	8.32	0.00	0	300000	8.32	0.00	0	0.00
23	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LTD	251937	6.99	0.00	0	251937	6.99	0.00	0	0.00
24	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	157475	4.37	0.00	0	157475	4.37	0.00	0	0.00
25	GOODFAITH VINIMAY PRIVATE LIMITED	125155	3.47	0.00	0	125155	3.47	0.00	0	0.00
26	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED	85907	2.38	0.00	0	85907	2.38	0.00	0	0.00
27	ASSAM MERCANTILE COMPANY LIMITED	65643	1.82	0.00	0	65643	1.82	0.00	0	0.00
28	INDIAN CORPORATE BUSINESS CENTRE LTD	43675	1.21	0.00	0	43675	1.21	0.00	0	0.00
29	RADIANT SOLUTIONS PRIVATE LTD	250000	6.94	0.00	0	250000	6.94	0.00	0	0.00
30	AMEENA BEGUM S .	250000	6.94	0.00	0	250000	6.94	0.00	0	0.00

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of share	% of total shares of the company
1	TAMILNADU PROPERTY DEVELOPERS LIMITED				
	At the beginning of the year 01-Apr-2017	300000	8.32	300000	8.32
	At the end of the Year 31-Mar-2018	300000	8.32	300000	8.32
2	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	251937	6.99	251937	6.99
	At the end of the Year 31-Mar-2018	251937	6.99	251937	6.99
3	RADIANT SOLUTIONS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	250000	6.94	250000	6.94
	At the end of the Year 31-Mar-2018	250000	6.94	250000	6.94
4	AMEENA BEGUM S .				
	At the beginning of the year 01-Apr-2017	250000	6.94	250000	6.94
	At the end of the Year 31-Mar-2018	250000	6.94	250000	6.94
5	DHANVARSHA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	157475	4.37	157475	4.37
	At the end of the Year 31-Mar-2018	157475	4.37	157475	4.37
6	RAVI KUMAR GUPTA				
	At the beginning of the year 01-Apr-2017	167058	4.63	167058	4.63
	At the end of the Year 31-Mar-2018	10008	0.28	10008	0.28
7	RAJESH KUMAR GUPTA				
	At the beginning of the year 01-Apr-2017	148768	4.13	148768	4.13
	At the end of the Year 31-Mar-2018	10000	0.28	10000	0.28
8	GOODFAITH VINIMAY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	125155	3.47	125155	3.47
	At the end of the Year 31-Mar-2018	125155	3.47	125155	3.47

9	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2017	132377	3.67	132377	3.67
	At the end of the Year 31-Mar-2018	132377	3.67	132377	3.67
10	SUDHA GUPTA				
	At the beginning of the year 01-Apr-2017	121230	3.36	121230	3.36
	At the end of the Year 31-Mar-2018	173580	4.82	173580	4.82
11	RENU DEVI JALAN				
	At the beginning of the year 01-Apr-2017	100000	2.77	100000	2.77
	At the end of the Year 31-Mar-2018	100000	2.77	100000	2.77
12	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	85907	2.38	85907	2.38
	At the end of the Year 31-Mar-2018	85907	2.38	85907	2.38
13	ABHISHEK SARAFF				
	At the beginning of the year 01-Apr-2017	73712	2.04	73712	2.04
	At the end of the Year 31-Mar-2018	73712	2.04	73712	2.04
14	ASSAM MERCANTILE COMPANY LIMITED				
	At the beginning of the year 01-Apr-2017	65643	1.82	65643	1.82
	At the end of the Year 31-Mar-2018	65643	1.82	65643	1.82
15	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2017	57201	1.59	57201	1.59
	At the end of the Year 31-Mar-2018	5000	0.14	5000	0.14
16	VANDANA GUPTA .				
	At the beginning of the year 01-Apr-2017	55344	1.54	55344	1.54
	At the end of the Year 31-Mar-2018	55344	1.54	55344	1.54
17	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI				
	At the beginning of the year 01-Apr-2017	47200	1.31	47200	1.31
	At the end of the Year 31-Mar-2018	47200	1.31	47200	1.31

