

**Chennai Ferrous Industries Limited**

**Tenth Annual Report 2019-20**

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## **CHENNAI FERROUS INDUSTRIES LIMITED**

CIN: L27310TN2010PLC075626

### **BOARD OF DIRECTORS**

Mr.R. Natarajan	Chairman & Managing Director
Mr. Chandikeshwar Sharma	Director
Mr. Suresh Kedia	Director
Mrs. Kesavan Deepa	Director
Mr. Karthikeyan Kunjithapatham	Chief Financial Officer
Mrs. Priyanka Saraf	Company Secretary

### **REGISTERED OFFICE**

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

### **AUDITORS**

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

### **BANKERS**

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

### **SHARE TRANSFER AGENT**

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

## **Chennai Ferrous Industries Limited**

### **NOTICE**

**Notice** is hereby given that the Tenth Annual General Meeting (AGM) of Chennai Ferrous Industries Limited will be held on Wednesday, 30th September 2020, at 10.00 A.M.(I.S.T) through Video Conferencing / Other Audio Visual Means, to transact the following business:

#### **ORDINARY BUSINESS**

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

To receive, consider and adopt the Audited Standalone Financial statements comprising of Director's Report, Auditor's report, Balance sheet and Profit and Loss A/c, Cash Flow Statement and all other relevant documents of the Company for the financial year ended 31st March, 2020.

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

To appoint a Director in place of Mr. R. Natarajan (DIN: 00595027) who retires by rotation and being eligible, offers herself for re-appointment.

- 3. Appointment Of Statutory Auditors**

**“RESOLVED THAT** that pursuant to Section 139, 141 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, M/s. S.K.Gulecha & Associates, Chartered Accountants [Firm Registration No.01334S] Chennai, be and are hereby appointed as the Statutory Auditors of the company for a period of five years and to hold office from the conclusion of this Annual General Meeting till the conclusion of 15th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### **Special Business:**

- 4. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

**Reclassification of Shareholder from Promoter Group category to Public category:**

**“RESOLVED THAT** pursuant to provisions of Regulation 31A(2) read with Regulations 31A(7) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015(‘Listing Regulations’) including any amendments made thereto or any other applicable provisions of Listing Regulations and other applicable laws , consent of the members of the company be and is hereby given to reclassify Radiant Solutions Private Ltd (Applicant) holding 250,000 Equity shares of the company constituting 6.94% of the issued and paid up share capital of the company from promoter category to “Public category since the applicant is neither involved in the Management nor hold any controlling stake in the company and also not entered into any Shareholders Agreement with the company nor it have got any Veto rights or special information Rights or Special Rights as to voting power or control of the company. “

**RESOLVED FURTHER THAT** the board be and are hereby accorded to confirm the following conditions:

1. that the Applicant does not hold individually, more than 10% of the of the total voting rights of the company
2. that the applicant does not directly or indirectly, exercise Control over the affairs of the company.
3. that the applicant does not have any special Rights through formal or informal arrangement/agreements.
4. that the applicant does not and shall not act as Key Management Personnel for a period of more than 3 years from the date of shareholders’ approval.
5. that the applicant has not represented on the board of directors (including not having a nominee director) of the listed entity
6. that the applicant is not a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines;
7. that the applicant is not a fugitive economic offender

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board or the officers authorized by the Board in this regard be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the company.

(By Order of the Board)  
For **Chennai Ferrous Industries Limited,**

Date: 27.08.2020  
Place: Chennai

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

## **I. Notes:**

- 1 In compliance with the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC" / "OAVM").

National Securities Depository Limited (NSDL) shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note below.

- 2 Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the members has been dispensed with. Accordingly the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- 3 Corporate members intending to authorize their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [cs.madhavanmk@gmail.com](mailto:cs.madhavanmk@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 4 The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

- 5 The Register of Members and Share Transfer Books of the Company will be closed from 23<sup>rd</sup> September, 2020 to 30<sup>th</sup> September 2020 (both days inclusive) for the purpose of Annual General Meeting for the financial year 2019-20.
- 6 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.
- 7 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](http://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.
- 8 In compliances with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Company will not be dispatching physical copies of financial statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with M/s. Cameo Corporate Services Limited, Chennai, by following due procedure.  
  
Members may note that the Notice and Annual Report 2020 will also be available on the Company's website [www.chennaiferrous.com](http://www.chennaiferrous.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 9 Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 10 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with

National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.

**1) Voting by Members:**

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

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.

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

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

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

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

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

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



**4. Your User ID details are given below :**

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
<b>a) For Members who hold shares in demat account with NSDL.</b>	<b>8 Character DP ID followed by 8 Digit Client ID</b>  <b>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</b>
<b>b) For Members who hold shares in demat account with CDSL.</b>	<b>16 Digit Beneficiary ID</b>  <b>For example if your Beneficiary ID is 12***** then your user ID is 12*****</b>
<b>c) For Members holding shares in Physical Form.</b>	<b>EVEN Number followed by Folio Number registered with the company</b>  <b>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</b>

**5. Your password details are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

**6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:**

- a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

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

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to

send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cskumar22@gmail.com with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@chennaiferrous.com](mailto:investor@chennaiferrous.com)

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@chennaiferrous.com](mailto:investor@chennaiferrous.com)

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

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

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

1. 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.
2. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [investor@chennaiferrous.com](mailto:investor@chennaiferrous.com). The same will be replied by the company suitably.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investor@chennaiferrous.com](mailto:investor@chennaiferrous.com) from September 26, 2020 (9:00 a.m. IST) to September 28, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## Other Instructions

- The e-voting period commences on 26th September 2020 (09:00 a.m. IST) and ends on, 29th September 2020 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on 22nd September 2020, 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.
- Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 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 22nd September 2020 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 e-Voting on the day of the AGM.
- 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. 22nd September 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free No. 1800-222-990 or email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 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 e-Voting on the day of the AGM.
- 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.
- 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

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

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

Name of the Director	Mr. R. Natarajan
Category	Managing Director
Director Identification Number (DIN)	00595027
Date of birth	02/06/1952
Date of appointment/ re-appointment	31.03.2015
Qualifications	Graduate of Business Administration
Expertise in specific functional areas	R.Natarajan,aged 65 years, has been serving for the Company since 2014. His rich experience of around 39 years in Steel industry and his guidance, will continue to be beneficial to the Company.
Directorships held in other companies	2
Chairmanships/ Memberships of statutory committees across Companies	2
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FOR ITEM NO.4:**

The company has received a letter from Radiant Solutions Private Ltd falling under the category of promoters/promoter group of the company, requesting to reclassify it as a public shareholder of the company. The applicant holds 2,50,000 equity shares of the company constituting 6.94% of the issued and paid -up share capital of the company.

It was found and informed that since the applicant has complied with the following conditions:

1. Applicant does not hold individually, more than 10% of the of the total voting rights of the company
2. Applicant does not directly or indirectly, exercise Control over the affairs of the company.
3. Applicant does not have any special Rights through formal or informal arrangement/agreements.
4. Applicant does not and shall not act as Key Management Personnel for a period of more than 3 years from the date of shareholders' approval.
5. Applicant has not represented on the board of directors (including not having a nominee director) of the listed entity
6. Applicant is not a 'wilful defaulter' as per the Reserve Bank of India Guidelines;
7. Applicant is not a fugitive economic offender, the company may accept the request made by the applicant and approve the reclassification of the applicant from Promoter category to Public Category.

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.

Accordingly, board recommends the resolution set out in the agenda no 4 for approval of members

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

## DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the Tenth Annual Report together with its financial statements for the year ended 31st March 2020.

