

**CHENNAI FERROUS INDUSTRIES LIMITED**  
**Annual Report 2023-2024**

**CORPORATE INFORMATION**

<b>Board of Directors</b>  Mr.R.Natarajan Chairman & Managing Director  Mrs. Mohan Chitra Non-Executive, Independent Director  Mr.Nagarajan Ramakrishnan Non-Executive, Independent Director (appointed with effect from 14.08.2023)  Mr.Muthaiyan Saravanan Non-Executive, Independent Director (appointed with effect from 14.08.2023)  Mr. Venkatasubramanian Pichaiswaminathan Non-Executive, Non-Independent Director (resigned w.e.f. close of business hours on 14.08.2023)  Mr. Balasubramanian Anandan Non-Executive, Independent Director (resigned w.e.f. close of business hours on 14.08.2023)  Mr. Karthikeyan Kunjithapatham Chief Financial Officer  <b>Company Secretary &amp; Compliance Officer</b> Mr. Babu Kumaran  <b>Website</b> <a href="https://www.chennaiferrous.com">https://www.chennaiferrous.com</a>	<b>Registered Office</b> Survey No.180-183,190 & 191, Periya Obulapuram Village, Nagaraja Kandigai, Madharapakkam Road Gummidipoondi, Tiruvallur 601201, Tamilnadu  <b>Statutory Auditors</b> M/s. S. K. Gulecha & Associates Chartered Accountants No.51, (New No.20) Venkatachalam Street, Choolai, Chennai-600112.  <b>Secretarial Auditor</b> M/s M K Madhavan & Associates Company Secretaries New No.204/3, Old No.117/3, Venkatachalam Street, Mylapore, Chennai-600004  <b>Bankers</b> Punjab National Bank  <b>Registrar &amp; Share Transfer Agents</b> M/s. Cameo Corporate Services Limited “Subramanian Building” 1, Club House Road Chennai-600002 Phone:91 44 28460390 Email:investor@cameoindia.com agm@cameoindia.com
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**NOTICE**

NOTICE is hereby given that the Fourteenth (14<sup>th</sup>) Annual General Meeting of the shareholders ("AGM") of Chennai Ferrous Industries Limited will be held on Wednesday, the 25<sup>th</sup> day of September 2024 at 02.30 P.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses. The venue of the AGM shall be deemed to be the Registered office of the Company at Survey No.180-183, 190 & 191, Periya Obulapuram Village Nagaraja Kandigai, Madharapakkam Road, Gummidipoondi, Thiruvallur TN 601201, Tamilnadu.

**ORDINARY BUSINESS****Item No.1:- Adoption of Financial Statements**

To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended March 31,2024, which comprise the Audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including the statement of other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2024 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** the Audited Financial Statements of the Company for the year ended March 31, 2024, which comprise the Audited Balance Sheet as at March 31,2024, the Statement of Profit and Loss (including the statement of other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year ended ,notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended 31<sup>st</sup> March 2024 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered, approved and adopted."

**Item No.2:- To appoint a Director in place of Mr. R Natarajan (DIN : 00595027), who retires by rotation and being eligible offers himself for re-appointment**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. R Natarajan (DIN: 00595027), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

*By Order of the Board of Directors*  
For Chennai Ferrous Industries Limited

Place: Gummidipoondi  
Date: 28<sup>th</sup> August 2024

**R Natarajan**  
Chairman & Managing Director  
DIN: 00595027

**Notes:**

1. The Ministry of Corporate Affairs (MCA) had vide General Circular 09/2023 dated September 25, 2023, read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, (collectively referred as "Circulars") permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue. In accordance with the aforesaid Circulars and applicable provisions, if any of the Companies Act, 2013 ("the Act") read with Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI (LODR) Regulations, 2015") the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. As per provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business are considered to be unavoidable by the Board and hence, form part of this Notice.
2. In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Registrar and Transfer Agent ("RTA")/ Depository Participants ("DP")/Depositories. Members may note that the aforesaid documents will be available on the Company's website at <https://chennaiferrous.com/> website of the Stock Exchange, BSE Limited at [www.bseindia.com](http://www.bseindia.com). In case any member is desirous of obtaining hard copy of the Annual Report for financial year ended March 31, 2024 may send a request to the Company's email address at [investor@chennaiferrous.com](mailto:investor@chennaiferrous.com) mentioning their Folio no./ DP ID and Client ID.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Subject to receipt of a requisite number of votes, the resolutions, shall deemed to be passed on the date of the AGM. i.e., Wednesday September 25, 2024. Members will be allowed to attend the AGM through VC / OAVM on a first come, first served basis.
4. Since the AGM will be held through VC / OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Details pursuant to Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment at this AGM are also annexed as Annexure A.
6. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/ her behalf at the AGM, and the proxy need not be a member of the Company. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of 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 and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM to participate and cast their votes through e-voting.
7. Members of the Company under the category of Institutional/ Corporate Members (i.e., other than Individuals, HUF, NRI, etc.) are encouraged to attend and vote at the AGM through VC. Members intending to authorize their representatives to participate and vote at the meeting are requested to submit a scanned copy (PDF format) of the relevant Board or governing body resolution/authorization letter, etc. together with attested specimen signature(s) of the duly authorized signatory (ies) who is/are authorised to vote, to the scrutinizer ([cs.madhavanmk@gmail.com](mailto:cs.madhavanmk@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Such authorization should contain necessary authority in favour of its authorised representative(s) to attend the AGM.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. They shall also be available for inspection at the Registered Office of the Company during officer hours on all days except Saturday, Sunday & Public holidays between 11:00 am. (IST) and 1:00 pm. (IST) up to the date of the AGM. Members seeking to inspect such documents can send an e-mail to investor@chennaiferrous.com.
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 20, 2024 through e-mail to investor@chennaiferrous.com. The same will be replied to by the Company suitably.
10. The Register of Members and the Share Transfer Books of the company shall remain closed from Saturday, 21<sup>st</sup> September 2024 to Wednesday, 25<sup>th</sup> September 2024 (both days inclusive) for the Annual General Meeting.
11. Members, whose KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.) is not registered/ updated with the Company or with their respective ("DP"), and who wish to receive the Notice of the AGM, the Annual Report for the financial year ended March 31, 2024 and all other future communications sent by the Company from time to time, can get their KYC details registered/ updated by following the steps as given below:
  - (a) Members holding shares in physical form by submitting duly filled and signed request letter in Form ISR-1 along with self-attested copy of the PAN Card linked with Aadhaar; and self-attested copy of any document in support of the address of the member (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport etc.) and such other documents as prescribed in the Form ISR-1, by sending an e-mail at investor@cameoindia.com or investor@chennaiferrous.com followed by mandatorily sending the physical copy of the same through post at the Registered Office of the Company/ RTA; and
  - (b) Members holding shares in demat form may update their KYC details including e-mail address with their DP from time to time.
12. For members who hold shares in physical form, the Securities and Exchange Board of India ("SEBI"), vide its Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 read with SEBI/HO/MIRSD/POD1/P/CIR/2024/81 dated June 10, 2024, as amended from time to time, has mandated furnishing of PAN linked with Aadhaar and KYC details (i.e. e-mail address, postal address with PIN code, mobile number, bank account details, PAN details linked with Aadhaar etc.). In case any of the aforesaid documents/ details are not available in the record of the Company/ RTA, the Member shall not be eligible to lodge grievance or avail any service request from the RTA until they furnish complete KYC details/ documents. Further, with effect from April 1, 2024, any payment of dividend shall only be made in electronic mode to such members.
13. The members holding shares in physical mode are requested to lodge/notify the communication for change of address, Bank details, ECS details, wherever applicable, mandates (if any) with the Company's RTA, Cameo Corporate Services Limited by sending e-mail to investor@cameoindia.com.
14. The members/beneficial owners holding shares in dematerialised form are requested to update user profile details to their DP and not to the Company or the RTA of the Company, as the Company is obliged to use only the data provided by the Depositories.
15. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP.