18	INDIAN CORPORATE BUSINESS CENTRE LTD				
	At the beginning of the year 01-Apr-2017	43675	1.21	43675	1.21
	At the end of the Year 31-Mar-2018	43675	1.21	43675	1.21
19	GITADEVI				
	At the beginning of the year 01-Apr-2017	28725	0.80	28725	0.80
	At the end of the Year 31-Mar-2018	28725	0.80	28725	0.80
20	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2017	24091	0.67	24091	0.67
	At the end of the Year 31-Mar-2018	0	0.00	0	0.00
21	ALOK GUPTA				
	At the beginning of the year 01-Apr-2017	19934	0.55	19934	0.55
	At the end of the Year 31-Mar-2018	19934	0.55	19934	0.55
22	ROOP CHAND BETALA JT1 : RATNA BETALA				
	At the beginning of the year 01-Apr-2017	12500	0.35	12500	0.35
	At the end of the Year 31-Mar-2018	12500	0.35	12500	0.35
23	RAVI GUPTA HINDU UNDIVIDED FAMILY				
	At the beginning of the year 01-Apr-2017	10100	0.28	10100	0.28
	At the end of the Year 31-Mar-2018	10100	0.28	10100	0.28
24	SAMRIDHI GUPTA				
	At the beginning of the year 01-Apr-2017	9340	0.26	9340	0.26
	At the end of the Year 31-Mar-2018	9340	0.26	9340	0.26
25	ARVIND GUPTA.HINDU UNDIVIDED FAMILY				
	At the beginning of the year 01-Apr-2017	7131	0.20	7131	0.20
	At the end of the Year 31-Mar-2018	7131	0.20	7131	0.20
26	RAJESH KUMAR GUPTA HINDU UNDIVIDED FAMILY				
	At the beginning of the year 01-Apr-2017	7131	0.20	7131	0.20
	At the end of the Year 31-Mar-2018	7131	0.20	7131	0.20
27	AVANTIKA GUPTA				
	At the beginning of the year 01-Apr-2017	2701	0.07	2701	0.07

	At the end of the Year 31-Mar-2018	320961	8.90	320961	8.90
28	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2017	1524	0.04	1524	0.04
	At the end of the Year 31-Mar-2018	1524	0.04	1524	0.04
29	ARVIND KUMAR GUPTA				
	At the beginning of the year 01-Apr-2017	625	0.02	625	0.02
	At the end of the Year 31-Mar-2018	625	0.02	625	0.02
30	SUBHASH CHANDRA SARAFF				
	At the beginning of the year 01-Apr-2017	36	0.00	36	0.00
	At the end of the Year 31-Mar-2018	36	0.00	36	0.00

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHENNAI MATERIAL RECYCLING AND TRADING COMPANY PRIVATE LTD				
	At the beginning of the year 01-Apr-2017	311198	8.63	311198	8.63
	At the end of the Year 31-Mar-2018	311198	8.63	311198	8.63
2	GLOBE STOCKS AND SECURITIES LTD.				
	At the beginning of the year 01-Apr-2017	163193	4.53	163193	4.53
	At the end of the Year 31-Mar-2018	163193	4.53	163193	4.53
3	PRJ FINANCE PVT.LTD.				
	At the beginning of the year 01-Apr-2017	60625	1.68	60625	1.68
	At the end of the Year 31-Mar-2018	60625	1.68	60625	1.68
4	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2017	35525	0.99	35525	0.99
	At the end of the Year 31-Mar-2018	35525	0.99	35525	0.99

5	SANGITA GARG				
	At the beginning of the year 01-Apr-2017	33958	0.94	33958	0.94
	At the end of the Year 31-Mar-2018	33958	0.94	33958	0.94
6	KARIKISH VYAPAAR PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	31137	0.87	31137	0.87
	At the end of the Year 31-Mar-2018	31137	0.87	31137	0.87
7	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2017	30453	0.84	30453	0.84
	At the end of the Year 31-Mar-2018	30453	0.84	30453	0.84
8	D M TRADING PVT LTD				
	At the beginning of the year 01-Apr-2017	28900	0.80	28900	0.80
	At the end of the Year 31-Mar-2018	28900	0.80	28900	0.80
9	SHAILESH JALAN				
	At the beginning of the year 01-Apr-2017	18801	0.52	18801	0.52
	At the end of the Year 31-Mar-2018	18801	0.52	18801	0.52
10	NIMESH MAHESHBHAI SHAH				
	At the beginning of the year 01-Apr-2017	17500	0.49	17500	0.49
	At the end of the Year 31-Mar-2018	17500	0.49	17500	0.49
	NEW TOP 10 AS ON (31-Mar-2018)				

(v) Shareholding of Directors and Key Managerial Personnel :

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
-	-	-	-	-	-

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	-	-	-	-
Net Change				
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		R. Natarajan	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	6,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-
5.	Others, please specify		
	Total (A)	6,00,000	6,00,000
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	-	-	-	-
	<ul style="list-style-type: none"> Fee for attending board / committee meetings 	-	-	-	-
	<ul style="list-style-type: none"> Commission 	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	Other Non-Executive Directors	-	-	-	-
	<ul style="list-style-type: none"> Fee for attending board / committee meetings Commission Others, please specify 	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

Date : 4th September 2018
Place : Chennai

**R.Natarajan
Chairman and Managing Director
DIN: 00595027**

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018**

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

To,

The Members,

M/s. CHENNAI FERROUS INDUSTRIES LIMITED,

Gummidipoondi

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). Secretarial Audit was conducted based on 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 31st March 2018, 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 31st March 2018 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company has not granted any Options to its employees 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- **Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;**
- 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.**

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2);
- ii. The Listing Agreement entered into by the Company with BSE Limited in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements).