### FINANCIAL HIGHLIGHTS

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

(Amount in Rupees)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
Sales (Net of Excise Duty) and other income	81,423,356	72,878,369
Profit /(loss) after Interest & Depreciation	32,037,768	133,189
Provision for Tax		
Profit /(loss) after Tax	32,037,768	133,189
Other Comprehensive Income <ul style="list-style-type: none"><li>Measurement of financial assets through OCI Income tax effect</li></ul>	-	(93,939,082)
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	32,037,768	(93,805,893)
Profit available for Appropriation	32,037,768	(93,805,893)

### OPERATIONS

During the year, in view of the slowdown in the business segment the company is unable to operate temporarily. The Company has taken adequate steps to rejuvenate the plant operations in the current year. During the year under review, the revenue of your Company has increased to Rs. 81,423,356/- as compared to the revenue of the previous year Rs. 72,878,369/-.

### DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March 2020.



## **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, R. Natarajan (Managing Director) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and

- the Directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **BOARD EVALUATION**

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

## **MEETINGS OF THE BOARD**

During the year under review, 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 2020 on its compliance is enclosed and forming part of this Report as **Annexure III**

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

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

- (1) The paid up equity share capital not exceeds Rs. 10.00 crore; and
  - (2) The net worth is also not exceeding Rs. 25.00 crore,
- as on the last day of the previous financial year as on 31/03/2019

The Net Worth of the Company is below Rs.25 Crores as on 31/03/2019. Since the Company is falling under the criteria as laid down under Regulations 15(2) of SEBI (LODR) Regulation, 2015, your company submitted letter to BSE seeking exemption for applicability

of submission of Certificate for Corporate Governance Report, any other document or disclosure and Annual Secretarial Compliance Certificate.

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

**Disclosures with respect to demat suspense account/ unclaimed suspense account:**

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the disclosure with respect to demat suspense account/ unclaimed suspense account is as follows:

- a. aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL
- b. number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL
- c. number of shareholders to whom shares were transferred from suspense account during the year : NIL
- d. aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- e. that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NIL

**AUDIT COMMITTEE**

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

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

**STATUTORY AUDITORS**

M/s. S.K. Gulecha & Associates, Chartered Accountants, Chennai were appointed as statutory auditors from the conclusion of the 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. As the term has expired and in recommendation by the Audit committee, the Board recommends the re-appointment of M/s. S.K. Gulecha & Associates, Chartered Accountants, Chennai, as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of this Annual General Meeting till the conclusion of Fifteenth Annual General Meeting of the Company, on such remuneration as may be mutually agreed by and between the Board of Directors and the Auditor.

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.

### **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 2019-20.

The Secretarial Audit Report for the financial year 2019-20, is annexed herewith as **Annexure VIII**.

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

### **PARTICULARS OF EMPLOYEES**

None of the employees draws remuneration in excess of the prescribed limits during the financial year 2019-2020. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure IV**.

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

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

### **RELATED PARTY TRANSACTIONS**

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

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

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed in the notes to the Financial Statements.

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

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

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

#### **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**.

#### **REMUNERATION POLICY**

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

#### **DEPOSITS**

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

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

During the financial year under review, no significant or material orders were passed by

the Regulatory/ Statutory Authorities or the Courts which would impact the going concern status of the Company and its future operations.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

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

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year 2019-2020, no complaint was reported to the Company.

**CEO/ CFO CERTIFICATION:**

Mr. R. Natarajan, Chairman and Managing Director and Mr. Karthikeyan Kunjithapatham, Chief Financial Officer have certified to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements Regulations), 2015 were laid before the Board at its meeting held on 27th August 2020.

**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,**

**Sd/-**

**Date: 27th August 2020  
Place: Chennai**

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

**ANNEXURE I**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company has one business segment namely manufacture of metals and metal products. This segment is reported in accordance with the Accounting Standard 17 issued by the Companies (Accounting Standards), Rules, 2006.

Steel occupies a prominent place in Indian manufacturing sectors. India's steel production capacity has expanded rapidly over the past few years, growing at a CAGR of 8.71 per cent from 59.84 million tonnes in FY08 to 137.98 million tonnes in FY18. The National Steel Policy 2017 has envisaged achieving up to 300 million tonnes of production capacity by 2030-31.

Chennai Ferrous Industries Limited is engaged in Sponge Iron manufacture and the opportunities and threats available for the company are briefly provided below: In the recent years, the demand for Sponge Iron is sluggish. The factors like fluctuating volatile raw materials prices, regional demand & supply imbalances, and INR Value against global currencies have impacted significantly the Indian steel industry. 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. This may be improved in future. Steel Demand of steel is expected to rise in future with economic and Industrial growth. Growing infrastructure like roads and highways, railways, aviation, shipping, energy, power or oil & gas will boost the demand for specialized steel and the Company expects to revive the operations as the demand for sponge iron products seems better in the future with economic and Industrial growth. During the year, in view of the slowdown in the business segment the company is unable to operate temporarily. In the current financial year 2020-21, your Company has provided its sponge iron plant situated at Gummidipoondi on lease to MTC Business Pvt Ltd.

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

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

**Sd/-**

**Date: 27th August 2020  
Place: Chennai**

**R. NATARAJAN  
Chairman & 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 2020.

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

**Date: 27th August 2020  
Place: Chennai**

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



**REPORT ON CORPORATE GOVERNANCE**

(For the Financial Year 2019-20)

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

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

**BOARD OF DIRECTORS**

Composition of the Board

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

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

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

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

Mr. R.Natarajan retires by rotation and being eligible seeks re- appointment at the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the company.

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

(6) of Section 149 of Companies Act 2013.

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

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

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

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

None of the Directors hold any shares in the Company as on 31st March 2020. None of the Directors are related to each other.

As required under the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, none of the directors hold directorship in more than 20 companies, nor membership of board committees (Audit, Nomination and Remuneration, Stakeholders Relationship committees) in excess of 10 and chairmanship of aforementioned 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	2	2	0
Mr. Suresh Kedia	6	3	1
Mr. Chandikeshwar Sharma	2	2	1
Mrs. Deepa	1	0	0

#### B. Board Meetings:

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

Name of the Directors	DIN	Category	Attendance at Board Meeting		Attendance at last AGM held on 30.09.2019
			Held	Attended	

Mr. R. Natarajan	00595027	Executive Non-Independent Director	5	5	Yes
Mr. Chandikeshwar Sharma	06598312	Non-Executive Independent Director	5	5	Yes
Mr. Suresh Kedia	06596808	Non-Executive Independent Director	5	5	Yes
Mrs. Deepa	07140954	Non-Executive Non-Independent Director	5	5	Yes

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Number of Board Meeting	5
Board Meeting dates	28th May 2019, 14th August 2019, 5th September 2019, 14th November 2019, 12th February 2020

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

During the year 2019-20, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

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

#### 4. COMMITTEES OF THE BOARD

The Company has in place the following committees namely

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

##### A. AUDIT COMMITTEE

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

The Chairman of the Audit Committee, Mr. Chandikeshwar Sharma was present at the Ninth Annual General Meeting held on 30th September 2019.

The composition of the Audit Committee and the details of meetings attended by the Members during FY 2019-20, are given below

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

No. of Audit Committee meetings held during the 4 year

Dates of Audit Committee Meeting      28th May 2019, 14th August 2019, 14th November 2019, 12th February 2020

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 Ninth General Meeting held on 30th September 2019.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors during FY 2019-20, are given below

Name of the members	Independent / Non Independent	Position	No. of meetings	
			Held	Attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	2	2
Mr. Chandikeshwar Sharma	Non-Executive Independent Director	Member	2	2
Ms. Deepa	Non-Executive Non-Independent Director	Member	2	2

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No. of Nomination and Remuneration Committee      2  
meetings held during the year  
Nomination and Remuneration Committee Meeting    05.09.2019 and 12.02.2020  
date

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The necessary quorum was present for all the meetings.