17. Further SEBI has mandated, that securities of listed companies can be transferred only in dematerialised, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA M/s Cameo Corporate Services Limited for assistance in this regard.
18. Online Dispute Resolution (ODR) Portal is introduced by SEBI vide its Master Circular SEBI/HO/OIAE/OIAE\_IAD1/P/CIR/2023/145 dated 11th August 2023, which is in addition to the existing SCORES 2.0 portal which can be utilised by the investors and the Company for dispute resolution. Please note that the investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

#### Instructions for e-voting::

- (a) In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015 read with circular of SEBI on e-Voting Facility provided by Listed Entities, dated December 9, 2020, the Company is providing to its Members facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

The Company has availed the facilities of the National Securities Depository Limited (NSDL) for facilitating e-voting. The facility of casting votes by a Members using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

- (b) The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
22 <sup>rd</sup> September 2024, Sunday, at 9.00 A.M (IST)	24 <sup>th</sup> September 2024, Tuesday, at 5.00 P.M (IST)

- (c) The remote e-voting facility will be available during the following voting period:

The e-voting module will be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through the VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

- (d) The voting rights of Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paidup equity share capital of the Company as on the cut-off date i.e., Wednesday, September 18, 2024 ("Cutoff date").

- (e) A person, whose name is recorded in the Register of Members or the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date only shall be entitled to avail of the facility of remote e-voting or for participation at the AGM.

A person who is not a member as on the Cutoff Date should treat the Notice for information purposes only.

- (f) The Members who have cast their vote(s) by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote(s) again at the meeting.

The details of the process and manner for remote e-voting and voting during the AGM are explained below:





Step 1: Access to the NSDL e-voting system.

Step 2: Cast your vote electronically on the NSDL e-voting system.

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

		<b>NSDL Mobile App is available on</b>  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>	
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>	



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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can user 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.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.madhavanmk@gmail.com](mailto:cs.madhavanmk@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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 to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Mr. Amit Vishal, Vice President or Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) to get your grievances on e-voting addressed.

#### **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 of 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) along with Form ISR- 1 for updation of KYC details by email to [investor@cameoindia.com](mailto:investor@cameoindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor@cameoindia.com](mailto:investor@cameoindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Members are encouraged to join the Meeting through Laptops for better experience.
2. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. 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.
4. 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). The same will be replied by the company suitably.

**OTHER NOTES FOR MEMBERS:**

1. The Board of Directors of the Company has appointed M/s. M K Madhavan & Associates Practising Company Secretary (Firm Registration Number 1221/2021), Chennai as the 'Scrutiniser' to scrutinise the remote e-voting and e-voting at the AGM process in a fair and transparent manner.
2. The Scrutiniser shall after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
4. As per Regulation 44 of the SEBI (LODR) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchanges within two working days of the conclusion of the AGM. The results declared along with Scrutiniser's report shall be placed on the Company's website [www.chennaiferrous.com](http://www.chennaiferrous.com) and the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall also be intimated to the Stock Exchange.

5. Any person holding shares in physical form and nonindividual Members, who acquires shares of the Company and becomes a member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, September 18, 2024, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. 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 forgot your password, you can reset your password by using the “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll-free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Members holding securities in demat mode who acquire shares of the Company and become a Member of the Company after sending the Notice and holding shares as of the cut-off date i.e. Wednesday, September 18, 2024, may follow the steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

*By Order of the Board of Directors*  
For Chennai Ferrous Industries Limited

Place: Gummidipoondi  
Date: 28<sup>th</sup> August, 2024

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

**Details of the Directors proposed for appointment/reappointment pursuant to Regulation 36 (3) of SEBI Listing Regulations and SS-2 issued by ICSI**

<b>Name &amp; Designation</b>	Mr. R Natarajan Chairman & Managing Director
<b>Date of birth</b>	02-06-1952
<b>Age</b>	72
<b>Qualifications</b>	Graduate in Business Administration
<b>Brief Profile</b>	Mr. R. Natarajan has been serving the Company since 2014. He has close to four decades of rich experience in Steel Industry.
<b>Expertise in specific functional areas</b>	Administration
<b>Date of appointment on the Board of Directors</b>	13.08.2014
<b>Date of last reappointment on the Board of Directors</b>	29.06.2022
<b>No. of Board Meetings attended during the financial year 2023-24</b>	7 Meetings
<b>Terms and conditions of appointment</b>	As approved by the members in the 12 <sup>th</sup> AGM held on 29 <sup>th</sup> June 2022
<b>List of outside Directorships held</b>	Avanti Metals Private Limited Poleman Steels Private Limited Tamilnadu Enterprises & Investments Private Limited Gita Renewable Energy Limited OPG Renewable Energy Private Limited Chennai Ferrous Industries Limited ASAS Industries Private Limited
<b>Chairman/ Member of the Committees of Board of Directors of the Company</b>	Member of Stakeholders Relationship Committee and CSR Committee
<b>Chairmanship/Membership of the Committees of Board of Directors of other Companies in which Directorship is held</b>	Chairman of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee in Gita Renewable Energy Limited
<b>Directorship in other listed entity (Category of Directorship)</b>	Gita Renewable Energy Limited (Chairman and Managing Director)
<b>Relationship with other Directors/KMP</b>	Nil
<b>No. &amp; Percentage of Shares held in the Company</b>	Nil

**BOARD'S REPORT**

To the Members,

The Directors present the 14<sup>th</sup> Annual Report of Chennai Ferrous Industries Limited ("the Company") along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024.

**FINANCIAL RESULTS**

(Rupees in Lakhs)

S.N	Particulars	Financial Year 2023-24	Financial Year 2022-23
01.	Revenue from Operations (Net)	13,642.29	13,890.27
02.	Other Income	660.60	339.50
03.	<b>Total Income</b>	<b>14,302.90</b>	<b>14,229.77</b>
04.	Operating Profit (PBIDT)	597.53	439.94
05.	Finance Cost	10.17	2.07
06.	Depreciation and Amortisation Expenses	113.70	108.47
07.	Profit before tax	473.67	329.40
08.	Tax Expense	194.51	-
09.	<b>Net Profit before the year</b>	<b>279.16</b>	<b>329.40</b>
10.	Other Comprehensive Income/Losses	-	-
11.	<b>Total Comprehensive Income for the period</b>	<b>279.16</b>	<b>329.40</b>
12.	Earnings per share (in Rs.)	7.74	9.14

**PERFORMANCE REVIEW**

The Company's revenue from operations for the year under review is Rs. 13,642.29 lakhs as compared to Rs. 13,890.27 lakhs in the previous year. The Profit After Tax is at Rs. 279.16 lakhs as compared to Rs. 329.40 lakhs in the previous year.

**SHARE CAPITAL**

During the year under review, there were no changes in the share capital of the Company.

**DIVIDEND**

The Directors have not recommended any Dividend on equity shares of the company for the year ended 31<sup>st</sup> March 2024.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013 ["the Act"], the Directors of the Company, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards have been followed and there are no material departures;

- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2024 and of the profit of the Company for the year ended on that date;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts of the Company on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliances with provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of the internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over the financial reporting by the statutory auditors and reviews performed by the management and the audit committee, the Board of Directors is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2023-24.

#### **DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Balasubramanian Anandan, Non-Executive Independent Director, and Mr. Venkatasubramanian Pichaiswaminathan, Non-Executive Non-Independent Director, resigned from the Board of Directors of the Company, effective at the close of business on 14th August 2023. The Board sincerely appreciates the valuable contributions they made during their tenure as Directors.

Mr. Nagarajan Ramakrishnan and Mr. Muthaiyan Saravanan, who were appointed as Additional Directors, under Non-Executive Non-Independent Category, at the Board meeting held on 14th August 2024, will hold office until the ensuing Annual General Meeting. They were appointed as Directors at the 13th Annual General Meeting held on 26th September 2023.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Mr. R. Natarajan, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

#### **Key Managerial Personnel**

During the period under review Mrs K.V.Lakshmi- Company Secretary, died in a Car accident. The Board places on record its appreciation of the contributions made by her to the Company.

During this period, Mr. Babu Kumaran was appointed as the Company Secretary and Compliance Officer of the Company, effective from 8th January 2024.



Pursuant to the provisions of Section 203 of the Act read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2024 are Mr. R. Natarajan, Chairman and Managing Director, Mr. Karthikeyan Kunjithapatham, Chief Financial Officer and Mr Babu Kumaran, Company Secretary.

## **MEETINGS**

### **Board Meetings**

The Board of Directors met seven times during the financial year 2023-24. The meetings were held on 24th April 2023, 23rd May 2023, 14th June 2023, 14th August 2023, 3rd November 2023, 8th January 2024 and 30th January 2024. In order to transact urgent business, approval of the Board/ Committees were taken by passing resolutions through circulation pursuant to Section 175 of the Companies Act, 2013, which were noted at the subsequent meeting of the Board /Committees, as the case may be.