During the period under review, the Company has generally complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except appointment of whole-time Company Secretary and few delays in filing ROC form.

We further report that, subject to the above, the related documents that we have come across depict that:

The Board of Directors of the Company is constituted as applicable with proper balance of Executive Directors, and Non-Executive Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions were carried unanimously, and the members' views have been captured and recorded as part of the minutes.

We further report that, based on our limited review there appear 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 members of the Company has accorded their consent at the 7th Annual General Meeting held on 30th September 2017 for -

Reappointment of Mr.R.Natarajan as Chairman and Managing Director;

Reappointment of Mr.Suresh Kedia as Independent Director.

We further report that, our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

**For M K MADHAVAN & ASSOCIATES,
Company Secretaries,**

**M K MADHAVAN
Proprietor,
Membership No.:F8408
C.P.No.: 16796**

Date: 14th August 2018

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,
M/s. CHENNAI FERROUS INDUSTRIES LIMITED,

Sub.: Secretarial Audit of CHENNAI FERROUS INDUSTRIES LIMITED for the financial year
31st March 2018.

This letter forms integral part of our secretarial audit report dated 14th August 2018.

Management's Responsibility:

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

2. Auditor's Responsibility:

- a. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- b. 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 test basis.
- c. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate to provide a reasonable basis for our opinion.
- d. 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.
- e. We have obtained necessary Management representations about the compliance of laws, rules and regulations and other relevant corporate actions, etc.

3. Disclaimer:

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.

Date: 14th August 2018
Place: Chennai

**For M K MADHAVAN & ASSOCIATES,
Company Secretaries,**

**M K MADHAVAN
Proprietor,
Membership No.:F8408
C.P.No.: 16796**

Independent Auditors' Report

To the Members of CHENNAI FERROUS INDUSTRIES LIMITED

Report on the Ind AS Financial Statements

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, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) 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 the design, implementation and maintenance of adequate internal financial control 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that

give a true and fair view in order to design audit procedures that are appropriate

in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other 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, Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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" to this report;

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

Place: Chennai
Date: 30.05.2018

For S.K GULECHA & ASSOCIATES
Chartered Accountants
FRN: 013340S

SANDEEP KUMAR GULECHA
Proprietor
M No. 226263

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF CHENNAI FERROUS INDUSTRIES LIMITED

(The Annexure referred to in Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2018)

Based on the information and explanation furnished to us and the books and records examined by us in the normal course of our audit, we report that:

- i) In respect of its fixed assets.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Physical verification of fixed assets has been carried out by the Management at reasonable intervals. According to the information given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii) In respect of inventories - According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- iii) In respect of loans, secured or unsecured, granted to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013;
The Company has not granted any loans to any Company, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv) In respect of loans, investments, guarantees, and security to companies, firms or other parties as per section 185 and 186 of the Companies Act, 2013: Not Applicable
- v) In respect of deposits:
The Company has not accepted any deposits. Therefore, the provisions of section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits are not applicable to the Company.
- vi) In respect of cost records:
In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are applicable to the Company for the year under audit.

vii) In respect of statutory dues:

- a) The Company has been generally regular in depositing with appropriate authorities, undisputed statutory dues including, Income Tax, Sales Tax, and other applicable statutory dues during the year.
- b) In respect of Income Tax, Sales Tax, Service tax, Customs duty, Excise duty and Cess, there are no undisputed amounts outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
- c) Dues relating to sales tax / excise duty / cess / Income tax / service tax, which have not been deposited on account of disputes with the related authorities, are stated in the table below:

viii) In respect of repayment of loans or borrowing to Banks, Financial Institutions, Government and Debenture Holders:

The Company has not defaulted in repayment of dues to the Banks during the year. The Company has neither issued any debentures nor borrowed any loans from Financial Institutions and Government.

ix) In respect of utilization of monies raised by way of initial public offer or further public offer (including debt instruments) and term loans:

The Company is not a listed company and hence provisions of initial public offer and further public offer are not applicable. The Company has not obtained any term loan during the year.

x) In respect of frauds:

In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

xi) In respect of managerial remuneration:

Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) In respect of Nidhi Company:

The Company is not a nidhi company and the provisions relating to Net Owned Funds are not applicable to the Company.

xiii) In respect of transactions with related parties and in compliance with section 177 and 188 of the Companies Act, 2013:

The transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) In respect of preferential allotment of shares:

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) In respect of non-cash transactions entered into with directors or persons connected with him as per the provisions of section 192 of Companies Act, 2013:

The Company has not entered into non-cash transactions with directors or persons connected with him.