### Remuneration Policy:

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

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

### C. Stakeholders Relationship Committee

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

The Chairman of the Stakeholders' Relationship Committee Mrs. Saraswathi was present at the Ninth General Meeting held on 30th September 2019.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the Directors during FY 2019-20 are given below:

Sl.No	Name of the members	Category	Position	No. of meetings attended
1	Mrs. Deepa	Non-Executive Non-Independent Director	Chairman	5
2	Mr. R.Natarajan	Executive Non- Independent Director	Member	5
3	Mr. Suresh Kedia	Non-Executive-Independent Director	Member	5

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No. of Stakeholders' Relationship Committee meetings held during the year	5
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Stakeholders' Relationship Committee Meeting date	29th April 2019, 29th May 2019, 14th August 2019, 14th November 2019, 12th February 2020
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Report on number of shareholder complaints received and resolved by the Company during the year ended 31st March 2020.

No. of complaints pending as on April 1, 2019	0
No. of complaints identified and reported during FY 2019-20	0
No. of Complaints disposed of during the year ended March 31, 2020	0
No. of pending complaints as on March 31, 2020	0

## 5. INDEPENDENT DIRECTORS' MEETING:

During the year under review, one Meeting of the Independent Directors held on 12th February 2020 inter alia, to:

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

All the Independent Directors were present at the said meeting.

## 6. General shareholder information:

Details of Annual General Meeting as follows:

Year	Date	Time	Venue
2016-2017	30.09.2017	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.
2017-18	28.09.2018	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.
2018-19	30.09.2019	2.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.

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 2019 no special resolutions were passed
- At the Annual General Meeting held on 28th September 2018 the following special resolutions were passed for approval for
  - Leasing of property

- Reclassification of certain Shareholders from Promoter Group category to Public category

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

- Appointment of Mr. Chandikeshwar Sharma as an Independent Director
- At the Annual General Meeting held on 30th September 2017 the following special resolutions were passed for approval for
  - A. Re-appointment of Chairman and Managing Director – Mr.R.Natarajan
  - B. Re-appointment of Independent Director –Mr.Suresh Kedia

## 7. MEANS OF COMMUNICATION

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

Further to the compliance of Regulation 46 of SEBI Listing Obligations and Disclosure Requirements, all the basic information about the Company is made available in the company's Website [www.chennaiferrous.com](http://www.chennaiferrous.com) at all times at no cost for the benefit of all stakeholders concerned.

## 8. GENERAL SHAREHOLDER INFORMATION

10th Annual General Meeting	Date	30th September 2020
	Time	10.00 A.M.
	Mode:	Video / Other Audio Visual Means (OVAM)
Financial Year	2020-21	
Financial Calendar	Financial Reporting for the quarter ending 30th Jun 2020- Filed on 27.08.2020 30th Sep 2020 –Latest by 15th Nov 2020 31st Dec 2020– Latest by 15th Feb 2021 31st Mar 2020 –Latest by 30th May 2021	
Dates of Book closure	From 23rd September 2020 to 30th September 2020 (both days inclusive)	

Dividend Payment	Nil
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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	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 2019-20 is furnished below:

Months	Open Price (Rs)	High Price (Rs)	Low Price (Rs)	Close Price	No. of Shares
April 2019	5.7	5.7	5.42	5.42	323
May 2019	5.42	5.97	5.42	5.97	1518
Jun 2019	5.97	5.97	5.68	5.68	120
Aug 2019	5.68	9.18	5.68	9.18	2981
Sep 2019	9.63	14.07	9.63	14.07	6565
Oct 2019	14.07	14.7	12.1	13.95	4885
Nov 2019	13.26	13.89	8.75	8.75	2555
Dec 2019	8.32	8.32	5.83	6.06	4255
Jan 2020	5.76	6.63	5.2	5.7	2448

## 10. Share transfer system

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

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

No. of shares received for transfer /Transmission/Transposition up to 31st March 2020 is 37 and shares pending for transfer as on 31st March 2020 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 Shareholding

Share or Debenture holding	Share or Debenture holders		Share or Debenture amount	
Rs.	Number	% of total	Rs.	% of total
10 - 5000	4940	97.5128	1542190	4.2785
5001 - 10000	48	0.9474	345690	0.9590
10001 - 20000	19	0.3750	246620	0.6841
20001 - 30000	7	0.1381	160520	0.4453
30001 - 40000	4	0.0789	131810	0.3656
40001 - 50000	6	0.1184	270810	0.7513
50001 - 100000	9	0.1776	680910	1.8890
100001 - And Above	33	0.6514	3266654 0	90.6268
Total :	5066	100	3604509 0	100

#### 12. Categories of shareholders as on 31st March 2020

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
	Foreign		
	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-

	Government	-	-
	Institutions	-	-
	Foreign Portfolio Investor	-	-
	Any Other (specify)	500000	6.94
	Sub-Total (A)(2)	500000	6.94

Sl.no	Category	No. Of shares Held	Percentage of share Holding
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2555020	70.85
	Table II - Statement showing shareholding pattern of the Public shareholder		
	Institutions	-	-
	Mutual Funds	-	-
	Venture Capital Funds	-	-
	Alternate Investment Funds	-	-
	Foreign Venture Capital Investors	-	-
	Foreign Portfolio Investors	-	-
	Financial Institutions/ Banks	-	-
	Insurance Companies	-	-
	Provident Funds/ Pension Funds	-	-
	Any Other (specify)	-	-
	Sub-Total (B)(1)	-	-
	Central Government/ State Government(s)/ President of India	-	-
	Sub-Total (B)(2)	-	-
	Non-Institutions		
(a(i))	"Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. "	285079	7.91
(a(ii))	"Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs."	69483	1.93
(b)	NBFCs registered with RBI	-	-
(c)	Employee Trusts	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-
(e)	Any Other (specify)	694927	19.28
	Sub-Total (B)(3)	1049489	29.12

	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	1049489	29.12
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Sl.no	Category	No. Of shares Held	Percentage of share Holding
	Table III - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder		
	Custodian/DR Holder - Name of DR Holders (If Available)	-	-
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-
	"Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)"	-	-
	Total ( A+B+C2 )	3604509	100.00
	Total (A+B+C )	3604509	100.00

Mode of Holding	No.of Holders	Percentage of No.of Holders	No.of shares	Percentage of No.of shares
Physical	2803	55.32	321356	8.9154
NDSL	1543	30.45	2241805	62.19
CDSL	720	14.21	1041348	28.89

### 13. Demat of shares:

Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Percentage of shares held electronically is 91.08% and Electronic Holding by Members comprises of 44.66 % as on 31st March 2020 of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company appointed Cameo Corporate Services Limited as Registrar & Transfer Agent and entered into an agreement for availing depository services.

### Request to Shareholders

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

to comply with same, shareholders are requested to send the following information for updating their records in our Register of Members:

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

Investor query/address for correspondence:

The Compliance officer

Chennai Ferrous Industries Limited,  
OPG Nagar, Periya Obulapuram Village, Nagaraja  
Kandigai, Madharapakkam Road,  
Gummidipoondi – 601201

Ph: 044 27991450 Fax: 044 27991450

E-mail: [www.chennaiferrous.com](http://www.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](mailto:cameo@cameoindia.com)

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

**Sd/-**

**Date: 27th August 2020**

**Place: Chennai**

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

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

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

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

**Date: 27<sup>th</sup> August 2020  
Place: Chennai**

**Sd/-  
R. NATARAJAN  
Chairman & Managing  
Director.  
DIN: 00595027**

**ANNEXURE V****Form No. AOC-2****[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

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

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

Chennai Ferrous Industries Limited has not entered into any contract/ arrangement or transaction with its related parties which is not at arm`s length during the financial year 2019-20.