### **Committee Meetings**

The Audit Committee met four times during the year 2023-24. The meetings were held on 23rd May 2023, 14th August 2023, 3rd November 2023 and 30th January 2024.

The Nomination and Remuneration Committee met once during the year 2023-24.

The Stakeholders Relationship Committee met twice during the year 2023-24.

### **Corporate Social Responsibility Committee**

During the period under review 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.

## **BOARD EVALUATION**

The Board of Directors has carried out the annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the applicable SEBI Listing Regulations.

The performance of the Board was evaluated by the Board seeking inputs from all directors on the basis of criteria such as adequacy of the composition of the Board and its committees, Board culture, effectiveness of board processes and performance of specific duties, obligations and governance. The performance of the Committees was evaluated by the Board on the basis of criteria such as composition of committees, effectiveness of committee meetings, etc., The individual directors were evaluated on parameters such as level of engagement and contribution of the individual Director to the Board and committee meetings, independence of judgement, etc.,

In a separate meeting of the independent directors held on 30<sup>th</sup> January 2024, performance of the non-independent directors and Board as a whole was reviewed and performance of Chairman of the Company was reviewed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

**POLICY ON DIRECTORS' APPOINTMENT & REMUNERATION**

The Remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice and is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Act is available on the website of the Company at [www.chennaiferrous.com](http://www.chennaiferrous.com).

**ADEQUACY OF INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were evaluated and no reportable deficiency in the design or operation of such controls were observed.

**AUDIT COMMITTEE**

The Company has a qualified independent Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and applicable SEBI Listing Regulations.

**a) Composition**

The Audit Committee is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and applicable SEBI Listing Regulations, as may be amended from time to time. The Committee comprises of the following members as on 31<sup>st</sup> March 2024: -

S.N	Name of the Member	Executive/Non-Executive/ Independent	Profile
1.	Mr. Nagarajan Ramakrishnan	Non-Executive Independent	Chairman
2.	Mrs. Mohan Chitra	Non-Executive Independent	Member
3.	Mr. Muthaiyan Saravanan	Non-Executive Independent	Member

All the members of the Audit Committee are financially literate.

**b) Terms of reference:**

The Audit Committee acts in accordance with the terms of reference as specified by the Board, pursuant to the provisions of Section 177 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and applicable SEBI Regulations.

- ❖ Recommending the appointment, remuneration and terms of appointment of auditors of the company;
- ❖ Examining the financial statement and auditor's report thereon;
- ❖ Reviewing, with the management the quarterly financial statements before submission to the Board for approval;
- ❖ Approval or any subsequent modification of transactions of the company with related parties;
- ❖ Evaluating the internal financial controls and risk management systems;

- ❖ Calling for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and also discuss any related issues with the internal and statutory auditors and the management of the company.
- ❖ Reviewing the functioning of the whistle blower mechanism.
- ❖ Scrutiny of inter-corporate loans and investments;
- ❖ Valuation of undertakings or assets of the Company, wherever it is necessary;

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

## **AUDITORS**

### **Statutory Auditor**

Pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 read with Companies (Audit & Accounts) Rules, 2014 M/s. S.K. Gulecha & Associates, Chartered Accountants, Chennai (Firm Registration No. 013340S) were appointed as the Statutory Auditors of the Company by the shareholders for the term of 5 Consecutive years, from the conclusion of the 10<sup>th</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the year 2025. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away with pursuant to the Companies (Amendment) Act, 2017, effective from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Notes to financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. M.K. Madhavan, M/s M.K. Madhavan & Associates, Practising Company Secretaries as Secretarial Auditor to conduct Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith as **Annexure-I** to this Report. The Company inadvertently missed to upload the status of reclassification application filed for reclassification of certain members of Promoter and Promoter Group to public category.

## **RISK MANAGEMENT**

The Board of Directors has developed and implemented a Risk Management Policy for the company. The Board is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee additionally overviews the financial risks and controls. The Risk Management Policy is available on the website of the Company at [www.chennaiferrous.com](http://www.chennaiferrous.com).

**VIGIL MECHANISM**

The Company has established a Vigil Mechanism for Directors and Employees to report to the management about any unethical behaviour, fraud or violation of Company's code of conduct, pursuant to Section 177 (9) of the Companies Act, 2013, and the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

During the year the board has not received any complaints / grievances from the employees of the company. The Whistle Blower Policy is available on website of the Company at [www.chennaiferrous.com](http://www.chennaiferrous.com).

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not made, given or provided any loans or investment or guarantee or security to any person or body corporate under the provisions of Section 186 of the Companies Act, 2013.

**TRANSACTIONS WITH RELATED PARTIES**

Information on transactions with related parties pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed herewith as **Annexure-II** to this Report.

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 (3) read with Section 134 (3) (a) of the Companies Act, 2013, the Annual Return in Form MGT 7 shall be placed on the website of the company at [www.chennaiferrous.com](http://www.chennaiferrous.com) after the conclusion of the 14<sup>th</sup> Annual General Meeting.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014 is annexed herewith as **Annexure-III** to this Report. Pursuant to Rule 5(2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of eight lakh and fifty thousand rupees per month or one crore and two lakh rupees per year during the year under review.

**CORPORATE GOVERNANCE**

In accordance with Regulation 15(2)(a) of the SEBI (LODR) Regulations, 2015, the compliance with the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D, and E of Schedule V shall not apply in respect of-

*The listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty-five crore, as on the last day of the previous financial year.*

Since the paid up Equity Share Capital and Net-worth of the Company as on the last day of the previous financial year was below the stipulated limits as prescribed under Regulation 15 (2) (a) of SEBI (LODR) Regulations, 2015, the compliance with the corporate governance provisions shall not be applicable to the Company.

As required under Schedule V (B) of SEBI Listing Regulations, Management Discussion and Analysis Report is attached and forms part of this report.

#### **SECRETARIAL STANDARDS**

The Company complies with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace pursuant to the requirements of the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with relevant Rules made thereunder. Accordingly, Internal Complaints Committee ["ICC"] has been constituted for redressal of any sexual harassment complaint. The following is the summary of the complaints during the financial year 2023-24:-

- a) Number of Complaints received during the financial year : Nil
- b) Number of Complaints disposed of during the financial year : Nil
- c) Number of Complaints pending as on end of the financial year : Nil

#### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outflow as required to be disclosed under Section 134 (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-IV** to this Report.

#### **STATE OF COMPANY AFFAIRS**

Management of Discussion and Analysis Report for the year under review, as stipulated in Regulation 34(2) (e) of SEBI Listing Regulations is given as a separate part of the annual report. It contains a detailed write up and explanation about the performance of the company.

#### **MATERIAL CHANGES & COMMITMENTS**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between 31<sup>st</sup> March 2024 and 28<sup>th</sup> August 2024.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

During the Financial Year 2023-24, no order has been passed by any regulatory authorities or Courts impacting the going concern status and Company's operations in future.

**ACKNOWLEDGEMENT**

Your directors express their grateful appreciation for the assistance and cooperation received from the Banks, Government Authorities, Corporate Professionals, Customers, Vendors and Shareholders during the year under review, in aiding the smooth flow of operations. Continued dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

For and on behalf of the Board of Directors

Place: Gummidipoondi  
Date : 28<sup>th</sup> August, 2024

**Nagarjan Ramakrishnan**  
Director  
DIN: 08315738

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

## ANNEXURE-I TO BOARD'S REPORT

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2024

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

To  
The Members of  
Chennai Ferrous Industries Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chennai Ferrous Industries Limited (hereinafter called the "Company") [CIN: L27310TN2010PLC075626] for the financial year 2023-24. The Secretarial Audit was conducted based on the records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

1. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, has 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, minute books, 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 2024 according to the applicable provisions of:

- i) The Companies Act, 2013 (the "Act") and the rules made thereunder read with notifications, exemptions, and clarifications thereto issued by the Ministry of Corporate Affairs from time to time.
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder, to the extent applicable.
- iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- iv) (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable.  
(b) Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs)-

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

- v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI ACT'), as amended:
  - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
  - b)

- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- ***Not applicable as the Company has not issued any share-based employee benefits/sweat equity shares to its employees during the year under review;***
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- ***Not applicable as the Company has not issued any debt securities during the financial year under review.***
- h) 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 year under review***)
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - ***Not applicable as the Company has not delisted/ propose to delist its shares from any stock exchange during the financial year under review;***
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - ***Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review.***
- vi) The other laws applicable specifically to the Company:
  - (a) Water (Prevention and Control of Pollution) Act, 1974.
  - (b) Air (Prevention and Control of Pollution) Act, 1981.
  - (c) Factories Act, 1948
  - (d) Electricity Act, 2003 and the rules made thereunder
  - (e) Environment Protection Act, 1986

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above, to the extent applicable to them except the following: There was a delay of seven days in appointing a qualified Company Secretary as the Compliance Officer after demise of the Company Secretary Mrs K V Lakshmi [Membership No: 9726] on 1st October 2023. The Company appointed Mr Babu Kumaran [Membership No. 8868] as the Company Secretary and Compliance Officer with effect from 08.01.2024.