xvi) In respect of provisions of section 45-IA of the Reserve Bank of India Act, 1934:

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai

Date: 30.05.2018

For S.K GULECHA & ASSOCIATES

Chartered Accountants

FRN: 013340S

SANDEEP KUMAR GULECHA

Proprietor

M No. 226263

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHENNAI FERROUS INDUSTRIES LIMITED

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

i. We have audited the Internal Financial Controls over financial reporting of CHENNAI FERROUS INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

ii. Management's Responsibility for Internal Financial Controls

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

iii. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

iv. Meaning of Internal Financial Controls Over Financial Reporting

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

V. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

VI. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai
Date: 30.05.2018

For S.K GULECHA & ASSOCIATES
Chartered Accountants
FRN: 013340S

SANDEEP KUMAR GULECHA
Proprietor
M No. 226263

**CHENNAI FERROUS INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018**

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(1) ASSETS				
Non-current assets				
Property, Plant and Equipment	5	116,651,830	129,177,803	141,910,135
Capital work-in-progress		-	-	-
Investment Property		-	-	-
Other Intangible assets		-	-	-
Financial Assets				
(i) Investments	6	46,892,470	1,249,400	739,000
(ii) Trade receivables		-	-	-
(iii) Loans	7	72,186,656	72,210,845	72,108,992
(iv) Others (to be specified)		-	-	-
Deferred tax assets (net)		-	-	-
Other non-current assets		-	-	-
		235,730,956	202,638,048	214,758,127
(2) Current assets				
Inventories	8	25,819,636	140,621,055	152,297,384
Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	9	163,489,818	150,207,177	144,942,314
(iii) Cash and cash equivalents	10	6,692,710	2,021,293	10,221,481
(iv) Loans	11	28,240,248	27,385,933	22,550,733
(v) Others (to be specified)		-	-	-
Current Tax Assets (Net)		-	-	-
Other current assets	12	7,468,976	20,903,046	18,687,299
		231,711,388	341,138,503	348,699,211
Total Assets		467,442,344	543,776,551	563,457,339
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	3A	36,045,090	36,045,090	36,045,090
Other Equity				
Retained Earnings	3B	(217,939,513)	(192,294,974)	(167,081,925)
FVTOCI Reserve		-	-	-
		(181,894,423)	(156,249,884)	(131,036,835)

LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings		39,300,000	93,296,839	93,296,839
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (to be specified)		-	-	-
Provisions		171,522	149,019	500,909
Deferred tax liabilities (Net)		25,749,633	25,749,633	25,749,633
Other non-current liabilities		65,221,155	119,195,491	119,547,381
Current liabilities				
Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		583,784,219	579,707,269	574,522,436
(iii) Other financial liabilities		-	-	-
Other current liabilities	4	331,394	1,123,675	424,357
Provisions		-	-	-
Current Tax Liabilities (Net)		-	-	-
		584,115,612	580,830,944	574,946,793
Total Equity and Liabilities		467,442,344	543,776,551	563,457,339

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
Director

Deepa
Director

Sandeep Kumar Gulecha
Proprietor (Membership.No: 226263)

K.Karthikeyan
Chief Financial
Officer

Place: Chennai
Date: 30.05.2018

CHENNAI FERROUS INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

Particulars		Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
1	Revenue from operations (gross)	13	143,711,777	32,818,689
	Less: Excise duty		12,701,388	268,191
	Revenue from operations (net)		131,010,389	32,550,498
2	Other income	14	946,760	615,895
3	Total revenue		131,957,149	33,166,393
4	Expenses			
	(a) Cost of materials consumed	15	126,731,623	5,915,931
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of F.G, W.I.P and stock-in-trade	16	8,600,550	4,650,107
	(d) Employee benefits expense	17	1,452,315	1,740,212
	(e) Finance costs	18	229,381	19,111
	(f) Depreciation and amortisation expense	5	12,525,972	12,732,332
	(g) Other expenses	19	8,061,849	33,321,747
	Total expenses		157,601,689	58,379,440
5	Profit before exceptional and tax		(25,644,540)	(25,213,047)
6	Exceptional items		-	-
9	Profit / (Loss) before tax		(25,644,540)	(25,213,047)
10	Tax expense:			
	(a) Current tax expense		-	-
	(b) Deferred Tax		-	-
			-	-
	Profit (Loss) for the period from continuing operations		(25,644,540)	(25,213,047)
	Discontinuing Operations			
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
	Profit/(loss) for the period (IX+XII)		(25,644,540)	(25,213,047)
	Other Comprehensive Income			
	A Re measurement of defined benefit plans		-	-
	Income tax effect		-	-
			-	-