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

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

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

**Date: 27<sup>th</sup> August 2020  
Place: Chennai**

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

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

**A. CONSERVATION OF ENERGY**

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

**B. TECHNOLOGY ABSORPTION**

- i. the efforts made towards technology absorption in financial year 2019-20 : NIL
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution in financial year 2019-20 : 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 2019-20: 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 2019-20: NIL

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

**Date: 27th August 2020  
Place: Chennai**

**Sd/-  
R. NATARAJAN  
Chairman & Managing  
Director.  
DIN: 00595027**



## Form No.MGT-9

**EXTRACT OF ANNUAL RETURN**

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

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: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 Break up 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	
<b>A.</b>	<b>Shareholding of promoter and promoter group</b>									
1.	Indian									
a.	Individuals/Hindu Undivided Family	1025228	0	1025228	28.4429	1025228	0	1025228	28.4429	0.0000
b.	Central Government/ State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Bodies corporate	1029792	0	1029792	28.5695	1029792	0	1029792	28.5695	0.0000
d.	Financial Institutions/ banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other									
	<b>Sub - total (a)(1)</b>	<b>2055020</b>	<b>0</b>	<b>2055020</b>	<b>57.0124</b>	<b>2055020</b>	<b>0</b>	<b>2055020</b>	<b>57.0124</b>	<b>0.0000</b>
2.	Foreign									
a.	Individuals (non-resident individuals/ foreign individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Bodies corporate	0	250000	250000	6.9357	0	250000	250000	6.9357	0.0000
c.	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other									
	Directors/relative nri	250000	0	250000	6.9357	250000	0	250000	6.9357	0.0000
		<b>250000</b>	<b>0</b>	<b>250000</b>	<b>6.9357</b>	<b>250000</b>	<b>0</b>	<b>250000</b>	<b>6.9357</b>	<b>0.0000</b>
	<b>Sub - total (a)(2)</b>	<b>250000</b>	<b>250000</b>	<b>500000</b>	<b>13.8715</b>	<b>250000</b>	<b>250000</b>	<b>500000</b>	<b>13.8715</b>	<b>0.0000</b>
	<b>Total share holding of promoter and promoter group (a) = (a)(1)+(a)(2)</b>	<b>2305020</b>	<b>250000</b>	<b>2555020</b>	<b>70.8839</b>	<b>2305020</b>	<b>250000</b>	<b>2555020</b>	<b>70.8839</b>	<b>0.0000</b>
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions									

a.	Mutual funds/uti	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Financial institutions/ banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Central government/ state government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Insurance companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	Foreign institutional investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	Foreign venture capital investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	Any other									
	<b>Sub - total (b)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	Non-institutions									
a.	Bodies corporate	631698	790	632488	17.5471	621979	790	622769	17.2774	-0.2696
b.	Individuals -									
	I individual shareholders holding nominal share capital upto rs. 1 lakh	164444	59824	224268	6.2218	175421	59357	234778	6.5134	0.2915
	II individual shareholders holding nominal share capital in excess of rs. 1 lakh	119784	0	119784	3.3231	119784	0	119784	3.3231	0.0000
c.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Any other									
	Hindu undivided families	55937	12	55949	1.5521	55446	12	55458	1.5385	-0.0136
	Non resident indians	5803	9137	14940	0.4144	5503	9137	14640	0.4061	-0.0083
	Others	0	2060	2060	0.0571	0	2060	2060	0.0571	0.0000
		<b>61740</b>	<b>11209</b>	<b>72949</b>	<b>2.0238</b>	<b>60949</b>	<b>11209</b>	<b>72158</b>	<b>2.0018</b>	<b>-0.0219</b>
	<b>Sub - total (b)(2)</b>	<b>977666</b>	<b>71823</b>	<b>1049489</b>	<b>29.1160</b>	<b>978133</b>	<b>71356</b>	<b>1049489</b>	<b>29.1160</b>	<b>0.0000</b>
	<b>Total public shareholding (b) = (b)(1)+(b)(2)</b>	<b>977666</b>	<b>71823</b>	<b>1049489</b>	<b>29.1160</b>	<b>978133</b>	<b>71356</b>	<b>1049489</b>	<b>29.1160</b>	<b>0.0000</b>
	<b>Total (a)+(b)</b>	<b>3282686</b>	<b>321823</b>	<b>3604509</b>	<b>100.0000</b>	<b>3283153</b>	<b>321356</b>	<b>3604509</b>	<b>100.0000</b>	<b>0.0000</b>

<b>C.</b>	<b>Shares held by custodians and against which depository receipts have been issued</b>									
	Promoter and promoter group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total custodian (c)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Grand total (a)+(b)+(c)</b>	<b>3282686</b>	<b>321823</b>	<b>3604509</b>	<b>100.0000</b>	<b>3283153</b>	<b>321356</b>	<b>3604509</b>	<b>100.0000</b>	<b>0.0000</b>

**(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	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	AVANTIKA GUPTA .	328092	9.1022	-	328092	9.1022	-	-
2	TAMILNADU PROPERTY DEVELOPERS LTD	300000	8.3229	-	300000	8.3229	-	-
				-			-	-
3	TAMILNADU ENTERPRISES AND INVESTMENT PRIVATE LTD	251937	6.9894	-	251937	6.9894	-	-
				-			-	-
4	RADIANT SOLUTIONS PRIVATE LTD	250000	6.9357	-	250000	6.9357	-	-
				-			-	-
5	AMEENA BEGUM S .	250000	6.9357	-	250000	6.9357	-	-
				-			-	-
6	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	157475	4.3688	-	157475	4.3688	-	-
				-			-	-
7	GOODFAITH VINIMAY PRIVATE LIMITED	125155	3.4721	-	125155	3.4721	-	-
				-			-	-
8	ARVIND GUPTA	132377	3.6725	-	132377	3.6725	-	-
				-			-	-
9	SUDHA GUPTA	188580	5.2317	-	188580	5.2317	-	-
				-			-	-
10	RENU DEVI JALAN	100000	2.7743	-	100000	2.7743	-	-
				-			-	-
11	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED	85907	2.3833	-	85907	2.3833	-	-

12	ABHISHEK SARAFF	73712	2.0449	-	73712	2.0449	-	-
				-			-	-
13	ASSAM MERCANTILE COMPANY LIMITED	65643	1.8211	-	65643	1.8211	-	-
				-			-	-
14	VANDANA GUPTA .	55344	1.5354	-	55344	1.5354	-	-
				-			-	-
15	SATYA NARAIN GUPTA JT1 : LAXMI DEVI GUPTA JT2 : RAMESH KUMAR GUPTA	47200	1.3094	-	47200	1.3094	-	-
				-			-	-
16	INDIAN CORPORATE BUSINESS CENTRE LTD	43675	1.2116	-	43675	1.2116	-	-
				-			-	-
17	GITADEVI MRS	28725	0.7969	-	28725	0.7969	-	-
				-			-	-
18	ALOK GUPTA MR	19934	0.553	-	19934	0.553	-	-
				-			-	-
19	ROOP CHAND BETALA JT1 : RATNA BETALA	12500	0.3467	-	12500	0.3467	0.0000	0.0000
				-				
20	RAVI GUPTA MR	10100	0.2802	-	10100	0.2802	0.0000	0.0000
				-				
21	RAVI KUMAR GUPTA .	10008	0.2776	-	10008	0.2776	0.0000	0.0000
				-				
22	SAMRIDDHI BUBNA	9340	0.2591	-	0	0.2591	0.0000	0.0000
				-				
23	ARVIND GUPTA.MR	7131	0.1978	-	7131	0.1978	0.0000	0.0000
				-				
24	NIVEDITA GUPTA	1250	0.0346	-	1250	0.0346	0.0000	0.0000
				-				
25	ARVIND KUMAR GUPTA	625	0.0173	-	625	0.0173	0.0000	0.0000
				-				
26	NIVEDITA GUPTA	274	0.0076	-	274	0.0076	0.0000	0.0000
				-				
27	SUBHASH CHANDRA SARAFF	36	0.0009	-	36	0.0009	0.0000	0.0000