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

The Board of Directors of the Company is duly constituted with a balance of Executive Directors, Non-Executive Directors, and Independent Directors, including Woman Director.



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

All decisions were taken unanimously at the Board and committee meetings. All resolutions were passed at the Annual General meeting with requisite majority.

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

**We further report** that during the Period under review, the Members of the Company at the 13<sup>th</sup> Annual General Meeting ("AGM") held on 26<sup>th</sup> September 2023 approved the following matters also:

- (i) Appointment of Mr. Nagarajan Ramakrishnan (DIN: 08315738) as an Independent Director of the Company for a term of five consecutive years commencing with effect from 14<sup>th</sup> August 2023 up to 13<sup>th</sup> August 2028.
- (ii) Appointment of Mr. Muthaiyan Saravanan (DIN: 10277688) as an Independent Director of the Company for a term of five consecutive years commencing with effect from 14<sup>th</sup> August 2023 up to 13<sup>th</sup> August 2028.
- (iii) Reclassification of certain members of Promoter & Promoter Group to Public Category pursuant to SEBI (Listing Obligations and Disclosure Requirements), 2015
- (iv) Power to give loans or invest funds of the Company in excess of the limits specified under Section 186 of the Companies Act, 2013

**We further report** that during the Period under review, the Company applied to BSE on 25.10.2023 for the reclassification of promoters but did not receive approval.

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

**M K MADHAVAN**  
Proprietor  
Membership No.: F-8408 / C.P. No.: 16796  
P.R. No. 1221/2021  
UDIN: F008408F001007881  
Date: 20.08.2024  
Place: Chennai

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

**Annexure-A**

To

The Members of  
Chennai Ferrous Industries Limited.

Dear Members,

Sub.: Secretarial Audit of Chennai Ferrous Industries Limited for the financial year ended 31<sup>st</sup> March 2024.

This letter forms integral part of our secretarial audit report dated 20.08.2024

**Management's Responsibility:**

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

**Auditor's Responsibility:**

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

**Disclaimer:**

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

For **M K MADHAVAN & ASSOCIATES**

Company Secretaries

**M K MADHAVAN**

Proprietor

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

P.R. No. 1221/2021

Date: 20.08.2024

Place: Chennai

**ANNEXURE-II TO BOARD'S REPORT****Form No. AOC-2**

*[Pursuant to clause (h) of sub-section (3) of Section 134 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 sub-section (1) of Section 188 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:**

The Company has not entered into any contracts or arrangements or transactions with its related parties which is not at arm's length basis during the financial year 2023-24.

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

SN	Particulars	Details
i)	Name(s) of related party and nature of relationship:	Not Applicable
ii)	Nature of contracts/arrangements/transactions	Not Applicable
iii)	Duration of the contracts/arrangements/transactions	Not Applicable
iv)	Salient terms of the contracts/arrangements/transactions including value, if any:	Not Applicable
v)	Date (s) of approval by the Board, if any:	Not Applicable
vi)	Amount paid as advances, if any :	Not Applicable

Note:

There were no material contracts or arrangements or transactions with related parties at arms's length basis during the financial year 2023-24 as per the limits prescribed under Section 188 of the Companies Act, 2013 Read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended from time to time.

For and on behalf of the Board of Directors

Place: Gummidipoondi  
Date: 28<sup>th</sup> August, 2024

**R. Natarajan**  
chairman & Managing Director  
DIN: 00595027

## ANNEXURE-III TO BOARD'S REPORT

## Particulars of Employees

**[Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014 as may be amended]**

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<table border="1"> <tr> <td>Mr. R. Natarajan Chairman &amp; Managing Director</td><td>12.38</td></tr> </table>	Mr. R. Natarajan Chairman & Managing Director	12.38				
Mr. R. Natarajan Chairman & Managing Director	12.38						
(ii) the percentage increase in remuneration of the each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<table border="1"> <tr> <td>Mr. R. Natarajan Chairman &amp; Managing Director</td><td>0.38</td></tr> <tr> <td>Mr. Karthikeyan Kunjithapatham Chief Financial Officer</td><td>17.10</td></tr> <tr> <td>Mr. Babu Kumaran Company Secretary</td><td>-</td></tr> </table>	Mr. R. Natarajan Chairman & Managing Director	0.38	Mr. Karthikeyan Kunjithapatham Chief Financial Officer	17.10	Mr. Babu Kumaran Company Secretary	-
Mr. R. Natarajan Chairman & Managing Director	0.38						
Mr. Karthikeyan Kunjithapatham Chief Financial Officer	17.10						
Mr. Babu Kumaran Company Secretary	-						
(iii) the percentage increase in the median remuneration of employees in the financial year	12.76						
(iv) the number of permanent employees on the rolls of the Company;	5						
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<table border="1"> <tr> <td>Average increase in salaries of employees other than managerial personnel in 2023-24 (in % annually)</td><td>12.76</td></tr> <tr> <td>% increase in remuneration of Chairman &amp; Managing Director</td><td>0.38</td></tr> <tr> <td>% increase in remuneration of CFO</td><td>17.10</td></tr> </table>	Average increase in salaries of employees other than managerial personnel in 2023-24 (in % annually)	12.76	% increase in remuneration of Chairman & Managing Director	0.38	% increase in remuneration of CFO	17.10
Average increase in salaries of employees other than managerial personnel in 2023-24 (in % annually)	12.76						
% increase in remuneration of Chairman & Managing Director	0.38						
% increase in remuneration of CFO	17.10						
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms that the remuneration is as per the remuneration policy of the company						

For and on behalf of the Board of Directors

Place: Gummidipoondi  
Date: 28<sup>th</sup> August, 2024

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

**ANNEXURE –IV TO BOARD’S REPORT**

*[Information pursuant to Section 134 (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014]*

**A. Conservation of energy:****(i) Steps taken or impact on conservation of energy:**

1. Electricity consumption of the company is controlled with efficient monitoring mechanism and employee training energy conservation.
2. Electrical infrastructure in the company is fully geared to automatically conserve the valuable energy resources.
3. Electricity consumption has always been under control with judicious consumption.

**(ii) Steps taken by the company for utilizing alternate sources of energy: None****(iii) Capital Investment on energy conservation equipments: None****B. Technology absorption:****(i) Efforts made towards technology absorption: Nil****(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil****(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):- N.A**

- (a) Details of Technology imported;
- (b) Year of import;
- (c) Whether the technology has been fully absorbed;
- (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof;

**(iv) the expenditure incurred on Research & Development:**

- (a) Capital : Nil
- (b) Recurring: Nil
- (c) Total : Nil

**C. Foreign exchange earnings and outgo:**

Total foreign exchange earnings during the year (in terms of INR) : Nil

Total foreign exchange used for operations (in terms of INR) : Nil

For and on behalf of the Board of Directors

Place: Gummidipoondi  
Date: 28<sup>th</sup> August, 2024

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

### **Management Discussion and Analysis Report**

Pursuant to Regulation 34(3) and Para B of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments thereof, details of the Management discussion and analysis are given below:

#### **Industry Structure & Development**

Coal continues to be one of the key drivers in fuelling India's rise, bringing energy to millions of households and generating useful economic activity. It continues to be the mainstay of India's energy mix, even as concerns over climate change and air pollution have highlighted the need to pursue a more sustainable path forward.

The Government of India's thrust on enhancing Thermal Capacity for power generation over the next decade to meet the increasing power requirement of the Country would lead to constant increase in the demand for coal.