B Measurement of financial assets through OCI		-	-
Income tax effect		-	-
		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(25,644,540)	(25,213,047)
Earnings per equity share (for continuing operation):			
(1) Basic		(7.11)	(6.99)
(2) Diluted		(7.11)	(6.99)
Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(7.11)	(6.99)
(2) Diluted		(7.11)	(6.99)

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
Director

Deepa
Director

Sandeep Kumar Gulecha
Proprietor (Membership.No: 226263)

K.Karthikeyan
Chief Financial
Officer

Place: Chennai
Date: 30.05.2018

CHENNAI FERROUS INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particular	Year Ended 3/31/2018 (Amount in Rs.)		Year Ended 3/31/2017 (Amount in Rs.)	
	A.CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax And Extradinary Items		(25,644,540)		(25,213,047)
Add:				
Depreciation	12,525,972		12,732,332	
Interest Expenses	229,381	12,755,353	19,111	12,751,443
Operating Profitbefore Working Capital Changes		(12,889,188)		(12,461,604)
Adjustments for movement in Working Capital:				
- (Increase)/Decrease in Inventories	114,801,419		11,676,329	
- (Increase)/Decrease in Trade Receivable	(13,282,641)		(5,264,863)	
Short Term Loans & Advances (Asset)	(854,315)		(4,835,200)	
Other Current Assets	13,434,070		(2,215,747)	
Trade Payables	4,076,950		5,184,833	
Other Current Liabilities	(792,281)		699,318	
		117,383,202		5,244,670
		104,494,014		(7,216,934)
Less: Direct Taxes Paid		-		-
Net Cash Flow Operating activities (A)		104,494,014		(7,216,934)
B.CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	-		-	
Purchase of Shares	(45,643,070)		(510,400)	
Long Term loans & advance (Assets)	24,189		(101,853)	
Net Cash Flow Investing activities (B)		(45,618,881)		(612,253)
C.CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(229,381)		(19,111)	
Movement in Long Term Liabil. (Customer Advances)	(53,996,839)		-	
Long Term Provisions	22,503		(351,890)	

Net Cash Flow From Financing activities (C)		(54,203,717)		(371,001)
Net Increase in cash Equivalents (A)+(B)+(C)		4,671,417		(8,200,188)
Cash & Cash Equivalents (Opening Balance)	2,021,293		10,221,481	
Cash & Cash Equivalents (Closing Balance)	6,692,710		2,021,293	-
Net Increase/ (Decrease) in Cash & Cash Equivalents		4,671,417		(8,200,188)

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K.Karthikeyan
Chief Financial
Officer

Place: Chennai
Date: 30.05.2018

NOTES TO ACCOUNTS AS ON MARCH 31, 2018**Note 1:**

Notes attached to and forming part of the Balance Sheet as at 31-03-2018 and the Profit and Loss account for the period ended on that date:

1. Company overview:

Chennai Ferrous Industries Limited (the company) incorporated under the Companies Act, 1956, in the year 2010, is manufacturer of Sponge Iron and allied products. The company's shares are listed on the Bombay Stock Exchange Limited and the shares are traded regularly.

Basis of preparation of financial statements:

- (i) For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.
- (ii) In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has prepared its financial statements for the year commencing 01-04-2017 in accordance with Indian Accounting Standard (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.
- (iii) The comparative figures in the financial statements with respect to the previous year have been restated in accordance with IND AS requirements. While preparing these financial statements, the company has first prepared its opening balance sheet as per IND AS requirements as at 01.04.2016.

3. First Time adoption of IND AS:

The financial statements for the year commencing 01-04-2017 are the first financial statements prepared in accordance with IND AS. The balance sheet as on the date of transition has been prepared in accordance with IND AS 101 – First Time adoption of Indian Accounting Standards (IND AS). All applicable IND AS were applied consistently and retrospectively in preparation of the first IND AS financial statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under IND AS 101.

A) Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of IND AS as Mandatorily required under IND AS 101:

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under IND AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under IND AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The Company has evaluated the facts and circumstances existing on the date of transition to IND AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

B) Voluntary Exemptions from retrospective application

IND AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under IND AS. The Company has elected to apply the following optional exemptions from retrospective application:

(i) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to IND AS.

(ii) Designation of previously recognised financial instruments

The company has designated all investment in an equity instruments at FVTOCI in accordance with IND AS 109, based on the assessment made on the date of transition to IND AS.

Note 4: Basis of measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 5.17- Accounting Policy for Financial Instruments) which are measured at fair value.

Note 5: Significant Accounting Policies:

5.1 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.

5.2 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.
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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 Segment Accounting:

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

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.13.1 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 derecognition 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.

5.13.2 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:

Basis of measurement	Financial Liability
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.

5.20 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.