(ii) **Change in Promoters' Shareholding : NO CHANGE IN THE PROMOTERS' SHAREHOLDING**

(iv) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
SI No	Name of the Share holder	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 30-Mar-2019	311198	8.6335	311198	8.6335
	At the end of the Year 31-Mar-2020	311198	8.6335	311198	8.6335
2	ROTOFLEX PACKAGING (P) LTD				
	At the beginning of the year 30-Mar-2019	87593	2.4300	87593	2.4300
	At the end of the Year 31-Mar-2020	87593	2.4300	87593	2.4300
3	GLOBE STOCKS AND SECURITIES LTD.				
	At the beginning of the year 30-Mar-2019	75600	2.0973	75600	2.0973
	At the end of the Year 31-Mar-2020	75600	2.0973	75600	2.0973
4	PRJ FINANCE PVT.LTD.				
	At the beginning of the year 30-Mar-2019	60625	1.6819	60625	1.6819
	At the end of the Year 31-Mar-2020	60625	1.6819	60625	1.6819
5	VINOD KUMAR GARG				
	At the beginning of the year 30-Mar-2019	35525	0.9855	35525	0.9855
	At the end of the Year 31-Mar-2020	35525	0.9855	35525	0.9855
6	SANGITA GARG				
	At the beginning of the year 30-Mar-2019	33958	0.9420	33958	0.9420

	At the end of the Year 31-Mar-2020	33958	0.9420	33958	0.9420
7	KARIKISH VYAPAAR PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	31137	0.8638	31137	0.8638
	At the end of the Year 31-Mar-2020	31137	0.8638	31137	0.8638
8	VINOD KUMAR GARG				
	At the beginning of the year 30-Mar-2019	30453	0.8448	30453	0.8448
	At the end of the Year 31-Mar-2020	30453	0.8448	30453	0.8448
9	D M TRADING PVT LTD				
	At the beginning of the year 30-Mar-2019	28900	0.8017	28900	0.8017
	At the end of the Year 31-Mar-2020	28900	0.8017	28900	0.8017
10	SHAILESH OMPRAKASH JALAN				
	At the beginning of the year 30-Mar-2019	18801	0.5215	18801	0.5215
	At the end of the Year 31-Mar-2020	18801	0.5215	18801	0.5215

(v) **Shareholding of Directors and Key Managerial Personnel: NIL**

## V. INDEBTEDNESS

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

	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				
i. Addition	-	-	-	-
ii. Reduction	-	-	-	-
Net Change				

Indebtedness at the end 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 Mr. R.Natarajan	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.6,24,000/-	Rs.6,24,000/-
	(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)	Rs.6,24,000/-	Rs.6,24,000/-
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013	

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		-	-	-	
	Independent Directors	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	-	-	-	-



Other Non-Executive Directors	-	-	-	-
• 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	CS Ved Prakash	CFO Mr. Karthikeyan Kunjithapatham	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,00,000/-	Rs. 5,40,000/-	Rs. 8,40,000/-
	(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	-	3,00,000	Rs. 5,40,000/-	Rs. 8,40,000/-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

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

**Date: 27th August 2020  
Place: Chennai**

**Sd/-  
R. NATARAJAN  
Chairman & Managing  
Director.  
DIN: 00595027**

**ANNEXURE VIII**

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2020

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

To,  
The members of  
Chennai Ferrous Industries Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chennai Ferrous Industries Limited, (hereinafter called the Company). 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 31<sup>st</sup> March 2020, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on 31<sup>st</sup> March 2020 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 by the Company with BSE Limited in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review, we report that

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

Adequate notice, agenda and detailed note are given to all directors to schedule the board meetings 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.

During the period, under review, all decisions were carried unanimously as there were no dissent raised by any member of the Board. The Directors have disclosed their interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities as and when required and their disclosures have been noted and recorded by the Board.

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

We further report that, during the audit period, the Company has not transacted any special business other than the ordinary business at the 9<sup>th</sup> AGM held on 30.09.2019.

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,

Sd/-

**M K MADHAVAN**

Proprietor,

Membership No.: F8408

C.P.No.: 16796

UDIN: F008408B000621240

Date: 27<sup>th</sup> August 2020

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.]

To,  
The members of  
Chennai Ferrous Industries Limited.

Sub.: Secretarial Audit of Chennai Ferrous Industries Limited for the financial year ended 31<sup>st</sup> March 2020.

This letter forms integral part of our secretarial audit report dated 27<sup>th</sup> August 2020.

**Management's Responsibility:**

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

**Auditor's Responsibility:**

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

**Disclaimer:**

6. We have not verified the correctness and appropriateness of financial records and books of accounts and other such information/records of the Company, which were outside our agreed scope.

7. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M K MADHAVAN & ASSOCIATES,  
Company Secretaries,

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

Date: 27<sup>th</sup> August 2020  
Place: Chennai

## **INDEPENDENT AUDITORS' REPORT**

To

The Members of Chennai Ferrous Industries Limited

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

#### **Opinion**

We have audited the accompanying Ind As financial statements of Chennai Ferrous Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss including statement of other comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit (or Loss)\* including other Comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

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

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

#### **Key audit matters**

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

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

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

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



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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind As financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind As financial statements.

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

- Identify and assess the risks of material misstatement of the Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind As financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind As financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The balance sheet, the statement of profit and loss including the statement of comprehensive income, the cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian accounting standards (Ind-As) specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with schedule V to the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - c. There were no accounts which were required to be transferred, to the Investor Education and Protection Fund by the Company

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 013340S

Sd/-

**(Sandeep Kumar Gulecha)**

Membership No. 226263  
UDIN No: 20226263AAAAFS7977  
Place: Chennai  
Date 27.08.2020

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

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

1.	In respect of the Company’s fixed assets:	
	(a)	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b)	The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
	(c)	According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2.	The inventory (if any) has been physically verified by the management during the year. Since the company did not have any inventory stock during the year, In our opinion, and according to the information and explanations given to us and as examined by us, no material discrepancies were noticed.	
3.	According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.	
4.	In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013 except applicability of interest on the loans and advances given. The company has not charged any interest on the advances given under the proviso of Section 186.	
5.	In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.	
6.	We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.	
7.	In respect of statutory dues:	
	(a)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

		According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable				
	(b)	According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute, except as per details below:				
		Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
		NIL				
8	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks or any government. or any debenture holders during the year. The Company does not have any dues to debenture holders during the year.					
9.	The term loans taken during the year have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).					
10.	To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.					
11.	According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013					
12.	The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.					
13.	According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.					
14	According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.					
15	According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.					

16	According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
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**For S.K GULECHA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 013340S

Sd/-

**(Sandeep Kumar Gulecha)**

Membership No. 226263  
UDIN No: 20226263AAAAFS7977  
Place: Chennai  
Date: 27.08.2020

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Chennai Ferrous Industries Limited of even date)

### **Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Chennai Ferrous Industries Limited (“the Company”) as at March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s responsibility for internal financial controls**

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

#### **Auditors’ responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 in 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 control system over financial reporting.

## **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Limitations of internal financial controls over financial reporting**

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

## **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 013340S

Sd/-

**(Sandeep Kumar Gulecha)**

Membership No. 226263  
UDIN No: 20226263AAAAFS7977  
Place: Chennai  
Date: 27.08.2020



**CHENNAI FERROUS INDUSTRIES LIMITED**
**Balance Sheet as at 31 March, 2020**

(Amount in Rs)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	97,933,990	104,278,452
Financial Assets			
(i) Investments	6	31,956,294	239,080,306
(ii) Trade receivables		-	-
(iii) Loans	7	6,645,142	10,127,570
(iv) Others (to be specified)		-	-
Other non-current assets		-	-
		<b>136,535,426</b>	<b>353,486,328</b>
<b>(2) Current assets</b>			
Inventories	8	-	15,189,598
Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	9	1,381,780	55,820,148
(iii) Cash and cash equivalents	10	1,688,844	24,220,852
(iv) Loans	11	-	4,360,266
(v) Others (to be specified)		-	-
Other current assets	12	7,763,970	3,491,577
		<b>10,834,594</b>	<b>103,082,441</b>
<b>Total Assets</b>		<b>147,370,020</b>	<b>456,568,769</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	3A	36,045,090	36,045,090
Other Equity			
Retained Earnings	3B	(185,768,556)	(311,745,405)
FVTOCI Reserve		-	-
		<b>(149,723,466)</b>	<b>(275,700,315)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	320,550,000
(ii) Trade payables		-	-
(iii) Other financial liabilities (to be specified)		-	-
Deferred tax liabilities (Net)		25,749,633	25,749,633
Other non-current liabilities		-	-
		<b>25,749,633</b>	<b>346,299,633</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		219,671,109	325,579,022
(iii) Other financial liabilities		50,772,137	50,772,137
Other current liabilities	4	900,606	9,618,292
Provisions		-	-
		<b>271,343,852</b>	<b>385,969,451</b>
<b>Total Equity and Liabilities</b>		<b>147,370,020</b>	<b>456,568,769</b>
Significant Accounting Policies	2		
Additional Information to financial statements	20		
<b>Accompanying notes are an integral part of the Financial Statements</b>			
As Per our report of Even Dated			
<b>For Chennai Ferrous Industries Limited</b>			
<b>For S.K. Gulecha &amp; Associates</b>			
<b>Chartered Accountants</b>			
<b>Firm Registration.No.013340S</b>			
Sd/-		Sd/-	
		<b>R Natarajan</b>	<b>Deepa</b>
		<b>Chairman &amp; Managing Director</b>	<b>Director</b>
		DIN : 00595027	DIN: 07140954
<b>Sandeep Kumar Gulecha</b>		Sd/-	
<b>Membership.No: 226263</b>			
UDIN No: 20226263AAAFS7977			
Place: Chennai		<b>PRIYANKA SARAF</b>	<b>K.Karthikeyan</b>
Date: 29.06.2020		<b>Company Secretary</b>	<b>Chief Financial Officer</b>

**CHENNAI FERROUS INDUSTRIES LIMITED**
**Statement of Profit and Loss for the year ended 31 March, 2020**

Particulars		Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
1	Revenue from operations (gross)	13	79,605,426	68,778,833
	Less: Excise duty		-	-
	Revenue from operations (net)		79,605,426	68,778,833
2	Other income	14	1,817,929	4,099,536
3	<b>Total revenue</b>		<b>81,423,356</b>	<b>72,878,369</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	15	8,621,788	7,918,689
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of F.G, W.I.P and stock-in-trade		-	-
	(d) Employee benefits expense	16	2,659,015	1,850,141
	(e) Finance costs	17	77,570	13,297,135
	(f) Depreciation and amortisation expense	5	10,731,319	12,373,381
	(g) Other expenses	18	27,295,896	37,305,834
	<b>Total expenses</b>		<b>49,385,588</b>	<b>72,745,180</b>
5	<b>Profit before exceptional and tax</b>		<b>32,037,768</b>	<b>133,189</b>
6	Exceptional items		-	-
9	<b>Profit / (Loss) before tax</b>		<b>32,037,768</b>	<b>133,189</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense		-	-
	(b) Deferred Tax		-	-
			-	-
	<b>Profit (Loss) for the period from continuing operations</b>		<b>32,037,768</b>	<b>133,189</b>
	<b>Discontinuing Operations</b>			
	Profit/(loss) from discontinued operations		-	-
	Tax expense of discontinued operations		-	-
	<b>Profit/(loss) from Discontinued operations (after tax) (X-XI)</b>		<b>-</b>	<b>-</b>
	<b>Profit/(loss) for the period (IX+XII)</b>		<b>32,037,768</b>	<b>133,189</b>
	<b>Other Comprehensive Income</b>			
	A Re measurement of defined benefit plans		-	-
	Income tax effect		-	-
			-	-
	B Measurement of financial assets through OCI		-	(93,939,082)
	Income tax effect		-	-
			-	(93,939,082)
	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>32,037,768</b>	<b>(93,805,893)</b>
	Earnings per equity share (for continuing operation):			
	(1) Basic		8.89	(26.02)
	(2) Diluted		8.89	(26.02)
	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		8.89	(26.02)
	(2) Diluted		8.89	(26.02)

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 Chennai Ferrous Industries Limited**
**For S.K. Gulecha & Associates**
**Chartered Accountants**
**Firm Registration.No.013340S**
**Sd/-**
**R Natarajan**
**Chairman & Managing Director**

DIN : 00595027

**Sd/-**
**Sd/-**
**Deepa**
**Director**

DIN: 07140954

**Sd/-**

Sd/-

**Sandeep Kumar Gulecha**
**Membership.No: 226263**

UDIN No: 20226263AAAAFS7977

Date: 27.08.2020

Place: Chennai

**PRIYANKA SARAF**
**Company Secretary**
**K.Karthikeyan**
**Chief Financial Officer**

**CHENNAI FERROUS INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020**

Particular	Year Ended 3/31/2020 (Amount in Rs.)		Year Ended 3/31/2019 (Amount in Rs.)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax And Extradinary Items		32,037,768		133,189
Add:				
Depreciation	10,731,319		12,373,381	
Interest Expenses	77,570	10,808,889	13,297,135	25,670,516
<b>Operating Profitbefore Working Capital Changes</b>		42,846,657		25,803,705
Adjustments for movement in Working Capital:				
- (Increase)/Decrease in Inventories	15,189,598		10,630,038	
- (Increase)/Decrease in Trade Receivable	54,438,368		107,669,670	
Short Term Loans & Advances (Asset)	4,360,266		23,879,982	
Other Current Assets	(4,272,393)		3,977,399	
Other Financial Liabilities	-		50,772,137	
Trade Payables	(105,907,913)		(258,205,196)	
Other Current Liabilities	(8,717,686)		9,286,898	
		(44,909,761)		(51,989,072)
		(2,063,104)		(26,185,367)
		-		-
<b>Net Cash Flow Operating activities (A)</b>		<b>(2,063,104)</b>		<b>(26,185,367)</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(4,386,858)		-	
Purchase of Shares & Bonds	301,063,097		(286,126,918)	
Long Term loans & advance (Assets)	3,482,428		62,059,086	
<b>Net Cash Flow Investing activities (B)</b>		<b>300,158,666</b>		<b>(224,067,832)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest Paid	(77,570)		(13,297,135)	
Movement in Long Term Liabil. (Customer Advances)	(320,550,000)		281,250,000	
Long Term Provisions	-		(171,522)	
<b>Net Cash Flow From Financing activities ( C )</b>		<b>(320,627,570)</b>		<b>267,781,343</b>
<b>Net Increase in cash Equivalents (A)+(B)+( C )</b>		<b>(22,532,009)</b>		<b>17,528,142</b>
Cash & Cash Equivalents (Opening Balance)	24,220,852		6,692,710	
Cash & Cash Equivalents (Closing Balance)	1,688,844		24,220,852	
<b>Net Increase/ (Decrease ) in Cash &amp; Cash Equivalents</b>		<b>(22,532,009)</b>		<b>17,528,142</b>

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

Sd/-

**Sandeep Kumar Gulecha**  
**Partner (Membership.No: 226263)**  
UDIN No: 20226263AAAAFS7977  
Date: 27.08.2020  
Place: Chennai

**For Chennai Ferrous Industries Limited**

Sd/-  
**R Natarajan**  
**Chairman & Managing Director**  
DIN : 00595027  
Sd/-

**PRIYANKA SARAF**  
**Company Secretary**

Sd/-  
**Deepa**  
**Director**  
DIN: 07140954  
Sd/-

**K.Karthikeyan**  
**Chief Financial Officer**

## **CHENNAI FERROUS INDUSTRIES LIMITED**

### **NOTES TO ACCOUNTS AS ON MARCH 31, 2020**

#### **Note 1:**

Notes attached to and forming part of the Balance Sheet as at 31-03-2020 and the Profit and Loss account for the period ended on that date:

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

Chennai Ferrous Industries Limited (the company) incorporated under the Companies Act, 1956, in the year 2010, is 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.

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

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

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

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

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

##### **2.3 Revenue Recognition:**

- i) Revenue is recognized to the extent that it 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.

**2.4 Depreciation:**

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

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

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

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

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

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

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

- i) The carrying values of non-financial assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- ii) Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation /amortization for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- iii) An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- iv) An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

## 2.7 Foreign Exchange Transactions:

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

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

## 2.8 Borrowing Cost:

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

## 2.9 Segment Accounting:

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

## 2.10 Current versus non-current classification:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

## 2.11 Inventories:

i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.

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

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

## 2.12 Taxes on Income:

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

## 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.

**STATEMENT OF CHANGES IN EQUITY**  
**CHENNAI FERROUS INDUSTRIES LIMITED**  
**Statement of Changes in Equity for the period ended March 31st, 2020**

(in Rupees)

**Note No 3A. Equity Share Capital**

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 31.03.2020**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	174,462,564	(392,268,887)	(217,806,323)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	174,462,564	(392,268,887)	(217,806,323)
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	32,037,768	32,037,768
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>174,462,564</b>	<b>(360,231,120)</b>	<b>(185,768,556)</b>

**Note No 3B. Other Equity 31.03.2019**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	174,462,564	(392,402,076)	(217,939,512)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	174,462,564	(392,402,076)	(217,939,512)
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	133,189	133,189
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>174,462,564</b>	<b>(392,268,887)</b>	<b>(217,806,323)</b>

**CHENNAI FERROUS INDUSTRIES LIMITED**

Notes forming part of the financial statements

**Note 3 Share capital**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	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	0	0	-	-
Less: Cancelled during the year	0	0	-	-
Closing Balance	3,604,509	36,045,090	3,604,509	36,045,090
(c) Share Application Money			-	-
<b>TOTAL</b>		<b>36,045,090</b>		<b>36,045,090</b>

**Notes:****(a) Movement of shares**

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

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

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

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

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

Name of the shareholders	As at 31 March, 2020		As at 31 March, 2019	
	No of Shares	% of shareholding	No of Shares	% of shareholding
Chennai Material Recycling and Trading Company Limited	311,198	8.63	311,198	8.63
Avantika Gupta	328,092	9.10	320,961	8.90
Tamilnadu Enterprises & Investments Private Limited	251,937	6.99	251,937	6.99
Tamilnadu Property Developers Private 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
Sudha Gupta	188,580	5.23	173,580	4.82

**CHENNAI FERROUS INDUSTRIES LIMITED**  
**Notes forming part of the financial statements**  
**Note 4 Other current liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(i) EPF & ESI Payable	19,351	26,165
(ii) Salary Payable	311,902	222,617
(iii) Statutory Liabilities	66,593	7,620,647
(iv) Provision for Employee Benefit	502,760	353,356
(v) Others	-	1,395,507
<b>Total</b>	<b>900,606</b>	<b>9,618,292</b>

**Note 6 Non Current Investment**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 10000 Equity Shares of Rs.10/- each of OPGE - C CLASS	100,000	100,000
Trade Investment in unquoted Equity Shares, Fully Paid Up 40,800 Equity Shares of Rs.37/- each of OPG Energy Private Limited	1,509,600	804,100
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 144000 Equity Shares of Rs.12.81/- each of OPGRE	1,844,784	-
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 38,745 Equity Shares of Rs.81/- each of GOOD FAITH VINIMAY PVT. LTD	3,138,345	3,138,345
Trade Investment (Stated at Cost) Investment in Punjab National Bonds	5,319,045	
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 20,195 Equity Shares of Rs.126/- each of OPG Metals Private Limited	2,544,570	2,544,570
Trade Investment (Stated at Cost) LUX Industries Limited	-	214,993,341
Trade 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	17,499,950
<b>Total</b>	<b>31,956,294</b>	<b>239,080,306</b>

**Note 7 Long-term loans and advances**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(Unsecured and Considered good)		
(i) Capital Advance	3,191,264	6,673,692
(ii) Other Deposits	218,578	218,578
(iii) Security Deposits	3,235,300	3,235,300
<b>Total</b>	<b>6,645,142</b>	<b>10,127,570</b>

**Note 8 Inventories**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Raw	-	8,621,788
(b) Stores & Spares	-	6,567,810
<b>Total</b>	<b>-</b>	<b>15,189,598</b>

**Note 9 Trade Receivable**

Particulars	As at 31 March, 2020	As at 31 March, 2019
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		-
Unsecured, considered good	1,381,780	55,820,148
<b>Total</b>	<b>1,381,780</b>	<b>55,820,148</b>

**Note 10 Cash and cash equivalents**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Cash on hand	46,339	504,015
(b) Balances with banks		
(i) In current accounts	439,295	22,525,676
(ii) In Deposit accounts	1,203,210	1,191,162
<b>Total</b>	<b>1,688,844</b>	<b>24,220,852</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	1,688,844	24,220,852

**Note 11 Short Term Loans & Advances**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Loans & Advances	-	4,360,266
<b>Total</b>	<b>-</b>	<b>4,360,266</b>

**Note 12 Other Current Assets**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Balance with GST & Excise Authorities	462,970	25,680
(b) T.D.S	7,259,447	3,331,601
(c) Others	41,553	134,296
<b>Total</b>	<b>7,763,970</b>	<b>3,491,577</b>

**Note 13 Revenue from operations**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	Sale of Goods: - Manufacturing Items	1,048,511	2,223,566
(b)	Other Operating Income	78,556,915	66,555,267
	<b>Total</b>	<b>79,605,426</b>	<b>68,778,833</b>

**Note 14 Other Income**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	Profit from Sale of Share Investment	-	1,738,505
(b)	Interest Received	15,541	38,554
(c)	Dividend Received	1,795,502	305,724
(d)	Liability No longer required written back	6,886	2,016,753
	<b>Total</b>	<b>1,817,929</b>	<b>4,099,536</b>

**Note 15 Cost of Materials Consumed**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	Opening stock	8,621,788	16,540,477
(b)	Add: Purchases	-	-
		8,621,788	16,540,477
(c)	Less: Closing Stock	-	8,621,788
	<b>Total</b>	<b>8,621,788</b>	<b>7,918,689</b>

### Note 16 Employee Benefit Expenses

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	Salary and Wages	2,318,000	1,508,734
(b)	Contribution to EPF & ESI	149,179	150,048
(c)	Employee Benefit	149,404	109,577
(d)	Staff Welfare	42,432	81,782
	<b>Total</b>	<b>2,659,015</b>	<b>1,850,141</b>

### Note 17 Finance Costs

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a)	Bank Charges	19,066	9,588
(b)	Interest Paid	58,504	13,287,547
	<b>Total</b>	<b>77,570</b>	<b>13,297,135</b>

### Note 18 Other expenses

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A. Material &amp; Manufacturing Expenses</b>		
Stores and Spares Consumed	6,567,810	2,711,349
Freight Charges	44,000	-
<b>B. Repairs &amp; Maintenance</b>		
Building Repairs and Maintenance	2,411,095	182,612
Computer Maintenance	55,026	19,945
Machinery Maintenance	10,708,724	271,588
Vehicle Maintenance	-	2,550
<b>C. Administrative Expenses</b>		
Office Administration Expenses	2,814,628	-
Bad Debts	-	31,276,321
Directors Remuneration	699,000	608,000
Donation	1,409,000	-
Filing Fees	3,036	5,252
Insurance	7,008	119,241
Postage Expenses	5,915	59,619
Printing and Stationery	66,951	107,198
Professional & Consultancy	384,700	472,270
Payment to Auditors		
i) As Statutory Audit Fees	47,500	45,000
ii) As Tax Audit Fees	20,000	20,000
iii) Other Services	5,000	-
Rates & Taxes	621,701	739,215
Loss on the sale of Investment	423,268	-
Listing Fees / Share Transfer Charges	411,687	405,463
Telephone Expenses	-	14,759
Travelling & Conveyance	340,998	212,302
<b>D. Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	248,850	33,150
<b>Total</b>	<b>27,295,896</b>	<b>37,305,834</b>

Property, Plant and Equipment  
**CHENNAI FERROUS INDUSTRIES LIMITED**

Details	Land Freehold	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Year ended 31 Mar 2020							
Gross carrying amount							
Opening Gross Carrying Amount	17,562,794	58,929,891	165,048,778	1,597,265	523,266	419,911	244,081,905
Additions	-	1,993,759	2,393,099	-	-	-	4,386,858
Deletions	-	-	-	1,597,265	523,266	-	2,120,531
Closing Gross Carrying Amount as at 31 Mar 2020	17,562,794	60,923,650	167,441,877	-	-	419,911	246,348,232
Accumulated Depreciation and Impairment							
Opening accumulated depreciation	-	23,888,889	113,521,173	1,597,265	523,266	272,866	139,803,459
Depreciation charged during the year	-	2,809,174	7,872,123	-	-	50,022	10,731,319
IND AS Adjustment Entries (Depreciation P&L)	-	-	-	-	-	-	-
Deduction/Adjustment	-	-	-	1,597,265	523,266	-	2,120,531
Closing Accumulated Depreciation and Impairment as at 31 March 2020	-	26,698,063	121,393,296	-	-	322,888	148,414,247
Net Carrying Amounts as at 31st Mar 2020	17,562,794	34,225,587	46,048,582	-	-	97,023	<b>97,933,990</b>
Details	Land Freehold	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixtures	Vehicles	TOTAL
Year ended 31 Mar 2019							
Gross carrying amount							
Opening Gross Carrying Amount	17,562,794	58,929,891	165,048,778	1,597,265	523,266	419,911	244,081,905
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 Mar 2019	17,562,794	58,929,891	165,048,778	1,597,265	523,266	419,911	244,081,905
Accumulated Depreciation and Impairment							
Opening accumulated depreciation	-	22,020,811	103,073,585	1,597,265	505,442	232,974	127,430,077
Depreciation charged during the year	-	1,868,078	10,447,588	-	17,824	39,892	12,373,381
IND AS Adjustment Entries (Depreciation P&L)	-	-	-	-	-	-	-
Deduction/Adjustment	-	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment as at 31 March 2019	-	23,888,889	113,521,173	1,597,265	523,266	272,866	139,803,458
Net Carrying Amounts as at 31st Mar 2019	17,562,794	35,041,002	51,527,605	-	-	147,045	<b>104,278,448</b>



Note No 20: Additional Information to the Financial Statements

(i) Contingent liability not provided for:

- (a) Counter Guarantees furnished to the bank Rs.5,43,950/- (Previous year Rs. 5,73,455/-)
- (b) Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.

(iii) Claims against the Company not acknowledged as Debt Rs. Nil. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil. Contingent liabilities not provided for: Nil

(iv) Employee Benefits :

a) Defined Contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2019-20 accordingly an amount of Rs. 1,49,404/-(previous year Rs.1,50,048/-) is debited towards contribution to PF & ESI.

b) Defined Benefit plan:

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

	Particulars	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
I	Expenses recognized in the statement of profit and loss for the year ended		
	1.Current Service Cost	119,941	88,669
	2. Interest Cost/ Interest on obligation	29,463	20,908
	3. Expected return on plan assets	-	-
	4.Net Actuarial (gains)/losses	-	-
	5.Total Expenses	1,49,404	1,09,577
II	Net (Asset)/ Liability recognized in the balance sheet as on 31-03-2020		
	1. Present Value of funded Obligations	-	-
	2.Present Value of unfunded Obligations	4,76,448	4,20,898
	3.Fair Value of plan assets as at 31-03-2020	-	-
	4.Unrecognized past service cost	-	-
	5.Net liability as at 31-03-2020	4,76,448	4,20,898

	Particulars	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
III	<u>Changes in Benefit obligations during the year ended</u> 1.Present Value of Defined Benefit Obligation at the beginning of the year 2.Current Service Cost 3.Interest Cost 4.Actuarial(Gains)/losses 5.Benefit payments 6.Present Value of Defined Benefit Obligation at the end of the year	4,20,898 119,941 29,463 (93,854) NIL 4,76,448	2,69,778 88,669 20,908 67,543 (26,000) 4,20,898
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 Equity Shares of Listed Companies Property Funds Managed by Insurer Bank Balance	Nil	Nil
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	7.00% - 7.25% IALM(2006- 08) Ult. 5% at younger ages reducing gradually to 1% at older ages	7.75% - 7.25% 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)	4,76,448 - (4,76,448)	4,20,898 - (4,20,898)

- (v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2020 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 and Spare Parts Components consumed

Year	2019-20		2018-19	
Particulars	Amount in Rs.	%	Amount in Rs.	%
Imported	-		-	
Raw Material	86,21,788	100	79,18,689	100
Spare Parts	65,67,810		27,11,349	

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

(xi) The company has earned an income towards marketing service done by it amounting to Rs 7,85,56,915/- during the course of the year.

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

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

(xii) RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2020 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 31.03.2020
Directors Salary – R Natarajan	6,24,000/-	52,000 /-
Advance Returned – Gita Renewable	1,70,00,000/-	78,00,000/-

(xii) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2020.

(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.

xiii)	Earnings Per Share:	2019-20	2018-19
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.)	12,59,76,850	(9,38,05,893)
c)	Basic and Diluted earnings per share (Rs.)	34.95	(26.02)

(xiv) Previous year figures:

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

As per books of accounts produced  
For S.K GULECHA & ASSOCIATES  
Chartered Accountants  
FRN 013340S

For Chennai Ferrous Industries Limited  
Sd/-  
R Natarajan  
Chairman & Managing Director

Sd/-  
Suresh Kedia  
Director

Sd/-  
SANDEEP KUMAR GULECHA  
(MNR: 226263)

Sd/-  
Priyanka Saraf  
Company Secretary

Sd/-  
K. Karthikeyan  
Chief financial officer

PLACE: Chennai  
Date: 27.08.2020

UDIN No: 20226263AAAAFS7977