#### **Opportunities and Challenges, Risks and Concerns**

Government of India's focus on "Atma Nirbar" is encouraging domestic coal and the Government has introduced schemes such as "Shakti Scheme" to increase domestic coal production along with imports.

The Company continues to focus on trading of coal as the Demand for coal is expected to rise in future with economic and Industrial growth as also increase in domestic consumption.

#### **Product –wise performance**

The Company was engaged in the manufacture of Sponge Iron. However, in view of sluggish demand, fluctuating volatile raw materials prices, regional demand & supply imbalances, the Company moved to trading of coal as the Demand for the coal is expected to rise in future.

During the year under review, the Company generated revenue through trading of coal. The company has leased its Sponge Iron Plant to generate lease rental revenues.

#### **Outlook**

The International Energy Agency (IEA), in its World Energy Outlook has said that India is likely to see the world's biggest rise in energy demand this decade, with demand climbing 3 per cent annually due to urbanisation and industrialisation. While the push for renewable energy will see it meeting as much as 60 per cent of the growth in demand for power, coal will continue to meet a third of overall energy demand by 2030 and another quarter will be met by oil.

In India, coal is expected to meet a third of growth with demand rising above 770 million tonnes of coal equivalent (Mtce) by 2030, and continuing thereafter before peaking in the early 2030s.

#### **Internal Control Systems**

Internal control systems continued to function as effectively as in the past. Top management and the Board of Directors and the Committees thereof continue to be actively involved in ensuring that all controls work as intended.

### Financial and Operations Performance

The Company's review from operations for the year under review is Rs. 1,36,42,29,437 as compared to Rs. 1,38,90,27,278 in the previous year. The Profit After Tax is at Rs. 2,79,15,526 as compared to Rs. 3,29,39,904 in the previous year. The net profit generated during the year has been transferred to Retained Earnings under Reserves & Surplus.

The Company has identified the following as Key Financial Ratios:-

Sl.No	Key Financial Ratios	2023-24	2022-23	Variance in %
1.	Debtors Turnover Ratio (in days)	4.81	2.25	2.56
2.	Net Profit Margin (%)	3.47	2.37	1.10
3.	Current Ratio (times)	1.66	1.02	0.64
4.	Return on Capital Employed (%)	77.45	91.39	(13.94)

The Debt-Equity ratio and Debt-Service Coverage ratio are not applicable to the Company since there are no borrowings.

Decline in net profit has resulted in the lower Net Profit margin and Return on Equity.

### Human Resource Development

The Company values its Human Resources and undertakes periodic upgradation of skill levels by appropriate training of its workforce.

**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, 2024, 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, 2024, 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, 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 and 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 is 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, 2020 ("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, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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
  - d. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts
  - i. The company has not advanced any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts

- ii. The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts
- iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement
- iv. The company has not declared or paid any dividend during the year.
- v. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023 and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2024.

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 013340S

**(Sandeep Kumar Gulecha)**

Membership No. 226263  
UDIN No: 24226263BKBN0H4078  
Place: Chennai  
Date:16.05.2024

**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 Property, Plant and Equipment.
	(b)	The Company does not have any intangible assets and accordingly, provisions of clauses (i) (a) (B) of the Order is not applicable to the Company.
	(c)	According to the information and explanations given to us, the Company has a regular program of verification to cover all the items of Property, Plant and Equipment 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. Pursuant to the programme, certain Property, Plant and Equipment were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
	(d)	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.
	(e)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not revalued its Property, Plant and Equipment during the year.
2.	In our opinion, the management has conducted physical verification of inventories at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. No material discrepancies between physical inventories and book records were noticed on such physical verification.	
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.	<p>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.</p> <p>During the year, investments made and terms and conditions of grant of all loans and advances are not prejudicial to Company’s interest.</p>	
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.	The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.	

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, goods and service tax, duty of customs, 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, goods and service tax, duty of customs, cess and other material statutory dues were in arrears as at March 31, 2024 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 goods and service tax, duty of customs, 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 amount relates	to the	Forum where the dispute is pending
		NIL					
8.	According to the information and explanations given to us, the Company has not taken any term loans during the year.						
9	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(x) (b) 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 and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
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. Accordingly, clause 3 (xvi) (a) and (b) of the Order is not applicable.
17.	(a) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3 (xvi) (c) of the Order is not applicable.  (b) According to the information and explanations given to us during the course of audit, the Group does not have CIC. Accordingly, the requirements of clause 3 (xvi) (d) are not applicable.
18.	On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
19.	In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
20.	The Company has not incurred any cash losses in the current financial year. Accordingly, clause 3 (xvii) of the Order is not applicable.
21.	There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
22.	In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.
23.	In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3 (xx) (a) and 3 (xx) (b) of the Order are not applicable.

**For S.K GULECHA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 013340S

**(Sandeep Kumar Gulecha)**

Membership No. 226263

UDIN No: 24226263BKBNOH4078

Place: Chennai

Date: 16.05.2024

**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, 2024, 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.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management 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, 2024, 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

**(Sandeep Kumar Gulecha)**  
Membership No. 226263  
UDIN No: 24226263BKBN0H4078  
Place: Chennai  
Date: 16.05.2024

**Chennai Ferrous Industries Limited**  
**Balance Sheet as at 31 March, 2024**

**Annual Repot 2023-2024**

**All amounts are in ₹ lakhs unless otherwise stated**

Particulars	Note No.	As at 31 March, 2024	As at 31 March, 2023
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	3,320.82	3,429.56
Financial Assets			
(i) Investments	4	819.76	1,116.76
(ii) Security Deposit	5	3.00	32.28
		<b>4,143.58</b>	<b>4,578.60</b>
<b>(2) Current assets</b>			
Inventories	6	-	7,782.82
Financial Assets			
(i) Trade receivables	7	359.67	171.47
(ii) Cash and cash equivalents	8	127.43	106.01
(iii) Trade Advances	9	1,623.33	1,768.22
Other current assets	10	193.30	463.99
		<b>2,303.73</b>	<b>10,292.51</b>
<b>Total Assets</b>		<b>6,447.31</b>	<b>14,871.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	11	360.45	360.45
Other Equity			
Retained Earnings	11.1	1,787.27	1,508.11
Revaluation Reserve		2,656.60	2,656.60
		<b>4,804.31</b>	<b>4,525.16</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Trade payables		-	-
Deferred tax liabilities (Net)		257.50	257.50
		<b>257.50</b>	<b>257.50</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	12	1,009.81	10,051.28
(iii) Other financial liabilities		54.05	-
Other current liabilities	13	183.17	37.17
Provisions		138.47	-
		<b>1,385.50</b>	<b>10,088.45</b>
<b>Total Equity and Liabilities</b>		<b>6,447.31</b>	<b>14,871.11</b>
Significant Accounting Policies	2		
Additional Information to financial statements	20		
Accompanying notes are an integral part of the Financial Statements			
As Per our report of Even Dated		<b>For Chennai Ferrous Industries Limited</b>	
For S.K. Gulecha & Associates			
Chartered Accountants			
Firm Registration.No.013340S	R Natarajan	Nagarajan Ramakrishnan	
	Managing Director	Director	
Sandeep Kumar Gulecha	DIN: 00595027	DIN: 08315738	
Membership.No: 226263			
UDIN No: 24226263BKBN0H4078			
Place: Chennai	K.Karthikeyan	Babu Kumaran	
Date: 16.05.2024	Chief Financial Officer	Company Secretary	