Notes forming part of the financial statements**Note 3 Share capital**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised 3750000 Equity shares of Rs.10 each				
- Opening Balance	3,750,000	37,500,000	3,750,000	37,500,000
- Increase during the Year	-	-	-	-
- Closing Balance	3,750,000	37,500,000	3,750,000	37,500,000
(b) Issued, Subscribed and Fully paid-up Movement in the Equity Shares				
Opening Balance	3,604,509	36,045,090	3,604,509	36,045,090
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
Closing Balance	3,604,509	36,045,090	3,604,509	36,045,090
(c) Share Application Money	-	-	-	-
TOTAL		36,045,090		36,045,090

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, 2018		As at 31 March, 2017	
	No of Shares	% of shareholding	No of Shares	% of shareholding
Chennai Material Recycling and Trading Company Private Limited	311,198	8.63	311,198	8.63
Avantika Gupta	320,961	8.90	2,701	0.07
Tamilnadu Enterprises & Investments Private Limited	251,937	6.99	251,937	6.99
Tamilnadu Property Developers Limited	300,000	8.32	300,000	8.32
Radiant Solutions Private Limited	250,000	6.94	250,000	6.94
Ameena Begum	250,000	6.94	250,000	6.94

Statement of Changes in Equity for the period ended March 31st, 2018

Note No 3A. Equity Share Capital		(Amount 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	
36,045,090	-	36,045,090	

Note No 3B. Other Equity 31.03.2018

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus	Securities Premium Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total	(Amount in Rupees)
Balance at the beginning of the reporting period	-	-	174,462,564	-	(366,757,536)	-	-	-	-	-	-	-	(192,294,972)	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the reporting period	-	-	174,462,564	-	(366,757,536)	-	-	-	-	-	-	-	(192,294,972)	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	(25,644,540)	-	-	-	-	-	-	-	(25,644,540)	
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at the end of the reporting period	-	-	174,462,564	-	(392,402,076)	-	-	-	-	-	-	-	(217,939,512)	

B. Other Equity 31.03.2017

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus	Securities Premium Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period	-	-	General Reserve 174,462,564	-	(341,544,489)	-	-	-	-	-	-	-	(167,081,925)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	174,462,564	-	(341,544,489)	-	-	-	-	-	-	-	(167,081,925)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	(25,213,047)	-	-	-	-	-	-	-	(25,213,047)
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	174,462,564	-	(366,757,536)	-	-	-	-	-	-	-	(192,294,972)

Note 4 Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
(i) EPF & ESI Payable	20,634	23,771
(ii) Salary Payable	110,588	150,458
(iii) Statutory Liabilities	41,916	110,661
(iv) Provision for Employee Benefit	98,256	781,285
(v) Others	60,000	57,500
Total	331,394	1,123,675

(Amount in Rs)

Note 5 - FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	COST AS AT 01.04.2017	ADD. DEL. 31.03.2018	UP TO 31.03.2017	FOR THE PERIOD DEL. 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017
Land Free Hold	17,562,794	-	-	-	17,562,794	17,562,794
Factory Buildings	58,929,891	-	20,152,733	1,868,078	36,909,080	38,777,158
Plant & Machinery	165,048,778	-	92,625,997	10,447,588	61,975,193	72,422,781
Electrical Installations	17,818,721	-	17,818,721	-	-	-
Office Equipments	1,597,265	-	1,476,560	120,705	-	120,705
Furniture & Fittings	523,266	-	455,732	49,710	17,824	67,534
Vehicle	419,911	-	193,082	39,892	186,937	226,829
TOTAL	261,900,627	-	132,722,824	12,525,972	17,818,721	129,177,802
Previous Year	261,900,627	-	119,990,491	12,732,332	129,177,802	141,910,135

Note 6 Non Current Investment

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 60000 Equity Shares of Rs.10/- each of OPG Renewable Energy Private Limited	600,000	600,000
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 14600 Equity Shares of Rs.10/- each of OPG Energy Private Limited	496,400	649,400
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 1,02,360 Equity Shares of Rs.127/- each of OPG Industries Private Limited	12,999,720	-
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 1,21,400 Equity Shares of Rs.126/- each of OPG Metals Private Limited	15,296,400	-
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	17,499,950	-
Total	46,892,470	1,249,400

Note 7 Long-term loans and advances

Particulars	As at 31 March, 2018	As at 31 March, 2017
(Unsecured and Considered good)		
(i) Capital Advance	6,673,692	6,673,692
(ii) Other Deposits	62,277,664	62,301,853
(iii) Security Deposits	3,235,300	3,235,300
Total	72,186,656	72,210,845

Note 8 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Raw Materials	16,540,477	122,236,925
(b) Finished Goods	-	8,600,550
(c) Stores & Spares	9,279,159	9,783,580
Total	25,819,636	140,621,055

Note 9 Trade Receivable

Particulars	As at 31 March, 2018	As at 31 March, 2017
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Unsecured, considered good	163,489,818	150,207,177
Total	163,489,818	150,207,177

Note 10 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Cash on hand	31,094	95,233
(b) Balances with banks		
(i) In current accounts	5,542,961	884,228
(ii) In Deposit accounts	1,118,655	1,041,832
Total	6,692,710	2,021,293
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	6,692,710	2,021,293

Note 11 Short Term Loans & Advances

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Supplier Advances	25,576,248	27,385,933
(b) Loans & Advances	2,664,000	-
Total	28,240,248	27,385,933

Note 12 Other Current Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Balance with GST & Excise Authorities	7,024,907	20,407,266
(b) Balance with VAT Authorities	-	25,600
(c) T.D.S	3,806	3,925
(d) Others	440,263	466,255
Total	7,468,976	20,903,046

Note 13 Revenue from operations

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	<u>Sale of Goods:</u> - Manufacturing Items	143,711,777	8,900,904
(b)	Income Received from I.C.B.C	-	23,917,785
	Total	143,711,777	32,818,689

Note 14 Other Income

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	Profit from Sale of Share Investment	248,000	573,600
(b)	Interest Received	38,235	39,250
(c)	Liability No longer required written back	660,525	3,045
	Total	946,760	615,895

Note 15 Cost of Materials Consumed

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	Opening stock	122,236,925	128,152,856
(b)	Add: Purchases	21,035,175	-
		143,272,100	128,152,856
(c)	Less: Closing Stock	16,540,477	122,236,925
	Total	126,731,623	5,915,931

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

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
	<u>Inventories at the end of the year:</u>		
	Stock-in-trade	-	8,600,550
		-	8,600,550
	<u>Inventories at the beginning of the year:</u>		
	Stock-in-trade	8,600,550	13,250,657
		8,600,550	13,250,657
	Net (increase) / decrease	8,600,550	4,650,107

Note 17 Employee Benefit Expenses

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	Salary and Wages	1,233,440	1,243,080
(b)	Contribution to EPF & ESI	141,606	147,399
(c)	Employee Benefit	-	237,878
(d)	Staff Welfare	77,269	111,855
	Total	1,452,315	1,740,212

Note 18 Finance Costs

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
(a)	Bank Charges	11,727	13,495
(b)	Interest on Other	217,654	5,616
	Total	229,381	19,111

Note 19 Other expenses

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. Material & Manufacturing Expenses		
Stores and Spares Consumed	719,573	15,435,314
Freight Charges	215,900	453,709
B. Repairs & Maintenance		
Building Repairs and Maintenance	32,006	494,183
Computer Maintenance	13,850	8,910
Machinery Maintenance	1,704,630	14,085,671
Vehicle Maintenance	156,424	228,480
C. Administrative Expenses		
Directors Remuneration	600,000	558,000
Filing Fees	-	16,479
Insurance	165,363	50,627
Postage Expenses	39,210	54,820
Printing and Stationery	120,854	124,124

Professional & Consultancy	322,726	489,298
Payment to Auditors		
i) As Statutory Audit Fees	42,000	40,250
ii) As Tax Audit Fees	18,000	17,250
Rates & Taxes	1,105,931	472,647
Rent	-	134,500
Listing Fees / Share Transfer Charges	339,736	330,139
Telephone Expenses	24,591	37,459
Travelling & Conveyance	249,760	253,634
D. Selling & Distribution Expenses		
Carriage Outwards	-	5,553
Rebates & Discounts	1,693,627	-
Advertisement Expenses	497,668	30,700
Total	8,061,849	33,321,747