## Statement of Profit and Loss for the year ended 31 March, 2024

All amounts are in ₹ lakhs unless otherwise stated

Particulars		Note No.	For the year ended 31 March, 2024	For the year ended 31 March, 2023
1	Revenue from operations (gross)	14	13,642.29	13,890.27
	Less: Excise duty		-	-
	Revenue from operations (net)		13,642.29	13,890.27
2	Other income	15	660.60	339.50
3	<b>Total revenue</b>		<b>14,302.90</b>	<b>14,229.77</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed		-	-
	(b) Purchases of stock-in-trade		5,240.10	20,937.38
	(c) Changes in inventories of F.G, W.I.P and stock-in-trade	16	7,782.82	-7,763.12
	(d) Employee benefits expense	17	129.35	115.70
	(e) Finance costs	18	10.17	2.07
	(f) Depreciation and amortisation expense	5	113.70	108.47
	(g) Other expenses	19	553.10	499.87
	<b>Total expenses</b>		<b>13,829.23</b>	<b>13,900.37</b>
5	<b>Profit before exceptional and tax</b>		<b>473.67</b>	<b>329.40</b>
6	Exceptional items		-	-
9	<b>Profit / (Loss) before tax</b>		<b>473.67</b>	<b>329.40</b>
10	<b>Tax expense:</b>			
	(a) Current tax expense		138.47	-
	(b) Income tax Expense of the earlier year		56.04	-
	(c) Deferred Tax		-	-
			<b>194.51</b>	<b>-</b>
	<b>Profit (Loss) for the period from continuing operations</b>		<b>279.16</b>	<b>329.40</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>279.16</b>	<b>329.40</b>
	<b>Other Comprehensive Income</b>			
	A Re measurement of defined benefit plans		-	-
	Income tax effect		-	-
			-	-
	B Measurement of financial assets through OCI		-	-
	Income tax effect		-	-
			-	-
	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>279.16</b>	<b>329.40</b>
	Earnings per equity share (for continuing operation):			
	(1) Basic		7.74	9.14
	(2) Diluted		7.74	9.14
	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
	Earnings per equity share (for discontinued & continuing operations):			
	(1) Basic		7.74	9.14
	(2) Diluted		7.74	9.14

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 &amp; Associates

Chartered Accountants

Firm Registration.No.0133405

R Natarajan

Nagarajan Ramakrishnan

Managing Director

Director

DIN: 00595027

DIN: 08315738

Sandeep Kumar Gulecha

Membership.No: 226263

UDIN No: 24226263BKBN0H4078

K.Karthikeyan

Babu Kumaran

Place: Chennai

Chief Financial Officer

Company Secretary

Date: 16.05.2024

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

Particular	Year Ended 31-03-2024 (Amount in Lakhs)		Year Ended 31-03-2023 (Amount in Lakhs)	
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax And Extradinary Items		279.16		329.40
Add:				
Depreciation	113.70		108.47	
Provision for Income tax	194.51		-	
Interest Expenses	10.17	318.38	2.07	110.54
<b>Operating Profitbefore Working Capital Changes</b>		597.53		439.94
Adjustments for movement in Working Capital:				
- (Increase)/Decrease in Inventories	7,782.82		(7,763.12)	
- (Increase)/Decrease in Trade Receivable	(188.20)		207.51	
Short Term Loans & Advances (Asset)	144.89		(418.62)	
Long Term Loans & Advances (Assets)	29.28		0.08	
Other Current Assets	270.69		(356.37)	
Other Financial Liabilities	54.05		-	
Trade Payables	(9,041.47)		8,923.72	
Other Current Liabilities	146.00		(99.36)	
		(801.94)		493.83
		(204.40)		933.77
Less: Direct Taxes Paid		-		-
<b>Net Cash Flow Operating activities (A)</b>		<b>(204.40)</b>		<b>933.77</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>				
(Purchase) / Sale of Fixed Assets	(4.95)		(84.40)	
(Purchase) / Sale of Shares and Bonds	296.99		(804.96)	
<b>Net Cash Flow Investing activities (B)</b>		<b>292.04</b>		<b>(889.36)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest Paid	(10.17)		(2.07)	
<b>Net Cash Flow From Financing activities ( C )</b>		<b>(10.17)</b>		<b>(2.07)</b>
<b>Net Increase in cash Equivalents (A)+(B)+( C )</b>		<b>77.47</b>		<b>42.34</b>
Cash & Cash Equivalents (Opening Balance)	106.01		63.67	
Cash & Cash Equivalents (Closing Balance)	127.43		106.01	
<b>Net Increase/ (Decrease ) in Cash &amp; Cash Equivalents</b>		<b>21.42</b>		<b>42.34</b>

As Per our report of Even Dated

For Chennai Ferrous Industries Limited

For S.K. Gulecha &amp; Associates

Chartered Accountants

Firm Registration.No.013340S

Sandeep Kumar Gulecha

R Natarajan

Managing Director

DIN: 00595027

Nagarajan Ramakrishnan

Director

DIN: 08315738

Membership.No: 226263

UDIN No: 24226263BKBN0H4078

Place: Chennai

Date: 16.05.2024

K.Karthikeyan

Chief Financial Officer

Babu Kumaran

Company Secretary

**STATEMENT OF CHANGES IN EQUITY****Statement of Changes in Equity for the period ended March 31st, 2024****All amounts are in ₹ lakhs unless otherwise stated****A. 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
360.45	-	360.45

**B. Other Equity 31.03.2024**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,744.63	-236.51	1,508.11
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	1,744.63	-236.51	1,508.11
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	279.16	279.16
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>1,744.63</b>	<b>42.64</b>	<b>1,787.27</b>

**B. Other Equity 31.03.2023**

	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,744.63	-565.91	-1,351.65
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	1,744.63	-565.91	1,178.71
Total Comprehensive Income for the year	-	-	-
Dividends	-	-	-
Transfer to retained earnings	-	329.40	329.40
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period</b>	<b>1,744.63</b>	<b>-236.51</b>	<b>1,508.11</b>

**NOTES TO ACCOUNTS AS ON MARCH 31, 2024****Note 1:**

Notes attached to and forming part of the Balance Sheet as at 31-03-2024 and the Profit and Loss account for the period ended on that date:

**1. Corporate Information:**

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

**2. Significant Accounting Policies:****2.1 Basis of preparation**

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

**2.2 Use of Estimates**

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

**2.3 Revenue Recognition:**

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

**2.4 Depreciation:**

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

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

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

- ii) The Company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalized and the carrying amount of replaced parts are de-recognized. When each major inception/overhauling is performed, its cost is recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/ overhauling (as distinct from physical parts) is de- recognized.
- iii) Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalization criteria in accordance with IND AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- iv) PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use or disposal. Gains or losses arising from disposal of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognized in the statement of profit and loss.
- v) During the course of the year, the company has revalued its Property, plant and equipment based on the valuation report issued by the Valuer as defined by the Companies Act Rules.

## 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., Trading of coal.

## 2.10 Current versus non-current classification:

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

#### **2.11 Inventories:**

- i) Inventories are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition.
- ii) Raw materials, stores and spares are valued at cost or net realizable value whichever is lower. Cost includes the cost incurred in bringing the inventories to their present location and condition. For cost calculation of Raw materials as it is not ordinarily inter changeable specific identification method is used. For cost calculation of stores and spares weighted average method is used.
- iii) For valuation of finished goods / stock-in-process, cost includes material, direct labour, overheads (other than abnormal amount of wasted materials, storage costs, selling and Administrative overheads) wherever applicable.

#### **2.12 Taxes on Income:**

Provision for current tax is made in accordance with the Income Tax Act, 1961.

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

#### **2.13 Provisions and Contingencies:**

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

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



### 3 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.

#### 3.1 Financial Asset

- i) Financial assets comprise of investments in Equity, Trade Receivables, Cash and Cash Equivalents and Other Financial Assets.
- ii) Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
  - a) Amortized cost; or
  - b) Fair value through Other Comprehensive Income (FVTOCI); or
  - c) Fair value through Profit or Loss (FVTPL)
  - d) Amortized cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.
- iii) The Company classifies its financial assets for measurement as below:-

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

- iv) The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognized in the statement of profit and Loss.
- v) The company assesses at each balance sheet date whether the financial asset or group of financial assets is impaired. IND AS 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### 3.2 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.

#### **4. 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.

Property, Plant and Equipment  
**Note No 3 CHENNAI FERROUS INDUSTRIES LIMITED**  
 All amounts are in ₹ lakhs unless otherwise stated

Details	Land Freehold	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	TOTAL
Year ended 31 Mar 2024						
Gross carrying amount						
Opening Gross Carrying Amount	2,809.95	707.78	1,674.42	-	47.95	5,240.10
Additions	-	-	-	4.95	-	4.95
Deletions	-	-	-	-	-	-
Closing Gross Carrying Amount as at 31 Mar 2024	2,809.95	707.78	1,674.42	4.95	47.95	5,245.05
Accumulated Depreciation and Impairment						
Opening accumulated depreciation	-	352.19	1,452.54	-	5.81	1,810.53
Depreciation charged during the year	-	28.94	79.53	0.03	5.20	113.70
IND AS Adjustment Entries (Depreciation P&L)	-	-	-	-	-	-
Deduction/Adjustment	-	-	-	-	-	-
Closing Accumulated Depreciation and Impairment as at 31 March 2024	-	381.13	1,532.07	0.03	11.01	1,924.23
Net Carrying Amounts as at 31st Mar 2024	2,809.95	326.65	142.35	4.93	36.94	<b>3,320.82</b>
Year ended 31 Mar 2023						
Gross carrying amount						
Opening Gross Carrying Amount	2,769.30	707.78	1,674.42		4.20	5,155.70
Additions	40.65	-	-		43.75	84.40
Increase in value due to revaluation of assets	-	-	-		-	-
Deletions	-	-	-		-	-
Closing Gross Carrying Amount as at 31 Mar 2023	2,809.95	707.78	1,674.42		47.95	5,240.10
Accumulated Depreciation and Impairment						
Opening accumulated depreciation	-	324.86	1,373.00		4.20	1,702.06
Depreciation charged during the year	-	27.33	79.53		1.61	108.47
IND AS Adjustment Entries (Depreciation P&L)	-	-	-		-	-
Deduction/Adjustment	-	-	-		-	-
Closing Accumulated Depreciation and Impairment as at 31 March 2023	-	352.19	1,452.54		5.81	1,810.53
Net Carrying Amounts as at 31st Mar 2023	2,809.95	355.59	221.88		42.14	<b>3,429.56</b>

Notes forming part of the financial statements

All amounts are in ₹ lakhs unless otherwise stated

**Note 4 Non Current Investment**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 10000 Class-C Equity Shares of Rs.10/- each of OPG Energy Private Limited	-	1.00
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 24,500 Class-A Equity Shares of Rs.18/- each of OPG Energy Private Limited	4.41	12.51
Investment in unquoted Equity Shares, Fully Paid Up 33,800 Class-A Equity Shares of Rs.37/- each of OPG Energy Private Limited	12.51	
Investment in unquoted Equity Shares, Fully Paid Up 15,700 Class-A Equity Shares of Rs.10/- each of OPG Energy Private Limited	1.57	0.17
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 120000 Class-A Equity Shares of Rs.12.81/- each of OPG Renewable Energy Private Limited	15.36	15.36
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 38,745 Equity Shares of Rs.81/- each of Goodfaith Vinimay Pvt.Ltd.	31.38	31.38
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 18,400 Equity Shares of Rs.3.44/- each of Dhanvarsha Enterprises & Investments Private Limited	0.63	-
Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 40,400 Equity Shares of Rs.0.37/- each of BRICS Power Generation Pvt Ltd.	0.15	-
Trade Investment (Stated at Cost) Investment in Punjab National Bonds	53.19	53.19
Trade Investment (Stated at Cost) 1,000 Preference Shares of Rs 21.9/- each of OPG Energy Pvt Ltd	0.22	-

Trade Investment (Stated at Cost) Investment in unquoted Equity Shares, Fully Paid Up 20,195 Equity Shares of Rs.126/- each of Avanti Metals Private Limited Trade Investment (Stated at Cost)	25.45	25.45
Investment in unquoted Equity Shares, Fully Paid Up 5,38,460 Equity Shares of Rs. 32.50/- each of Veea Fiscal Services Private Limited	175.00	175.00
Trade Investment (Stated at Cost) ICICI Prudential Long Short Fund - Series II	-	299.99
Trade Investment (Stated at Cost) UTI Structured Debt Opportunity Fund II - Class A2-Regular	499.69	386.39
Trade Investment (Stated at Cost) UTI Structured Debt Opportunity Fund II - Class A2-T units	0.21	116.33
<b>Total</b>	<b>819.76</b>	<b>1,116.76</b>

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

Particulars	As at 31 March, 2024	As at 31 March, 2023
(Unsecured and Considered good)		
(i) Other Deposits	-	-
(ii) Security Deposits	3.00	32.28
<b>Total</b>	<b>3.00</b>	<b>32.28</b>

**Note 6 Inventories**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Others	-	7,782.82
<b>Total</b>	<b>-</b>	<b>7,782.82</b>

**Note 7 Trade Receivable**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Undisputed Trade receivables		
Unsecured, considered good		
- Less Than 6 months	317.10	126.64
- 6 months to 1 years	-	2.87
- 1 year to 2 years	0.66	0.48
- 2 year to 3 years	0.43	30.97
- More Than 3 years	41.48	10.51
Undisputed Trade receivables considered doubtful	-	-
<b>Total</b>	<b>359.67</b>	<b>171.47</b>

**Note 8 Cash and cash equivalents**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Cash on hand	0.07	0.23
(b) Balances with banks		
(i) In current accounts	113.98	92.39
(ii) In Deposit accounts	13.39	13.39
<b>Total</b>	<b>127.43</b>	<b>106.01</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	127.43	106.01

**Note 9 Short Term Loans & Advances**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Loans & Advances	1,623.33	1,768.22
<b>Total</b>	<b>1,623.33</b>	<b>1,768.22</b>

**Note 10 Other Current Assets**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(a) Balance with GST & Excise Authorities	26.77	209.53
(b) Advance Tax	30.00	-
(c) Income Tax Refund Due (A.Y 2021-2022)	-	-
(b) T.D.S	123.93	254.46
(d) Others	-	-
(d) Receivables	12.60	-
<b>Total</b>	<b>193.30</b>	<b>463.99</b>

**Note. No 11. Equity Share Capital**

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised 3750000 Equity shares of Rs.10 each				
- Opening Balance	37,50,000.00	375.00	37,50,000.00	375.00
- Increase during the Year	-	-	-	-
- Closing Balance	37,50,000.00	375.00	37,50,000.00	375.00
(b) Issued, Subscribed and Fully paid-up Movement in the Equity Shares				
Opening Balance	36,04,509.00	360.45	36,04,509.00	360.45
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
Closing Balance	36,04,509.00	360.45	36,04,509.00	360.45
(c) Share Application Money				
<b>TOTAL</b>		<b>360.45</b>		<b>360.45</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, 2024		As at 31 March, 2023	
	No of Shares	% of shareholding	No of Shares	% of shareholding
Chennai Material Recycling and Trading Company Limited	3,11,198	8.63	3,11,198	8.63
Avantika Gupta	3,28,092	9.10	3,28,092	9.10
Dhanvarsha Enterprises and Investments Private Limited	2,43,382	6.75	2,43,382	6.75
Tamilnadu Enterprises & Investments Private Limited	2,51,937	6.99	2,51,937	6.99
Tamilnadu Property Developers Private Limited	3,00,000	8.32	3,00,000	8.32
Radiant Solutions Private Limited	2,50,000	6.94	2,50,000	6.94
Ameena Begum	2,50,000	6.94	2,50,000	6.94
Sudha Gupta	2,16,204	6.00	1,88,580	5.23

**Note. No 11.1 Other Equity**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) General Reserves	1,745	1,745
(ii) Retained earnings	43	-237
<b>Total</b>	<b>1,787</b>	<b>1,508</b>

**Shareholding of Promoters**

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	No. of shares	% of total shares	
1. Sudha Gupta	2,16,204	6.00	+0.77
2. Arvind Gupta	1,32,377	3.67	-
3. Vandana Gupta	55,344	1.54	-
4. Alok Gupta	19,934	0.55	-
5. Ravi Kumar Gupta	10,008	0.28	-
6. Arvind Kumar Gupta	625	0.02	-
<b>Total</b>	<b>4,34,492</b>	<b>12.06</b>	-

**Note 12 Trade Payables**

Particulars	As at 31 March, 2024	As at 31 March, 2023
Trade Payables w.r. to MSME		
- Less Than 1 year	-	-
- 1 to 2 years	-	-
- 2 to 3 years	-	-
- More Than 3 years	-	-
Trade Payables w.r. to Others		
- Less Than 1 year	988.48	10,030.91
- 1 to 2 years	2.53	1.57
- 2 to 3 years	-	-
- More Than 3 years	18.80	18.80
<b>Total</b>	<b>1,009.81</b>	<b>10,051.28</b>

**Note 13 Other current liabilities**

Particulars	As at 31 March, 2024	As at 31 March, 2023
(i) EPF & ESI Payable	0.21	0.21
(ii) Salary Payable	0.73	0.89
(iii) Statutory Liabilities	15.28	23.71
(iv) Provision for Employee Benefit	11.65	9.66
(v) Others	155.30	2.70
<b>Total</b>	<b>183.17</b>	<b>37.17</b>

**Note 14 Revenue from operations**

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	<u>Sale of Goods:</u>		
	- Traded Items	13,642.29	13,890.27
(b)	Other Operating Income		
	<b>Total</b>	<b>13,642.29</b>	<b>13,890.27</b>

**Note 15 Other Income**

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(A)	Interest Received	205.51	100.67
(B)	Rent Received	430.70	233.55
(C)	Other Miscellaneous Income	-	1.11
(D)	Profit on sale of Shares	9.14	3.16
(E)	Liabilities Written Back	4.64	1.02
(F)	EB Deposit Refund Received	10.61	-
	<b>Total</b>	<b>660.60</b>	<b>339.50</b>



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

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<u>Inventories at the end of the year:</u>		
Stock-in-trade	-	7,782.82
	-	7,782.82
<u>Inventories at the beginning of the year:</u>		
Stock-in-trade	7,782.82	19.70
	7,782.82	19.70
<b>Net (increase) / decrease</b>	<b>7,782.82</b>	<b>-7,763.12</b>

**Note 17 Employee Benefit Expenses**

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Salary and Wages	116.78	106.04
(b)	Director Reumneration	5.26	5.24
(c)	Contribution to EPF & ESI	1.36	1.36
(d)	Employee Benefit	1.99	1.89
(e)	Staff Welfare	3.95	1.17
	<b>Total</b>	<b>129.35</b>	<b>115.70</b>

**Note 18 Finance Costs**

	Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
(a)	Bank Charges	5.58	2.07
(b)	Interest or penalty paid	0.08	-
(c)	Interest Paid - Others	4.50	-
	<b>Total</b>	<b>10.17</b>	<b>2.07</b>

**Note 19 Other expenses**

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
<b>A. Material &amp; Manufacturing Expenses</b>		
Stevedoring & Wharfage Expenses	315.21	163.32
Demurrage Charges	-	14.57
Testing Charges	1.98	
Clearing and Forwarding Charges	0.50	0.35

<b>B. Repairs &amp; Maintenance</b>		
Building Repairs and Maintenance	26.29	2.36
Computer Maintenance	0.67	0.78
Machinery Maintenance		-
Vehicle Maintenance	1.80	3.81
General Repair & Maintenance	3.91	0.31
<b>C. Administrative Expenses</b>		
Bad Debts	53.55	151.49
Quality Claim	-	8.51
Miscellaneous	-	0.22
Director Sitting Fees	1.65	0.50
Filling Fees	0.73	0.14
Insurance	-	1.52
Postage Expenses	0.02	0.08
Printing and Stationery	0.60	0.75
CSR Expenses	0.32	22.41
Membership Subscription	0.02	-
Professional & Consultancy	115.83	105.97
<b>Payment to Auditors</b>		
i) As Statutory Audit Fees	1.00	0.90
ii) As Tax Audit Fees	0.50	0.35
iii) Other Services	0.25	0.25
Rent	0.85	-
Rates & Taxes	0.04	1.74
Listing Fees / Share Transfer Charges	5.70	5.74
Services Charges for Sales	-	6.36
Sales Commission	-	1.50
UTI Investment expenses	10.36	-
Telephone Expenses	0.55	0.56
Electricity Consumption Charges	5.68	-
Travelling & Conveyance	2.19	3.85
<b>D. Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	0.50	1.51
Sales or Business promotion Expenses	2.09	-
Sales Commission	0.31	-
<b>Total</b>	<b>553.10</b>	<b>499.87</b>

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

(i) Contingent liability not provided for:

- Counter Guarantees furnished to the bank Rs.5,99,825/- (Previous year Rs.5,99,825 /-)
- Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.

(ii) 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

(iii) Employee Benefits:

a) Defined Contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2023-24 accordingly an amount of Rs.1,99,106/- (previous year Rs.1,89,014/-) 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	2023-24	2022-23
I	Expenses recognized in the statement of profit and loss for the year ended		
	1.Current Service Cost	-	-
	2.Interest Cost/ Interest on obligation	0.496	0.443
	3.Expected return on plan assets	-	-
	4.Net Actuarial (gains)/losses	-	-
	5.Total Expenses	-	-
II	Net (Asset)/ Liability recognized in the balance sheet as on 31-03-2024		
	1.Present Value of funded Obligations	-	-
	2.Present Value of unfunded Obligations	7.468	6.525
	3.Fair Value of plan assets as at 31-03-2024	-	-
	4.Unrecognized past service cost	-	-
	5.Net liability as at 31-03-2024	7.468	6.525
III	Changes in Benefit obligations during the year ended		
	1.Present Value of Defined Benefit Obligation at the beginning of the year	6.625	6.332
	2.Current Service Cost	1.494	1.447
	3.Interest Cost	0.496	0.443
	4.Actuarial(Gains)/losses	(1.147)	(1.597)
	5.Benefit payments	NIL	NIL
	6.Present Value of Defined Benefit Obligation at the end of the year	7.468	6.625

IV	Changes in Asset during the year ended 1. Plan assets at the beginning of the year 2. Expected return on plan assets 3. Contribution by the Employer 4. Actual Benefits paid 5. Actuarial gains/(losses) 6. Plan assets at the end of the year	- - - - - -	- - - - - -
V	Category of Plan Assets: Government of India Securities High Quality Corporate Bonds Equity Shares of Listed Companies Property Funds Managed by Insurer Bank Balance	Nil	Nil
VI	Principal Actuarial Valuation 1. Discount Rate 2. Expected rate of Return on plan assets 3. Annual Increase in Salary Costs 4. Mortality Table 5. Withdrawal Rate	7.25% - 7.25% IALM(2012- 14) Ult. 5% at younger ages reducing gradually to 1% at older ages	7.50% - 7.25% ILAM(2012-14) Ult. 5% at younger ages reducing gradually to 1% at older ages
VII	Table Showing Surplus/ (Deficit) Defined Benefit Obligation Plan Assets Surplus/ (Deficit)	7.468 - (7.468)	6.625 - (6.625)

iii) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2024 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

iv) Company has 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.

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

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

vii) The Company has opted 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.

#### viii) RELATED PARTY DISCLOSURES

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2024 are summarized below:

Names of related parties and description of relationship:	
Key Management Personnel	Mr.R Natarajan Mohan Chitra Karthikeyan Kunjithapatham Kumaran Babu Muthaiyan Saravanan Nagarajan Ramakrishnan
Other Related Party	Gita Renewable Energy Limited ASAS Industries Private Limited OPG Renewable Energy Private Limited Avanti Metals Private Limited Tamilnadu Enterprises & Investments Private Limited Poleman Steels Private Limited

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

**Related party transactions:**

Particulars	(Amount in Lakhs)	
	Amount transacted during the year	Amount Outstanding as on 31.03.2024
Directors Salary Paid to R Natarajan	5.26	-
Amount Paid to Avanti Metals Private Limited	419.77	350.08
Amount Received to Avanti Metals Private Limited	0.075	350.08
Amount Paid to ASAS Industries Private Limited	0.038	-
Amount Received from ASAS Industries Private Limited	0.038	-

**(ix) SEGMENT INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024.**

**(a) Business Segment:**

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

xiii)	Earnings Per Share:	2023-24	2022-23
a)	Weighted Average No. of Equity Shares of Rs.10/- Each		
	I. No. of Shares at the beginning of the year	3604509	3604509
	II. No. of Shares at the end of the year	3604509	3604509
	Weighted average number of equity shares outstanding during the year	3604509	3604509
b)	Net profit After Tax available for equity shareholders (Rs. Lakhs)	279.16	329.40
c)	Basic and Diluted earnings per share (Rs.)	7.74	9.14

(x) The Company do not have any parent company and accordingly, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable for the year under consideration.

(xi) Financial Ratios: As per the Attachment

(xii) Previous year figures:

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

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

**For Chennai Ferrous Industries Limited**

R Natarajan  
Managing Director  
DIN: 00595027

Nagarajan Ramakrishnan  
Director  
DIN: 08315738

Sandeep Kumar Gulecha  
Membership.No: 226263  
UDIN No: 24226263BKBN0H4078

Place: Chennai  
Date: 16.05.2024

K.Karthikeyan  
Chief Financial Officer

Babu Kumaran  
Company Secretary