Note No 20: Additional Information to the Financial Statements

- (i) Contingent liability not provided for:
- (a) Counter Guarantees furnished to the bank Rs.5,38,527/- (Previous year Rs. 5,02,538/-)
- (b) Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.
- (ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.13,59,00,000/- (Previous year Rs.13,59,00,000/- pertaining to resulting company) and for others is nil.
- (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 2016-17 accordingly an amount of Rs. 1,41,606/-(previous year Rs.1,47,399/-) is debited towards contribution to PF & ESI.
- a) 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		2017-18	2016-17
		(Amount in Rs.)	(Amount in Rs.)
I	Expenses recognized in the statement of profit and loss for the year ended		
	1. Current Service Cost	65,793	74,974
	2. Interest Cost/ Interest on obligation	14,236	51,932
	3. Expected return on plan assets	-	-
	4. Net Actuarial (gains)/losses	(612)	(6,02,971)
	5. Total Expenses	80,029	1,26,906
II	Net Asset/(Liability) recognized in the balance sheet as on 31-03-2017		
	1. Present Value of funded Obligations	-	-
	2. Present Value of unfunded Obligations	2,69,778	2,16,361
	3. Fair Value of plan assets as at 31-03-2016	-	-
	4. Unrecognized past service cost	-	-
	5. Net liability as at 31-03-2017	2,69,778	2,16,361
Particulars		2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
III	Changes in Benefit obligations during the year ended		
	1. Present Value of Defined Benefit Obligation at the beginning of the year	2,16,361	6,92,426
	2. Current Service Cost	65,793	74,974
	3. Interest Cost	14,236	51,932
	4. Actuarial (Gains)/losses	(612)	(6,02,971)
	5. Benefit payments	(26,000)	-
	6. Present Value of Defined Benefit Obligation at the end of the year	2,69,778	2,16,361
IV	<u>Changes in Asset during the year ended</u>		
	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	<u>Category of Plan Assets:</u> Government of India Securities High Quality Corporate Bonds	Nil	Nil
	Equity Shares of Listed Companies Property Funds Managed by Insurer Bank Balance		
VI	<u>Principal Actuarial Valuation</u> 1.Discount Rate 2.Expected rate of Return on plan assets 3.Annual Increase in Salary Costs 4.Mortality Table 5.Withdrawal Rate	7.70% - 7.25% IALM(2006- 08) Ult. 5% at younger ages reducing gradually to 1% at older ages	7.00% - 6.00% ILAM(2006- 08) Ult. 5% at younger ages reducing gradually to 1% at older ages
VII	Table Showing Surplus/ (Deficit) Defined Benefit Obligation Plan Assets Surplus/ (Deficit)	 2,69,778 - (2,69,778)	 2,16,361 - (2,16,361)

- (v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2018 which is on the basis of such parties having been identified by the management and relied upon by the auditors.
- (vi) 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.
- (vii) Value of Raw Materials, Spare Parts Components consumed

Year	2017-18		2016-17	
	Amount in Rs.	%	Amount in Rs.	%
Particulars				
Raw Material	12,67,31,623	-	59,15,931	-
Spares	7,19,573	50.73	1,54,35,314	100

- (viii) CIF Value of Imports: Nil (Previous year: Rs. Nil)
- (ix) Remittance in Foreign Currency towards Dividend Nil
- (x) Earnings in Foreign Currency Rs. Nil (Previous year Rs. Nil) Expenditure in Foreign Currency Rs. Nil (Previous year Nil)
- (xi) RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2018 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 31.03.2018
Directors Salary – R Natarajan	6,00,000/-	19,100 /-
Advance Returned – Gita Renewable	NIL	Rs 40,97,635 Dr
Advance Paid – Gita Renewable	14,92,635/-	

(xii) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2018.

(a) Business Segment:

The Company operates in Single Business Segment of 'Sponge Iron'. Therefore, the Company is of the view that the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

The Company has not yet been successful in its efforts to appoint a Company Secretary to fulfill the requirements of Section 203 of the Companies Act, 2013

(xiii)	Earnings Per Share:	2017-18	2016-17
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.)	(2,56,44,540)	(2,52,13,047)
c)	Basic and Diluted earnings per share (Rs.)	(7.11)	(6.99)

(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 our report of Even Dated
For S.K. GULECHA & ASSOCIATES
Chartered Accountants
Firm Regn.No.013340S

(SANDEEP KUMAR GULECHA)

Proprietor
M.No: 226263
Date : 30th May 2018
Place : Chennai

2017-18

For and on behalf of the Board of Directors
R Natarajan
Chairman & Managing Director

Deepa
Director

K. Karthikeyan
Chief-Financial Officer

CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office: OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201

CIN: L27310TN2010PLC075626

FORM MGT 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member (s)	:
Registered Address	:
E-mail Id	:
Folio No/ Client Id	:
DP ID	:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :

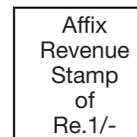
or failing him

2. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 8th Annual General Meeting of the Company, to be held on Friday, the 28th September 2018 at 2.00 p.m. at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements
2. Appointment of Directors
3. Leasing of property.
4. Reclassification of certain Shareholders from Promoter Group category to Public category
5. Appointment of Mr. Chandikeshwar Sharma as an Independent Director

Signed this day of 2018.



(Signature of Member)

Signature of Proxy holder(s)

Note :

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office: OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201

CIN: L27310TN2010PLC075626

FORM MGT-12 POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

8th ANNUAL GENERAL MEETING

Date : 28.09.2018 (Friday)
Time : 2.00 P.M
Place : OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201.

BALLOT PAPER

- | | |
|---|---|
| 1. Name of the First Named Shareholder
(In block letters) | : |
| 2. Postal address | : |
| 3. Registered folio No. / *Client ID No.
(*Applicable to investors holding shares in
dematerialized form) | : |
| 4. Class of Share | : |

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sl. No:	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of Financial Statements			
2	Appointment of Directors			
3	Leasing of property			
4	Reclassification of certain Shareholders from Promoter Group category to Public category			
5	Appointment of Mr. Chandikeshwar Sharma as an Independent Director			

Place:

(Signature of Shareholder)

Date:

