

CHENNAI FERROUS INDUSTRIES LIMITED

Sixth Annual Report 2015 - 16

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Chennai Ferrous Industries Limited

CHENNAI FERROUS INDUSTRIES LIMITED

CIN:L27310TN2010PLC075626

BOARD OF DIRECTORS

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

REGISTERED OFFICE & FACTORY

OPG Nagar, Periya Obulapuram village,
Nagarajakandigai, Madharapakkam Road,
Gummidipoondi – 601201.
Website: www.chennaiferrous.com

AUDITORS

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

BANKERS

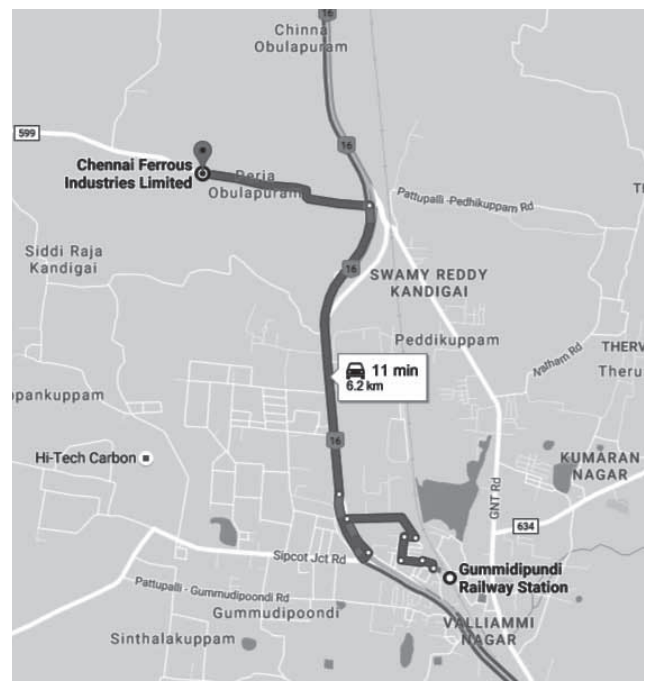
State Bank of India,
Industrial Financial Branch,
155, Anna Salai,
Chennai - 600 002.

SHARE TRANSFER AGENT

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

Route Map to AGM Venue

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



Nearest Land mark :

Mularoad Junction, Thurapallam, Gummidipoondi, Thiruvallur-600 021, Tamil Nadu
Distance from Gummidipoondi : Railway Station - 6.2 km

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of Chennai Ferrous Industries Limited will be held on Friday, September 30, 2016, at 2.00 p.m. at the Registered Office of the Company at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements

To receive, consider and adopt the financial statement of the Company for the year ended March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Directors

To appoint a Director in place of Ms.V.K. Deepa, (DIN:07140954), who retires by rotation and, being eligible, offers herself for re-appointment and her term would be up to September 30, 2017.

3. Ratification of Auditor's Appointment

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

"RESOLVED that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the Audit Committee of the Board, and pursuant to the resolution passed by the members of the Company at 5th Annual General Meeting held on September 30, 2015, the appointment of M/s.S.K. Gulecha & Associates, Chartered Accountants, [Firm Registration No.013340S], Chennai as the Auditors of the Company to hold office till the conclusion of 10th Annual General Meeting, be and is hereby ratified and that the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 on the recommendation of the Audit Committee of the Company."

(By Order of the Board)

For **CHENNAI FERROUS INDUSTRIES LIMITED,**

Date: May 28, 2016
Place: Chennai

R. NATARAJAN,
Chairman & Managing Director.

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Notes:

1. A member entitled to attend and vote at this AGM is entitled to appoint a proxy to attend and vote in the meeting instead of him/her and the proxy need not be a member of the company.

Pursuant to section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than 10 % (ten per cent) of the total share capital of the company carrying Voting Rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.

2. Corporate members intending to send their representatives to attend their meeting are requested to send a certified true copy of the Board resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
 3. The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed.
 4. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
 5. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for easy identification of attendance at the meeting.
 6. The Register of Members of the Company and Share Transfer Books will remain closed from September 23, 2016 to September 30, 2016 (both days inclusive).
 7. Members holding shares in Physical Form are requested to furnish their address, if any change is there, with Registrar & Transfer Agent of the Company, M/s.Cameo Corporate Services Limited, Chennai, quoting their Folio number and number of Shares held. Members holding shares in Electronic Form may communicate their change of Address to their respective Depository Participants.
 8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.chennaiferrous.com (under 'Investors' section). Members holding shares in physical form may submit the same to the Registrar & Transfer Agent. Members holding shares in electronic form may submit the same to their respective depository participant.
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9. The Notice of the AGM along with the 6th Annual Report for the financial year ended 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the 6th Annual Report for the financial year ended 2015-16 will also be available on the Company's website viz. www.chennaiferrous.com
10. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular dated April 21, 2011, has now made permissible the service of documents through electronic mode to shareholders. To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID investor@chennaiferrous.com mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication. On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through e-mail. Copies of the said documents would be available in the Company's website, www.chennaiferrous.com for your access at no cost for the benefit of all stakeholders concerned. We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.
11. The route map showing directions to reach the venue of the AGM is annexed.
12. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given hereinbelow. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
13. The Board of Directors has appointed Mr.S. Dhanapal, Senior Partner, M/s.S.Dhanapal & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
14. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
15. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

PROCEDURE FOR E-VOTING

16. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

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A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(S)]:

- (i) Open the PDF File viz: "CFIL e-voting.pdf" attached to the e-mail, using your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password provided in the PDF is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
Insert user ID and password as initial password/PIN noted in step (i) above.
Click Login.
- (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Please make a note of the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vi) Select "EVEN" of "Chennai Ferrous Industries Limited".
- (vii) Now you are ready for remote e-voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letters. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csdhanapal@gmail.com with a copy marked to evoting@nsdl.co.in

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

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

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

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote.

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C. Other Instructions

- (i) The e-voting period commences on September 26, 2016 (10.00 a.m. IST) and ends on September 29, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 23, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again
- (ii) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.
- (iii) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- (v) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.chennaiferrous.com and on the website of NSDL www.evoting.nsdl.com after the results are declared by the chairman or a person authorised by him in writing and the same shall be communicated to the Stock Exchange.
- (vi) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

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17. Disclosure as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015 in respect of Directors seeking appointment/ re-appointment at the Sixth Annual General Meeting is provided below:

Re-Appointment of Ms.V.K.Deepa (Item No. 2)

Ms.V.K. Deepa, aged 37 years was appointed as a Non-Executive Non-Independent Director at the 5th Annual General Meeting of the company held on September 30, 2015 liable to retire by rotation.

In terms of Section 152(6) of the Companies Act, 2013, Ms.V.K.Deepa shall retire by rotation at the 6th Annual General Meeting (AGM) of the company and being eligible offers herself for re-appointment.

Ms.V.K. Deepa is a Management graduate and has good experience in General Management and Administration.

Ms.V.K. Deepa is not related to any other Director of the Company and not holding any shares in the company.

Ms.V.K. Deepa does not hold any Directorship in other companies and she does not hold any Committee/executive positions in other companies.

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DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting their 6th Annual Report of the Company together with the financial statements for the year ended March 31, 2016.

Financial Summary:

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

(Amount in Rupees)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Sales - Gross	322,815,764	331,299,113
Profit / (Loss) after Interest & Depreciation	(189,301,529)	(165,988,561)
Current Tax	-	-
Deferred Tax	-	(7,138,006)
Profit / (Loss) after Tax	(189,301,529)	(158,850,555)
Less Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	(152,242,960)	6,607,597
Profit / (Loss) available for Appropriation	(341,544,489)	(152,242,958)
APPROPRIATIONS		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	(341,544,489)	(152,242,958)

Company's performance:

Your Company is engaged in manufacture and supply of Sponge Iron & Steel products. During the year, the turnover was Rs 322,815,764/- as against Rs. 331,299,113/- for the previous year. Loss before tax was Rs. 189,301,529/- as against the Loss of Rs. 165,988,561/- for the previous year. No transfer of profit to the General reserves under review.

Dividend:

The Board of Directors has not recommended any dividend during the year under review.

Management Discussion & Analysis Report:

A detailed discussion on the Industry as well as on the Financial and operational performance of the company is provided in Management Discussion and Analysis report that forms part of this Report as Annexure I.

Code of Conduct:

The Board has formulated a Code of Conduct for Directors and senior management personnel of the Company. A Declaration affirming the compliance of Code of Conduct is provided as Annexure II.

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Directors' Responsibility Statement:

In accordance with Section 134(5) of the Companies Act, 2013, your Board of Directors confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Meetings of the Board:

During the year, Four Board meetings were held under review.

Directors and Key Managerial Personnel (KMP):

Ms.V.K. Deepa retires by rotation and being eligible has offered herself for re-appointment. If re-appointed, her term would be up to September 30, 2017.

There has been no change in the key managerial personnel during the year

Declaration by Independent Directors:

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Audit Committee

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

The details of the Committee along with the details of Meetings held during the year are given in the Corporate Governance Report.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings & Outgo:

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required Under Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is given in Annexure III and forms part of this Report.

Particulars of employees and related disclosures:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Sub rules (1) to (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel)

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Rules, 2014, a statement containing the particulars of employees and their related information are provided and enclosed in **Annexure IV**.

Corporate governance:

A detailed on compliance of Corporate Governance guidelines as prescribed in Regulation 34 read with point C & E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 along with certificate issued by the Statutory Auditors of the Company that form part of this report as **Annexure V**.

Auditors and Auditors' report:

The Members at the 5th Annual General Meeting held on September 30, 2015 have appointed M/s. S.K Gulecha & Associates, Chartered Accountants, Chennai, as the Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the 10th Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors for the purpose of audit.

Accordingly, the Board recommends to the Members for ratification of the appointment of M/s. S.K Gulecha & Associates, Chartered Accountants, Chennai as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

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

Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s.S. Dhanapal Associates, a firm of practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report is given as **Annexure VI** and that form part of this Report.

Particulars of loans, guarantees or investments held by the company:

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are disclosed in the Notes to the financial statements.

Related Party Transactions

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

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and do not attract the provisions of Section 186 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, prior approval of the Audit Committee has been obtained for entering into Related Party Transactions.

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

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Particulars of contracts or arrangements with related parties:

There were no materially significant transactions with Related Parties during the financial year 2015-16 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 are disclosed in the Notes to the financial statements.

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs. Particulars of Contracts or Arrangements with Related Parties referred to in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2 as **Annexure - VII**.

Adequacy of Internal Financial Controls:

The details about the adequacy of Internal Financial Controls are covered in the Management Discussion and Analysis Report.

Material Changes and Commitments:

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (i.e., March 31, 2016 and the date of the Report i.e., May 28, 2016).

Extract of Annual Return:

Pursuant to Section 92(3) of the Companies Act, 2013, the extract of annual return in form MGT-9 is enclosed and marked as **Annexure VIII**.

Remuneration policy:

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

Vigil Mechanism/ Whistle Blower Policy:

The company has established a vigil mechanism for directors and employees to report genuine concerns pursuant to section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015.

Deposits:

During the year under review, your Company has not accepted any deposits.

Significant and material orders impacting the company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

Board evaluation:

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by Independent Directors. Details of the same are given in the Report on Corporate Governance annexed hereto.

Corporate social responsibility (CSR):

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

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CEO/ CFO certification:

CEO certification by Mr.R. Natarajan, Chairman and Managing Director and CEO certification by Mr.K. Karthikeyan, Chief Financial Officer as required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements Regulations), 2015 were laid before the Board at its meeting held on May 28, 2016.

Acknowledgement:

Your directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company which were instrumental in attaining considerable financial position in a difficult year. Your directors also express their sincere thanks to various Departments of Central Government, Government of Tamilnadu, TNEB, State Bank of India, the Customers, Shareholders and other stakeholders for their continuing support and encouragement.

Date: May 28, 2016

Place: Chennai

For and on behalf of the Board of Directors

R. NATARAJAN,

Chairman & Managing Director.

ANNEXURE – I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Chennai Ferrrous Industries Limited is engaged in Sponge Iron manufacture and the opportunities and threats available for the company are briefly provided below:

Steel occupies a prominent place in Indian manufacturing sectors. Indian Steel Industry has been riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 in World and the country continues to be the largest producer of sponge iron or DRI in the world. India is the largest producer of sponge iron in the world with the coal based route accounting for 90% of total sponge iron production in the country. [Source: Ministry of Steel].

In the recent years, the demand for Sponge Iron is sluggish. The factors like continuous rise in crude Oil prices, volatile raw materials prices, regional demand & supply imbalances, fluctuation in INR Value against global currencies and reforms have impacted significantly the Indian Sponge Iron manufacturers and resulted sharp fall in demand which ultimately impacted on profit of the Company during the year. This may be improved in future. The high cost and short supply of power in India may hamper the steel industry's production level. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive.

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

Date: May 28, 2016

Place: Chennai

R. NATARAJAN

Chairman & Managing Director.

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ANNEXURE – II

CODE OF CONDUCT

As per Regulation 26(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 all members of the Board & Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2016.

Date: May 28, 2016

Place: Chennai

R. NATARAJAN

Chairman & Managing Director.

ANNEXURE – III

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

A. CONSERVATION OF ENERGY

- i. The steps taken or impact on conservation of energy- NIL
- ii. The steps taken by the company for utilizing alternate sources of energy-NIL
- iii. The capital investment on energy conservation equipments- NIL

B. TECHNOLOGY ABSORPTION

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

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

- iv. the expenditure incurred on Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Date: May 28, 2016

Place: Chennai

R. NATARAJAN

Chairman & Managing Director.

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ANNEXURE – IV

Disclosure of Statement of particulars of remuneration as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: Mr.R. Natarajan 33:1
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: No increase in remuneration during the year.
- The percentage increase in the median remuneration of employees in the financial year: No increase in remuneration during the year.
- The number of permanent employees on the rolls of company: 25 (which includes 1 Director)
- The explanation on the relationship between average increase in remuneration and company performance: N.A
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: No increase in remuneration of KMP.
- Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

	31.03.2016	31.03.2015
Market capitalisation	Rs. 18,346,950.81	Rs. 139,530,543.39
PE Ratio	(47.43)	(5.36)
% increase in market quote	(87%)	N.A.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: No change in remuneration.
- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: No increase in remuneration of KMP.
- The key parameters for any variable component of remuneration availed by the directors: NIL
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL
- Affirmation that the remuneration is as per the remuneration policy of the company: yes. the company has a remuneration policy.

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ANNEXURE – V

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF CHENNAI FERROUS INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Chennai Ferrous Industries Limited for the year ended 31st March 2016, as stipulated in SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015.

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

For **S.K GULECHA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 013340S
SANDEEP KUMAR GULECHA
PROPRIETOR
(Membership Number:226263)

Date : May 28, 2016
Place: Chennai

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ANNEXURE – V

REPORT ON CORPORATE GOVERNANCE

(For the Financial Year 2015-16)

I. Company's philosophy on code of Governance:

Corporate Governance at Chennai Ferrous is based on the principles of equity, fairness, transparency, spirit of law and honest communication. We believe that the good Corporate Governance through accountability, integrity and professionalism is the way to enhance the value of Shareholders and all other stakeholders which include Suppliers, Customers, Creditors, Bankers, Society and Employees of the Company. We follow the guidelines mandated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adopt the principles to suit the changing times and needs of the Business, Society and the Nation.

II. Board of Directors**A. Board Composition:**

The Board has been constituted in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Board of the Company has an optimum of Executive and Non-Executive Directors, including one Women Director as under:

Sl. No	Name of the Director	Executive / Non-Executive	Promoter / Independent
1	Mr. R.Natarajan	Chairman and Managing Director; Executive Director	Non-Independent Director
2	Mr. Suresh Kedia*	Non-Executive Director	Independent Director
3	Mr. Sunil Kumar Singh*	Non-Executive Director	Independent Director
4	Ms.V.K. Deepa*	Non-Executive Director	Non-Independent Director

*The Members of the Company at 5th AGM held on September 30, 2015 designated Mr. Suresh Kedia and Mr. Sunil Kumar Singh as Independent Directors and Ms.V.K Deepa as Non-Executive Non-Independent Director.

The Board has a regular executive chairman who is not a promoter of the company and independent directors more than half of the Board. No Director is related to any other Director on the Board in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.

The Managing Director is not liable to retire by rotation. All the other non-independent directors retire by rotation and in general, seek re-appointment at the AGM. Brief resume of Director seeking reappointment is given in the Notice of the AGM.

All the Independent Directors have given the declarations pursuant to Section 149(7) of the Act affirming that they meet the criteria of independence as provided in sub section (6). No independent director of the Company serves in more than 7 listed companies as Independent Director and holds office of whole-time director in any listed company.

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

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As required under the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 none of the directors hold directorship in more than 20 public companies, nor membership of board committees (audit/remuneration/investors grievance committees) in excess of 10 and chairmanship of afore-mentioned committees in excess of 5.

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

B. Board Meetings:

During the year 2015-16, the Board met four times i.e., held on May 28, 2015; August 14, 2015, November 13, 2015 and February 10, 2016 within a time gap of 120 days between two meetings. No Board meeting was conducted through video conferencing or other audio visual means. The necessary quorum was present for all the meetings.

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

During the year 2015-16, one meeting of the Independent Directors were held on February 10, 2016 and the Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

The Board periodically reviews the compliance reports of all laws applicable to the Company. The details of the familiarization programme of the Independent Directors are available on the website of the Company www.chennaiferrous.com.

The Annual General Meeting (AGM) was held on September 30, 2015. The attendance records of all Directors are as under:

Name of the Directors	Board Meetings		Last AGM
	Held	Attended	Attendance
Mr. R. Natarajan	4	4	YES
Mr. Suresh Kedia	4	4	YES
Mr. Sunil Kumar Singh	4	4	YES
Ms. V.K Deepa	4	4	YES

III.COMMITTEES OF THE BOARD

The composition of the Audit Committee and the details of meetings attended by its members are given below

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A. Audit Committee:

(i) The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act.

The important role of the Audit Committee is to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(ii) The board has an Audit Committee and the composition of the committee is as under:

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

(iii) Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows: May 28, 2015; August 14, 2015, November 13, 2015, and February 10, 2016. The necessary quorum was present for all the Meetings.

B. Nomination cum Remuneration Committee:

(i) The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Act. The main role of Nomination and Remuneration Committee is –

- To identify persons who are qualified to become directors and who may be appointed in senior Management.
- Recommend to the Board the appointment or reappointment of directors.
- Oversee familiarization programs for directors.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

(ii) The composition of the Nomination and Remuneration Committee and the attendance details of members at the meeting held on February 10, 2016 is as under:

Name of the members	Independent / Non Independent	Position	Nomination & Remuneration Committee	
			Held	Attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	1	1
Mr. Sunil Kumar Singh	Non-Executive Independent Director	Member	1	1
Ms.V.K. Deepa	Non-Executive Non-Independent Director	Member	1	1

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(iii) Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgment.

(iv) Remuneration Policy:

The company has framed a remuneration policy in view of retaining suitable employees with remuneration commensurate with size of the company, nature the business and nature of duties and responsibilities of the employee. The Board of the company may fix remuneration to Directors and KMP on the recommendation of the Nomination and Remuneration committee. During the year 2015-16, the remuneration of Rs. 300,000/- was paid to Mr.R. Natarajan Chairman & Managing Director. The Company has not paid sitting fees to any Non-executive Directors/Independent Directors.

C. Stakeholders Relationship Committee

a) The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with section 178 of the Act.

b) The broad terms of reference of the stakeholders' relationship committee are as under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice /annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

c) Five meetings of the stakeholders' relationship committee were held. The dates on which the said meetings held are as follows: October 09, 2015, October 22, 2015, October 28, 2015, March 07, 2016 and March 30, 2016.

d) The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of the members	Independent / Non Independent	Position	Stakeholders Relationship Committee	
			Held	Attended
Mr. Suresh Kedia	Non-Executive Independent Director	Chairman	5	5
Mr.R. Natarajan	Executive Non-Independent Director	Member	5	5
Ms.V.K. Deepa	Non-Executive Non-Independent Director	Member	5	5

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IV Investors compliance status:

No. of shareholders complaints received	Number of complaints not solved to the satisfaction of shareholders	Number of complaints pending as on 31.03.2016
-	-	-

V DETAILS OF ANNUAL GENERAL MEETINGS:

(i). The details of about last three Annual General Meetings are given below:

Year	Date	Time	Venue
2012-2013	30.09.2013	4.00 P.M	OPG Nagar, Periya Obulapuram Village,
2013-2014	30.09.2014	1.00 P.M	Nagaraja Kandigai, Madaharapakkam Road,
2014-2015	30.09.2015	2.00 P.M	Gummidipoondi - 601201

(ii). Details of Special resolutions passed

Year	Special Resolution
2012-2013	<ul style="list-style-type: none"> Approval of appointment of Mr. Kurapati Venkata Ramgopal as Managing Director Appointment of Mr. Vishal Bakshi as a Director of the Company Appointment of Mr. Suresh Kedia as a Director of the Company
2013-2014	<ul style="list-style-type: none"> Appointment and Remuneration of Chairman and Managing Director Remuneration to Cost Auditor Borrowing Powers Mortgage of Assets Adoption of new set of Articles of Association Appointment of Mr.S.Gopalakrishnan as a Director of the Company
2014-2015	<ul style="list-style-type: none"> Appointment of Mr. Suresh Kedia as an Independent Director Appointment of Ms.V.K.Deepa as an Non-Independent Director Appointment of Mr.Sunil Kumar Singh as an Independent Director

VI POSTAL BALLOT:

During the Year, No special resolution was passed through Postal Ballot.

VII MEANS OF COMMUNICATION:

The Quarterly/Half-Yearly/Annual financial results of the Company are published in English & Tamil Newspaper. The Quarterly/Half-Yearly/Annual financial results and the shareholding pattern are properly reported with Stock Exchange and are available in the Website stock exchange and the Company's website, www.chennaiferrous.com.

Notice of General Meeting including Attendance Slip, Proxy Form and Polling Paper are sent to all the shareholders by Registered Post or Speed post or Courier or through e-mail System. Annual Report is sent by book post or e-mail system or both at the desire of shareholders.

Further to the compliance of Regulation 34(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 all the basic information about the Company is made available in the company's Website at all times at no cost for the benefit of all stakeholders concerned.

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VIII General shareholder information:

Details of Annual General Meeting for the Financial Year 2015-16

Date	September 30, 2016
Time	2.00 P.M.
Venue	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi - 601201

Dates of Book closure	: September 23, 2016 – September 30, 2016
Financial Calendar	: Financial Reporting for the quarter ending Jun 30, 2016- Latest by Aug 14, 2016 Sep 30, 2016–Latest by Nov 14, 2016 Dec 31, 2016– Latest by Feb 14, 2017 Mar 31, 2016–Latest by May 30, 2017

Dividend Payment	: N.A.
Listing on Stock Exchanges	: Bombay Stock Exchange Limited
Depository Participant	: National Securities Depository Limited, Central Depository Services Limited
Stock Code	: 539011
Demat ISIN Number In NSDL	: INE 777001016
CDSL	: INE 777001016
Listing on Stock Exchange (overseas)	: Nil

Plant Location

Rolling & Furnace Mills	: OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi - 601201
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IX Stock market price data

High/Low of monthly Market Price of the Company's Equity Shares traded on the Bombay Stock Exchange; Mumbai during the financial year 2015-16 is furnished below:

Month	Open Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)	No. of Shares
Apr 2015	36.80	36.80	33.25	33.25	44
May 2015	31.60	31.60	19.05	19.05	51
June 2015	18.10	18.10	9.40	9.40	1512
July 2015	9.22	10.12	8.51	9.93	7645
Aug 2015	10.12	11.31	9.74	10.45	5223
Sep 2015	9.93	9.93	8.53	8.53	213
Oct 2015	8.11	8.11	6.53	6.95	19180
Nov 2015	6.61	7.20	6.30	7.20	5526
Dec 2015	7.20	7.80	6.65	7.05	3555
Jan 2016	6.70	8.01	6.37	7.600	7600
Feb 2016	7.14	7.14	7.14	7.14	16
Mar 2016	6.79	6.79	5.09	5.09	10,418

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X Share transfer system

Share transfers are registered and returned to the transferees within the statutory time limit from the Date of receipt, if the documents are in order in all respects.

The share transfer committee has met 5 times during the year.

No. of shares received for transfer up to 31.03.2016 is 48 shares and shares pending for transfer as on 31.03.2016 is nil.

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

Share holding			Share holders		Share amount	
Rs.			Number	% of total	Rs.	% of total
10	-	5000	5057	97.4561	1593090	4.4197
5001	-	10000	44	0.8479	309110	0.8575
10001	-	20000	20	0.3854	255810	0.7096
20001	-	30000	7	0.1349	178090	0.4940
30001	-	40000	3	0.0578	95810	0.2658
40001	-	50000	8	0.1541	368830	1.0232
50001	-	100000	14	0.2698	1086670	3.0147
100001	-	And Above	36	0.6937	32157680	89.2151
Total			5189	100.0000	36045090	100.0000

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XII Share holding pattern as on March 31,2016

Category	No. of Shares Held	Percentage of Share holding
A Shareholding of Promoter & Promoter Group		
1 Indian		
- Individuals / Hindu Undivided Family	1026728	28.48
- Bodies Corporate	1029792	28.57
Sub Total [A] [1]	2056520	57.05
2 Foreign		
- Bodies Corporate	250000	6.94
- Any other Directors/Relative NRI	250000	6.94
Sub Total [A] [2]	500000	13.88
Total Share Holding of Promoter & Promoter Group (A= [A] [1] +[A] [2])		
B Public Shareholding.		
1 Institutions.	0	0.00
Foreign Institutional Investor	0	0
Sub Total [B] [1]	0	0
2 Non-Institutions.		
a. Bodies Corporate	632625	17.55
b. Individuals		
I. Individual Shareholders Holding Nominal Share Capital uptoRs2 Lakh	280399	7.78
II Individual Shareholders Holding Nominal Share Capital in excess of Rs2 Lakh	69483	1.93
c. Any Other.		
Foreign Corporate Bodies	-	-
HUF	48021	1.33
Non Resident Indians	15401	0.43
Others	2060	0.06
Sub Total [B] [2]	1047989	29.07
Total Public Shareholding [B] [1]+[B] [2]	1047989	29.07
TOTAL(A+B)	3604509	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued		
1) Promoter and Promoter Group	0	0.00
2) Public	0	0.00
Total (A) + (B)+ (C)	3604509	100.00

Mode of Holding	No. of Holders	Percentage of No. of Holders	No. of shares	Percentage of No. of shares
CDSL	628	12.10	485186	13.46
NSDL	1601	30.85	2145039	59.51
Physical	2960	57.04	974284	27.03

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Demat of shares:

The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 72.97% (as on 31.03.2016) of the paid up share capital of the company held through National Securities Depository Limited and Central Depository Services Limited. The company appointed Cameo Corporate Services Limited as Registrar & Transfer Agent and entered into an agreement for availing depository services.

Request to Shareholders

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

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

Investor query/address for correspondence:

The Compliance officer
Chennai Ferrous Industries Limited,
OPG Nagar, Periya Obulapuram Village,
Nagaraja Kandigai, Madharapakkam Road,
Gummidipoondi – 601201
Ph: 044 43487350 Fax: 044 27991450
E-mail: investor@chennaiferrous.com

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

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai- 600 002
Ph: 044-28460390 (6 lines)
E-Mail: cameo@cameoindia.com

For and on behalf of Board of Directors
of **CHENNAI FERROUS INDUSTRIES LIMITED,**

Date : May 28, 2016
Place: Chennai

R. NATARAJAN
Chairman & Managing Director

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ANNEXURE - VI**FORM NO. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2016**

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

To,

The Members,

M/s. CHENNAI FERROUS INDUSTRIES LIMITED,
Gummidipoondi

- We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. CHENNAI FERROUS INDUSTRIES LIMITED, (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
- 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 March 31, 2016, appears to have complied with the statutory provisions listed hereunder and also in our limited review, the Company has proper and required Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2016 according to the applicable provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the applicable extent.
- The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act, 1992('SEBI ACT'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and

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- Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v) The management of the company has represented to us that there is no specific law applicable to the company for the financial year 2015 - 2016

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

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) made effective 1st July, 2015.
- The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015)

During the period under review, the Company has complied in accordance with the requirements to be met with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to a required extent except few lapses in compliance under Companies Act, 2013 relating to website disclosures, meetings, minutes, registers, filing of e-forms, disclosures in Board's Report, policies and FEMA and SEBI Regulations.

It is represented to us that the company has initiated measures, wherever required, to address issues raised by the statutory authorities and letters/notices received by the Company during the financial year under various enactments as applicable to the company.

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

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on our limited review of the compliance mechanism established by the Company, there appears adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has sought the approval of its

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members for the following major matters, other than transactions of special business at the Annual General Meeting:

- Re-appointment of Mr. Suresh Kedia as an Independent Director
- Appointment of Ms.V.K. Deepa as non-executive non-independent Director
- Appointment of Mr. Sunil Kumar Singh as an Independent Director

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

Place: Chennai
Date: 28.5.2016

For S Dhanapal & Associates
(A firm of Practicing Company Secretaries)

S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

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

ANNEXURE - A

To,

The Members,

M/s. CHENNAI FERROUS INDUSTRIES LIMITED,
Gummidipoondi.

Management's Responsibility

- Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditor's Responsibility

- Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- We believe that audit evidence and information obtained from company's management is adequate and appropriate for us to provide a basis for our opinion.
- Where ever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events and policies, appraisal and processes etc.

Disclaimer

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

Place: Chennai
Date: 28.5.2016

For S Dhanapal & Associates
(A firm of Practicing Company Secretaries)

S. Dhanapal
(Sr. Partner)
FCS 6881
CP No. 7028

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ANNEXURE - VII

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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

(a)	Name(s) of the related party and nature of relationship	Nil (All contracts or arrangements or transactions with related parties were done in the ordinary Course of business and at arm's length basis).
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

(a)	Name(s) of the related party and nature of relationship	Gita Renewable Energy Ltd.
(b)	Nature of contracts/arrangements/ transactions	Trade Advance
(c)	Duration of the contracts / arrangements/ transactions	F.Y.: 2015-16
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
(e)	date(s) of approval by the Board	29th May, 2015.
(f)	Amount paid as advances, if any:	-

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ANNEXURE - VIII

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- CIN:L27310TN2010PLC075626
- Registration Date : **May 07, 2010**
- Name of the Company: **CHENNAI FERROUS INDUSTRIES LIMITED**
- Category / Sub-Category of the Company: Public Limited Company
- Address of the registered office and contact details:
OPG Nagar Periya Obulapuram Village, Nagaraja Kandigai, Madharapakkam Road, Gummidipoondi - 601 201
E-Mail : investor@chennaiferrous.com
- Whether listed company : Yes
- Name, Address and Contact details of Registrar and Transfer Agent, if any:
Cameo Corporate Services Ltd
No.1, Subramanian Building
Club House Road, Chennai - 60002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

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

(i) Category-wise Share Holding

	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	929520	97208	1026728	28.4845	929520	97208	1026728	28.4845	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	477855	551937	1029792	28.5695	477855	551937	1029792	28.5695	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	1407375	649145	2056520	57.0540	1407375	649145	2056520	57.0540	0.0000
2.	FOREIGN									
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	250000	250000	6.9357	0	250000	250000	6.9357	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	DIRECTORS/RELATIVE NRI	0	250000	250000	6.9357	0	250000	250000	6.9357	0.0000
		0	250000	250000	6.9357	0	250000	250000	6.9357	0.0000
	SUB - TOTAL (A)(2)	0	500000	500000	13.8715	0	250000	500000	13.8715	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	1407375	1149145	2556520	70.9256	1657375	899145	2556520	70.9256	0.0000
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000

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h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	0	0	0	0.0000	0	0	0	0.0000	0.0000
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	547720	864	548584	15.2193	631761	864	632625	17.5509	2.3315
b.	INDIVIDUALS -									
i.	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	127125	63949	191074	5.3009	170582	62755	233337	6.4734	1.1725
ii.	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	116545	0	116545	3.2333	116545	0	116545	3.2333	0.0000
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	FOREIGN CORPORATE BODIES	125000	0	125000	3.4678	0	0	0	0.0000	-3.4678
	HINDU UNDIVIDED FAMILIES	49263	12	49275	1.3670	48009	12	48021	1.3322	-0.0347
	NON RESIDENT INDIANS	6003	9448	15451	0.4286	5953	9448	15401	0.4272	-0.0013
	OTHERS	0	2060	2060	0.0571	0	2060	2060	0.0571	0.0000
		180266	11520	191786	5.3207	53962	11520	65482	1.8166	-3.5040
	SUB - TOTAL (B)(2)	971656	76333	1047989	29.0743	972850	75139	1047989	29.0743	0.0000
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	971656	76333	1047989	29.0743	972850	75139	1047989	29.0743	0.0000
	TOTAL (A)+(B)	2379031	1225478	3604509	100.0000	2630225	974284	3604509	100.0000	0.0000
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	2379031	1225478	3604509	100.0000	2630225	974284	3604509	100.0000	0.0000

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	TAMILNADU ENTERPRISES & INVESTMENTS PVT LTD	251937	6.9894	0.0000	251937	6.9894	0.0000	0.0000
2	RADIANT SOLUTIONS PRIVATE LTD	250000	6.9357	0.0000	250000	6.9357	0.0000	0.0000

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3	AMEENA BAGUM	250000	6.9357	0.0000	0	0.0000	0.0000	-6.9357
4	TAMILNADU PROPERTY DEVELOPERS PVT LTD	160000	4.4388	0.0000	160000	4.4388	0.0000	0.0000
5	DHANWARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	157475	4.3688	0.0000	157475	4.3688	0.0000	0.0000
6	TAMILNADU PROPERTY DEVELOPERS PVT LTD	140000	3.8840	0.0000	140000	3.8840	0.0000	0.0000
7	RAJESH GUPTA MR	138768	3.8498	0.0000	138768	3.8498	0.0000	0.0000
8	GOODFAITH VINIMAY PRIVATE LIMITED	125155	3.4721	0.0000	125155	3.4721	0.0000	0.0000
9	ARVIND GUPTA	122377	3.3951	0.0000	122377	3.3951	0.0000	0.0000
10	SUDHA GUPTA MRS	116230	3.2245	0.0000	116230	3.2245	0.0000	0.0000
11	RENU DEVI JALAN	100000	2.7743	0.0000	100000	2.7743	0.0000	0.0000
12	RAVI KUMAR GUPTA	93550	2.5953	0.0000	157050	4.3570	0.0000	1.7616
	HAVING SAME PAN							
12	RAVI GUPTA MR	63500	1.7616	0.0000	0	0.0000	0.0000	-1.7616
13	SRI HARI VALLABHA ENTERPRISES AND INVESTMENTS PVT. LIMITED	85907	2.3833	0.0000	85907	2.3833	0.0000	0.0000
14	ABHISHEK SARAFF	73712	2.0449	0.0000	73712	2.0449	0.0000	0.0000
15	ASSAM MERCANTILE COMPANY LIMITED	65643	1.8211	0.0000	65643	1.8211	0.0000	0.0000
16	VANDANA GUPTA MRS.	50344	1.3966	0.0000	50344	1.3966	0.0000	0.0000
17	KANISHK GUPTA	47894	1.3287	0.0000	47894	1.3287	0.0000	0.0000
	HAVING SAME PAN							
17	KANISHK GUPTA MR	4307	0.1194	0.0000	4307	0.1194	0.0000	0.0000
18	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI	47200	1.3094	0.0000	47200	1.3094	0.0000	0.0000
19	INDIAN CORPORATE BUSINESS CENTRE LTD	43675	1.2116	0.0000	43675	1.2116	0.0000	0.0000
20	GITADEVI MRS	28725	0.7969	0.0000	28725	0.7969	0.0000	0.0000
21	SHAILJA GUPTA	24091	0.6683	0.0000	24091	0.6683	0.0000	0.0000
22	ALOK GUPTA MR	14934	0.4143	0.0000	14934	0.4143	0.0000	0.0000
23	ROOP CHAND BETALA JT1 : RATNA BETALA	12500	0.3467	0.0000	12500	0.3467	0.0000	0.0000
24	RAVI GUPTA MR	10100	0.2802	0.0000	10100	0.2802	0.0000	0.0000
25	ARVIND GUPTA	10000	0.2774	0.0000	10000	0.2774	0.0000	0.0000
26	RAJESH GUPTA	10000	0.2774	0.0000	10000	0.2774	0.0000	0.0000

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27	RAVI GUPTA	10000	0.2774	0.0000	10000	0.2774	0.0000	0.0000
28	SAMRIDHI GUPTA MS	9340	0.2591	0.0000	9340	0.2591	0.0000	0.0000
29	ARVIND GUPTA MR	7131	0.1978	0.0000	7131	0.1978	0.0000	0.0000
30	RAJESH GUPTA	7131	0.1978	0.0000	7131	0.1978	0.0000	0.0000
31	SUDHA GUPTA	5000	0.1387	0.0000	5000	0.1387	0.0000	0.0000
32	ALOK GUPTA	5000	0.1387	0.0000	5000	0.1387	0.0000	0.0000
33	KANISHK GUPTA	5000	0.1387	0.0000	5000	0.1387	0.0000	0.0000
34	VANDANA GUPTA	5000	0.1387	0.0000	5000	0.1387	0.0000	0.0000
35	AVANTIKA GUPTA MS	2701	0.0749	0.0000	2701	0.0749	0.0000	0.0000
36	NIVEDITA GUPTA	1250	0.0346	0.0000	1250	0.0346	0.0000	0.0000
37	ARVIND KUMAR GUPTA	625	0.0173	0.0000	625	0.0173	0.0000	0.0000
38	NIVEDITA GUPTA	274	0.0076	0.0000	274	0.0076	0.0000	0.0000
39	SUBHASH CHANDRA SARAFF	36	0.0009	0.0000	36	0.0009	0.0000	0.0000
40	RAVI GUPTA	8	0.0002	0.0000	8	0.0002	0.0000	0.0000
41	AMEENA BEGUM S.	0	0.0000	0.0000	250000	6.9357	0.0000	6.9357

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

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	TAMILNADU ENTERPRISES & INVESTMENTS PVT LTD				
	At the beginning of the year 01-Apr-2015	251937	6.9894	251937	6.9894
	At the end of the Year 31-Mar-2016	251937	6.9894	251937	6.9894
2	RADIANT SOLUTIONS PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	250000	6.9357	250000	6.9357
	At the end of the Year 31-Mar-2016	250000	6.9357	250000	6.9357
3	AMEENA BAGUM				
	At the beginning of the year 01-Apr-2015	250000	6.9357	250000	6.9357
	Sale 21-Aug-2015	-250000	6.9357	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
4	TAMILNADU PROPERTY DEVELOPERS PVT LTD				
	At the beginning of the year 01-Apr-2015	160000	4.4388	160000	4.4388
	At the end of the Year 31-Mar-2016	160000	4.4388	160000	4.4388

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5	DHANVARSHA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2015	157475	4.3688	157475	4.3688
	At the end of the Year 31-Mar-2016	157475	4.3688	157475	4.3688
6	TAMILNADU PROPERTY DEVELOPERS PVT LTD				
	At the beginning of the year 01-Apr-2015	140000	3.8840	140000	3.8840
	At the end of the Year 31-Mar-2016	140000	3.8840	140000	3.8840
7	RAJESH GUPTA MR				
	At the beginning of the year 01-Apr-2015	138768	3.8498	138768	3.8498
	At the end of the Year 31-Mar-2016	138768	3.8498	138768	3.8498
8	GOODFAITH VINIMAY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	125155	3.4721	125155	3.4721
	At the end of the Year 31-Mar-2016	125155	3.4721	125155	3.4721
9	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2015	122377	3.3951	122377	3.3951
	At the end of the Year 31-Mar-2016	122377	3.3951	122377	3.3951
10	SUDHA GUPTA MRS				
	At the beginning of the year 01-Apr-2015	116230	3.2245	116230	3.2245
	At the end of the Year 31-Mar-2016	116230	3.2245	116230	3.2245
11	RENU DEVI JALAN				
	At the beginning of the year 01-Apr-2015	100000	2.7743	100000	2.7743
	At the end of the Year 31-Mar-2016	100000	2.7743	100000	2.7743
12	RAVI KUMAR GUPTA				
	At the beginning of the year 01-Apr-2015	93550	2.5953	93550	2.5953
	Purchase 14-Aug-2015	63500	1.7616	157050	4.3570
	At the end of the Year 31-Mar-2016	157050	4.3570	157050	4.3570
	HAVING SAME PAN				
12	RAVI GUPTA MR				
	At the beginning of the year 01-Apr-2015	63500	1.7616	63500	1.7616
	Sale 14-Aug-2015	-63500	1.7616	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
13	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PVT. LIMITED				
	At the beginning of the year 01-Apr-2015	85907	2.3833	85907	2.3833
	At the end of the Year 31-Mar-2016	85907	2.3833	85907	2.3833
14	ABHISHEK SARAFF				

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	At the beginning of the year 01-Apr-2015	73712	2.0449	73712	2.0449
	At the end of the Year 31-Mar-2016	73712	2.0449	73712	2.0449
15	ASSAM MERCANTILE COMPANY LIMITED				
	At the beginning of the year 01-Apr-2015	65643	1.8211	65643	1.8211
	At the end of the Year 31-Mar-2016	65643	1.8211	65643	1.8211
16	VANDANA GUPTA MRS.				
	At the beginning of the year 01-Apr-2015	50344	1.3966	50344	1.3966
	At the end of the Year 31-Mar-2016	50344	1.3966	50344	1.3966
17	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2015	47894	1.3287	47894	1.3287
	At the end of the Year 31-Mar-2016	47894	1.3287	47894	1.3287
	HAVING SAME PAN				
17	KANISHK GUPTA MR				
	At the beginning of the year 01-Apr-2015	4307	0.1194	4307	0.1194
	At the end of the Year 31-Mar-2016	4307	0.1194	4307	0.1194
	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI				
	At the beginning of the year 01-Apr-2015	47200	1.3094	47200	1.3094
	At the end of the Year 31-Mar-2016	47200	1.3094	47200	1.3094
19	INDIAN CORPORATE BUSINESS CENTRE LTD				
	At the beginning of the year 01-Apr-2015	43675	1.2116	43675	1.2116
	At the end of the Year 31-Mar-2016	43675	1.2116	43675	1.2116
20	GITADEVI MRS				
	At the beginning of the year 01-Apr-2015	28725	0.7969	28725	0.7969
	At the end of the Year 31-Mar-2016	28725	0.7969	28725	0.7969
21	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2015	24091	0.6683	24091	0.6683
	At the end of the Year 31-Mar-2016	24091	0.6683	24091	0.6683
22	ALOK GUPTA MR				
	At the beginning of the year 01-Apr-2015	14934	0.4143	14934	0.4143
	At the end of the Year 31-Mar-2016	14934	0.4143	14934	0.4143
23	ROOP CHAND BETALA JT1 : RATNA BETALA				
	At the beginning of the year 01-Apr-2015	12500	0.3467	12500	0.3467

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	At the end of the Year 31-Mar-2016	12500	0.3467	12500	0.3467
24	RAVI GUPTA MR				
	At the beginning of the year 01-Apr-2015	10100	0.2802	10100	0.2802
	At the end of the Year 31-Mar-2016	10100	0.2802	10100	0.2802
25	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2015	10000	0.2774	10000	0.2774
	At the end of the Year 31-Mar-2016	10000	0.2774	10000	0.2774
26	RAJESH GUPTA				
	At the beginning of the year 01-Apr-2015	10000	0.2774	10000	0.2774
	At the end of the Year 31-Mar-2016	10000	0.2774	10000	0.2774
27	RAVI GUPTA				
	At the beginning of the year 01-Apr-2015	10000	0.2774	10000	0.2774
	At the end of the Year 31-Mar-2016	10000	0.2774	10000	0.2774
28	SAMRIDHI GUPTA MS				
	At the beginning of the year 01-Apr-2015	9340	0.2591	9340	0.2591
	At the end of the Year 31-Mar-2016	9340	0.2591	9340	0.2591
29	ARVIND GUPTA.MR				
	At the beginning of the year 01-Apr-2015	7131	0.1978	7131	0.1978
	At the end of the Year 31-Mar-2016	7131	0.1978	7131	0.1978
30	RAJESH GUPTA				
	At the beginning of the year 01-Apr-2015	7131	0.1978	7131	0.1978
	At the end of the Year 31-Mar-2016	7131	0.1978	7131	0.1978
31	SUDHA GUPTA				
	At the beginning of the year 01-Apr-2015	5000	0.1387	5000	0.1387
	At the end of the Year 31-Mar-2016	5000	0.1387	5000	0.1387
32	ALOK GUPTA				
	At the beginning of the year 01-Apr-2015	5000	0.1387	5000	0.1387
	At the end of the Year 31-Mar-2016	5000	0.1387	5000	0.1387
33	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2015	5000	0.1387	5000	0.1387
	At the end of the Year 31-Mar-2016	5000	0.1387	5000	0.1387
34	VANDANA GUPTA				
	At the beginning of the year 01-Apr-2015	5000	0.1387	5000	0.1387
	At the end of the Year 31-Mar-2016	5000	0.1387	5000	0.1387
35	AVANTIKA GUPTA MS				
	At the beginning of the year 01-Apr-2015	2701	0.0749	2701	0.0749

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	At the end of the Year 31-Mar-2016	2701	0.0749	2701	0.0749
36	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2015	1250	0.0346	1250	0.0346
	At the end of the Year 31-Mar-2016	1250	0.0346	1250	0.0346
37	ARVIND KUMAR GUPTA				
	At the beginning of the year 01-Apr-2015	625	0.0173	625	0.0173
	At the end of the Year 31-Mar-2016	625	0.0173	625	0.0173
38	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2015	274	0.0076	274	0.0076
	At the end of the Year 31-Mar-2016	274	0.0076	274	0.0076
39	SUBHASH CHANDRA SARAFF				
	At the beginning of the year 01-Apr-2015	36	0.0009	36	0.0009
	At the end of the Year 31-Mar-2016	36	0.0009	36	0.0009
40	RAVI GUPTA				
	At the beginning of the year 01-Apr-2015	8	0.0002	8	0.0002
	At the end of the Year 31-Mar-2016	8	0.0002	8	0.0002
41	AMEENA BEGUM S.				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Demated 21-Aug-2015	250000	6.9357	250000	6.9357
	At the end of the Year 31-Mar-2016	250000	6.9357	250000	6.9357

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

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHENNAI MATERIAL RECYCLING AND TRADING COMPANY PRIVATE LTD				
	At the beginning of the year 01-Apr-2015	186198	5.1656	186198	5.1656
	Purchase 24-Apr-2015	125000	3.4678	311198	8.6335
	At the end of the Year 31-Mar-2016	311198	8.6335	311198	8.6335
2	KUMPULAN PITCHAI SDN BHD				
	At the beginning of the year 01-Apr-2015	125000	3.4678	125000	3.4678
	Sale 24-Apr-2015	-125000	3.4678	0	0.0000

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	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
3	ROTOFLEX PACKAGING (P) LTD				
	At the beginning of the year 01-Apr-2015	87593	2.4300	87593	2.4300
	Sale 15-May-2015	-87593	2.4300	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
4	PRJ FINANCE PVT.LTD.				
	At the beginning of the year 01-Apr-2015	60625	1.6819	60625	1.6819
	At the end of the Year 31-Mar-2016	60625	1.6819	60625	1.6819
5	GOENKA BUSINESS AND FINANCE LIMITED				
	At the beginning of the year 01-Apr-2015	44182	1.2257	44182	1.2257
	Sale 15-May-2015	-44182	1.2257	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
6	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2015	35525	0.9855	35525	0.9855
	At the end of the Year 31-Mar-2016	35525	0.9855	35525	0.9855
7	SANGITA GARG				
	At the beginning of the year 01-Apr-2015	33958	0.9420	33958	0.9420
	At the end of the Year 31-Mar-2016	33958	0.9420	33958	0.9420
8	YASH MOVERS PVT. LTD.				
	At the beginning of the year 01-Apr-2015	31250	0.8669	31250	0.8669
	At the end of the Year 31-Mar-2016	31250	0.8669	31250	0.8669
9	KARIKISH VYAPAAR PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2015	31137	0.8638	31137	0.8638
	At the end of the Year 31-Mar-2016	31137	0.8638	31137	0.8638
10	VINOD KUMAR GARG				
	At the beginning of the year 01-Apr-2015	30453	0.8448	30453	0.8448
	At the end of the Year 31-Mar-2016	30453	0.8448	30453	0.8448
	NEW TOP 10 AS ON (31-Mar-2016)				
11	GLOBE STOCKS AND SECURITIES LTD.				
	At the beginning of the year 01-Apr-2015	168	0.0046	168	0.0046
	Purchase 15-May-2015	131775	3.6558	131943	3.6604
	At the end of the Year 31-Mar-2016	131943	3.6604	131943	3.6604
12	D M TRADING PVT LTD				
	At the beginning of the year 01-Apr-2015	28900	0.8017	28900	0.8017
	At the end of the Year 31-Mar-2016	28900	0.8017	28900	0.8017
13	SHAILESH JALAN				

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	At the beginning of the year 01-Apr-2015	18750	0.5201	18750	0.5201
	At the end of the Year 31-Mar-2016	18750	0.5201	18750	0.5201
	HAVING SAME PAN				
13	SHAILESH OMPRAKASH JALAN				
	At the beginning of the year 01-Apr-2015	51	0.0014	51	0.0014
	At the end of the Year 31-Mar-2016	51	0.0014	51	0.0014

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

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-	-	-	-
Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc):	-	-	-	-
At the End of the year	-	-	-	-

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

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

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

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

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	Other Non-Executive Directors	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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Independent Auditors' Report

To the Members of CHENNAI FERROUS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Chennai Ferrous Industries Limited, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system

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over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March 2016 and its Loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The Company is yet to comply with the requirements of section 203 of Companies Act regarding appointment of a Company Secretary.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2)(g) 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". and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

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our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has, in accordance with the generally accepted accounting practice, disclosure the impact of pending Litigations on its financial position in its financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date : May 28, 2016

Place : Chennai

For **S.K GULECHA & ASSOCIATES**

Chartered Accountants

Firm Registration No. 013340S

SANDEEP KUMAR GULECHA

PROPRIETOR

(Membership Number : 226263)

Annexure A to Independent Auditors' Report

The Annexure referred to in our independent Auditors' Report to the members of the Company on the financial statements of Chennai Ferrous Industries Limited for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) As explained to us, all the Fixed Assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company has not disposed of substantial part of the Fixed Assets during the year which could affect the going concern status of the Company.
- (ii) (a) Inventories have been physically verified during the year by the management at the close of the year.
- (b) In our opinion and according to the information and explanation give to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

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- (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records which were not material having regard to the size of the company and nature of its business have been properly dealt with in the books of account.
- (iii) As per the information and explanation given to us and as per the records produced to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and accordingly, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposit from the public.
- (vi) We have broadly reviewed the books of account maintained by the company in respect products where, pursuant to the rule made by the Central Government of India, the maintenance of cost records and we are of the opinion that, prima facie, the prescribed account and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities, wherever applicable and no dues are pending for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material n dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, vat, cess and other material statutory dues as applicable, which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under..
- (viii) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Date : May 28, 2016
Place : Chennai

For **S.K GULECHA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 013340S

SANDEEP KUMAR GULECHA
PROPRIETOR
(Membership Number:226263)

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“Annexure B” to the Independent Auditor’s Report of even date on the Standalone financial statements of Chennai Ferrous Industries Limited

Report on the Internal Financial Controls under Clause (f) of Sub-section 3 f 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 of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

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 48 Annual Report

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

Date : May 28, 2016
Place : Chennai

For **S.K GULECHA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 013340S

SANDEEP KUMAR GULECHA
PROPRIETOR
(Membership Number:226263)

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CHENNAI FERROUS INDUSTRIES LIMITED
Balance Sheet as at 31st March, 2016

Particulars	Note No.	As at 31st March, 2016 (Amount in Rs.)	As at 31st March, 2015 (Amount in Rs.)
A. EQUITY AND LIABILITIES			
1 Shareholders’ funds			
(a) Share capital	3	36,045,090	36,045,090
(b) Reserves and surplus	4	(167,081,926)	22,219,604
		131,036,836	58,264,694
2 Non-current liabilities			
(a) Long Term Loans & Advances (Customer Advances)		93,296,839	76,150,805
(b) Deferred Tax Liability	5	25,749,633	25,749,633
(c) Long Term Provisions (Employee Ben)		692,426	437,808
		119,738,898	102,338,246
3 Current liabilities			
(a) Trade payables		574,522,436	807,667,980
(b) Other current liabilities	6	232,840	534,743
(c) Short-term provisions - Taxation		-	-
		574,755,276	808,202,723
TOTAL		563,457,338	968,805,663
B. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	141,910,135	156,311,661
(b) Non - Current Investments	8	739,000	600,000
(c) Long-term loans and advances	9	72,108,992	72,108,992
		214,758,127	229,020,653
2 Current assets			
(a) Inventories	10	152,297,384	532,841,123
(b) Trade receivables	11	144,942,314	105,911,785
(c) Cash and cash equivalents	12	10,221,481	9,198,129
(d) Short-term loans and advances	13	22,550,733	24,215,158
(e) Other current assets	14	18,687,299	67,618,815
		348,699,211	739,785,009
TOTAL		563,457,338	968,805,663

As Per our report of Even Dated
For S.K. GULECHA & ASSOCIATES
Chartered Accountants
Firm Regn.No.013340S
(SANDEEP KUMAR GULECHA U)
Proprietor
M.No: 226263
Date : May 28, 2016, Place : Chennai.

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

K. Karthikeyan
Chief-Financial Officer

Suresh Kedia
Director

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CHENNAI FERROUS INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2016

Particulars	Note No.	Year ended	Year ended
		31 March, 2016 (Amount in Rs.)	31 March, 2015 (Amount in Rs.)
1 Revenue from operations (gross)	15	322,815,764	331,299,113
Less: Excise duty		44,248,998	30,604,220
Revenue from operations (net)		278,566,766	300,694,893
2 Other income	15.a	449,020	2,352,922
3 Total revenue		279,015,786	303,047,815
4 Expenses			
(a) Cost of materials consumed	15.b	434,453,680	286,493,926
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	15.c	(9,856,506)	22,672,353
(d) Employee benefits expense	16	3,040,558	2,389,983
(e) Finance costs	17	21,664	924,948
(f) Depreciation and amortisation expense	7	14,401,526	26,242,882
(g) Other expenses	18	26,256,393	130,312,284
Total expenses		468,317,315	469,036,376
5 Profit before exceptional and extraordinary items and tax		(189,301,529)	(165,988,561)
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax		(189,301,529)	(165,988,561)
8 Extraordinary items		-	-
9 Profit / (Loss) before tax		(189,301,529)	(165,988,561)
10 Tax expense:			
(a) Current tax expense for current year		-	-
(b) Deferred Tax		-	(7,138,006)
		-	(7,138,006)
11 Profit / (Loss) For the period		(189,301,529)	(158,850,555)
12 Earnings Per Equity Share:			
(a) Basic & Diluted	23	(52.52)	(44.07)

As Per our report of Even Dated For S.K. GULECHA & ASSOCIATES Chartered Accountants Firm Regn.No.013340S
(SANDEEP KUMAR GULECHA U)
Proprietor
M.No: 226263
Date : May 28, 2016, Place : Chennai.

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

K. Karthikeyan Chief-Financial Officer
Suresh Kedia Director

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CHENNAI FERROUS INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2016

Particular	Year Ended	
	31st March 2016 (Amount in Rs.)	31st March 2015 (Amount in Rs.)
A.CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax And Extraordinary Items	(189,301,529.05)	(165,988,561.00)
Add:		
Depreciation	14,401,525.85	26,242,882.00
Interest Expenses	21,664.00	924,948
Operating Profitbefore Working Capital Changes	(174,878,339.20)	(138,820,731.00)
Adjustments for movement in Working Capital:		
- (Increase)/Decrease in Inventories	380,543,739.00	(274,216,399.00)
- (Increase)/Decrease in Trade Receivable	(39,030,528.58)	(17,267,949.00)
Short Term Loans & Advances (Asset)	1,664,425.00	(1,811,181.00)
Other Current Assets	48,931,516.19	(65,129,197.00)
Trade Payables	233,145,543.70	651,923,689.00
Other Current Liabilities	(301,903.00)	(34,157.00)
	-	293,464,806.00
	(16,216,635.68)	154,644,075.00
Less: Direct Taxes Paid	-	3,477,349.00
Net Cash Flow Operating activities (A)	(16,216,635.68)	151,166,726.00
B.CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	(373,734.00)
Purchase of Shares	(139,000.00)	-
Long Term loans & advance (Assets)	-	180,001.00
Net Cash Flow Investing activities (B)	(139,000.00)	(193,733.00)
C.CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(21,664.00)	(128,457.00)
Movement in Long Term Liabilities (Customer Advances)	17,146,034.00	(177,183,131.00)
Long Term Provisions	254,618.00	109,715.00
Net Cash Flow From Financing activities (C)	17,378,988.00	(177,201,873.00)
Net Increase in cash Equivalents (A)+(B)+(C)	1,023,352.32	(26,228,880.00)
Cash & Cash Equivalents (Opening Balance)	9,198,129.00	36,223,500.00
Cash & Cash Equivalents (Closing Balance)	10,221,481.32	9,198,129.00
Net Increase/ (Decrease) in Cash & Cash Equivalents	1,023,352.32	(27,025,371.00)

As Per our report of Even Dated For S.K. GULECHA & ASSOCIATES Chartered Accountants Firm Regn.No.013340S
(SANDEEP KUMAR GULECHA U)
Proprietor
M.No: 226263
Date : May 28, 2016, Place : Chennai.

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

K. Karthikeyan Chief-Financial Officer
Suresh Kedia Director

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Notes forming part of the financial statements
Note 3 Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
(a) Authorised				
3750000 Equity shares of Rs.10 each				
- Opening Balance	3,750,000	37,500,000	3,750,000	37,500,000
- Increase during the Year	-	-	-	-
- Closing Balance	3,750,000	37,500,000	3,750,000	37,500,000
(b) Issued, Subscribed and Fully paid-up				
Movement in the Equity Shares				
Opening Balance	3,604,509	36,045,090	3,604,509	36,045,090
Add: Issued during the year	-	-	-	-
Less: Cancelled during the year	-	-	-	-
Closing Balance	3,604,509	36,045,090	-	-
(c) Share Application Money	-	-	-	-
TOTAL		36,045,090		36,045,090

Notes:
(a) Movement of shares
Authorised Capital, Issued, Subscribed and fully paid up capital:
There is no movement of shares outstanding at the beginning and at the end of the reporting period
(b) Terms / rights attached to equity shares
The company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity share is entitled to one vote per share
The details of Share Holders holding more than 5% of shares in the Company are given below

Name of the shareholders	As at 31 March, 2016		As at 31 March, 2015	
	% of share holding	No of Shares	% of share holding	No of Shares
Chennai Metal Recycling & Trading Co P Ltd	5.17	186,190	5.17	186,190
Tamilnadu Enterprises & Investment P Ltd	6.99	251,937	6.99	251,937
Tamilnadu Property Developers P Ltd	8.32	300,000	8.32	300,000
Radiant Solutions Private Limited	6.94	250,000	6.94	250,000
Ameena Begam	6.94	250,000	6.94	250,000

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Particulars	As at 31 March, 2016 (Amount in Rs.)	As at 31 March, 2015 (Amount in Rs.)
Note 4 Reserves and surplus		
(a) General Reserve		
- Opening Balance	174,462,564	174,462,564
- Additions during the year	-	-
- Closing Balance	174,462,564	174,462,564
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(152,242,960)	6,607,595
Add: Profit / (Loss) for the year	(189,301,529)	(158,850,555)
Closing balance	(341,544,489)	(152,242,960)
Total	(167,081,926)	22,219,604
Note 5 Deferred Tax Liability		
(a) Deferred Tax Liability		32,887,639
Fixed Asset Impact of Difference Between Tax Depreciation and Depreciation Charged in the Financial Statement	25,749,633	(7,138,006)
Closing Balance	-	25,749,633
Total	25,749,633	25,749,633
Note 6 Other current liabilities		
(i) EPF & ESI Payable	19,879	-
(ii) Salary Payable	83,953	-
(iii) Statutory Liabilities	71,270	8,153
(iv) Others	57,738	526,590
Total	232,840	534,743

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DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	COST AS AT 01.04.2015	ADD. DEL.	UP TO 31.03.2015	FOR THE PERIOD	UP TO 31.03.2016	AS AT 31.03.2016
	AS AT 31.03.2016	DEL.	AS AT 31.03.2016	DEL.	AS AT 31.03.2016	AS AT 31.03.2016
Land Free Hold	17,562,794	-	-	-	-	17,562,794
Factory Buildings	58,929,891	-	16,416,577	1,868,078	18,284,655	40,645,236
Plant & Machinery	165,048,778	-	71,730,821	10,447,568	82,178,409	82,870,369
Electrical Installations	17,818,721	-	16,102,358	1,682,778	17,795,136	28,585
Office Equipments	1,597,265	-	869,900	303,480	1,173,080	424,185
Furniture & Fittings	523,266	-	356,372	49,710	406,022	117,244
Vehicle	419,911	-	113,298	39,892	153,190	266,721
TOTAL	261,900,627	-	105,588,965	14,401,526	119,900,491	141,910,135
Previous Year	261,562,893	373,734	79,346,083	26,242,882	10,589,965	182,180,810

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Particulars	As at 31 March, 2016 (Amount in Rs.)	As at 31 March, 2015 (Amount in Rs.)
Note 8 Non Current Investment		
Trade Investment (Stated at Cost)		
Investment in unquoted Equity Shares, Fully Paid Up		
60000 Equity Shares of Rs.10/- each of OPG Renewable Energy Private Limited	600,000	600,000
Trade Investment (Stated at Cost)		
Investment in unquoted Equity Shares, Fully Paid Up		
13900 Equity Shares of Rs.10/- each of OPG Energy Private Limited	139,000	-
Total	739,000	600,000
Note 9 Long-term loans and advances (Unsecured and Considered good)		
(i) Capital Advance	6,673,692	6,673,692
(ii) Other Deposits	62,200,000	62,200,000
(iii) Security Deposits	3,235,300	3,235,300
Total	72,108,992	72,108,992
Note 10 Inventories		
(a) Raw Materials	128,152,856.00	521,052,874.00
(b) Finished Goods	13,250,657.00	3,394,151.00
(c) Stores & Spares	10,893,871.00	8,394,098.00
Total	152,297,384.00	532,841,123.00
Note 11 Trade Receivable		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	17,810,177
Other Debts		88,101,608
Unsecured, considered good	144,942,314	-
Total	144,942,314	105,911,785

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Particulars	As at 31 March, 2016 (Amount in Rs.)	As at 31 March, 2015 (Amount in Rs.)
Note 12 Cash and cash equivalents		
(a) Cash on hand	2,037,086	5,539,741
(b) Balances with banks		
(i) In current accounts	7,209,977	2,674,060
(ii) In Deposit accounts	974,418	984,328
Total	10,221,481	9,198,129
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	10,221,481	9,198,129
Note 13 Short Term Loans & Advances		
(a) Supplier Advances	22,550,733	24,215,158
Total	22,550,733	24,215,158
Note 14 Other Current Assets		
(a) Balance with Excise Authorities	18,575,761	59,335,072
(b) Balance with Income tax	-	49,234
(c) Balance with VAT Authorities	-	7,908,537
(c) T.D.S (A.Y 2016-2017)	4,064	-
(d) Others	107,474	325,972
Total	18,687,299.81	67,618,815

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Particulars	Year ended 31st March, 2016 (Amount in Rs.)	Year ended 31st March, 2015 (Amount in Rs.)
Note 15 Revenue from operations		
(a) Sale of Goods:		
- Manufacturing Items	295,164,849	304,097,223
(b) Income Received from I.C.B.C	27,650,915	27,201,890
Total	322,815,764	331,299,113
Note 15.a Other Income		
(a) Commission & Maintenance Charges	-	2,264,595
(b) Profit from Sale of Share Investment	408,000	-
(c) Liabilities no longer required written back	-	32,013
(d) Interest Received	41,020	56,314
Total	449,020	2,352,922
Note 15.b Cost of Materials Consumed		
(a) Opening stock	521,052,874	225,100,086
(b) Add: Purchases	41,553,662	582,446,714
	562,606,536	807,546,800
(c) Less: Closing Stock	128,152,856	521,052,874
Total	434,453,680	286,493,926
Note 15.c Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Stock-in-trade	13,250,657	3,394,151
	13,250,657	3,394,151
Inventories at the beginning of the year:		
Stock-in-trade	3,394,151	26,066,504
	3,394,151	26,066,504
Net (increase) / decrease	(9,856,506)	22,672,353
Note 16 Employee Benefit Expenses		
(a) Salary and Wages	2,318,678	1,315,314
(b) Contribution to EPF & ESI	180,236	654,529
(c) Employee Benefit	254,618	109,715
(d) Staff Welfare	287,026	310,425
Total	3,040,558	2,389,983
Note 17 Finance Costs		
(a) Bank Charges	20,041	796,491
(b) Interest on Other	1,623	128,457
Total	21,664	924,948

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NOTES TO ACCOUNTS AS ON MARCH 31, 2016

Particulars	Year ended 31st March, 2016 (Amount in Rs.)	Year ended 31st March, 2015 (Amount in Rs.)
Note 18 Other expenses		
A. Material & Manufacturing Expenses		
Stores and Spares Consumed	3,410,162	3,537,366
Freight Charges	4,636,310	56,741,680
Power and Fuel	778,817	1,661,525
Clearing and Forwarding Charges	2,437,530	22,476,781
Customs Duty	1,461,693	15,261,593
Labour Charges	1,000,000	-
B. Repairs & Maintenance		
Building Repairs and Maintenance	-	311,212
Electrical Maintenance	-	75,697
Machinery Maintenance	7,388,458	620,530
Vehicle Maintenance	327,791	92,703
C. Administrative Expenses		
Bad Debts Written Off	28,289	15,190,311
Donation	5,000	-
Directors Remuneration	300,000	100,000
Filing Fees	7,974	7,976
Insurance	108,469	4,755
Postage Expenses	6,925	9,464
Printing and Stationery	56,702	42,848
Professional & Consultancy	350,090	372,628
Payment to Auditors		
i) As Statutory Audit Fees	40,075	39,900
ii) As Tax Audit Fees	17,175	17,100
Rates & Taxes	444,190	870,920
Rebate and Discount	-	8,976,111
Rent	285,000	192,000
Security Charges	1,428,322	1,615,804
Listing Fees / Share Transfer Charges	278,582	185,394
Telephone Expenses	327,333	493,983
Travelling & Conveyance	107,466	476,521
D. Selling & Distribution Expenses		
Sales Commission	202,100	254,921
Carriage Outwards	760,590	-
Advertisement Expenses	61,350	682,561
Total	26,256,393	130,312,284

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Note 1:

Notes attached to and forming part of the Balance Sheet as at 31-03-2016 and the Profit and Loss account for the period ended on that date:

1. Company overview:

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual method of accounting except as disclosed in the notes. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies(Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for change in accounting policy initially adopted or a revision to the existing accounting policy that requires a change as against the one hitherto in use.

2.2. Use of Estimates

The preparation of the financial statements in conformity with GAAP 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:

Sale is recognized on dispatch of goods. Sale is net of trade discount, includes excise duty and excludes sales tax recovered. Insurance claim is accounted in the year of receipt.

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. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment, if any. Direct costs like inland freight, duties, taxes and incidental expenses related to acquisition are capitalized with due adjustments for Cervat / VAT credits.

2.6. Impairment

At each Balance sheet date, the Management assesses, whether there is any indication that Fixed Asset have suffered an impairment loss. If any such indication exists the recoverable amount of the Assets is estimated in order to determine the

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extent of the impairment if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

As per the assessment conducted by the company at March 31, 2016, there was no indication that fixed asset have suffered an impairment loss.

2.7. Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transactions. In respect of the transactions covered by Forward Exchange Contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as Income or Expense over the life of the Contract. Transactions not covered by forward exchange rates and outstanding at year end are translated at exchange rates prevailing at the year end and the profit/loss so determined and also the realized exchange gain/losses are recognized in the Statement of Profit & Loss.

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's primary segment is identified as business segment based on nature of product, risks, returns and internal business reporting system and secondary segment is identified based on geographical locations of the customers as per Accounting Standard-17. The company is principally engaged in a single business segment viz., Manufacture of Sponge Iron. Further there is no reportable secondary segment. i.e., Geographical segment.

2.10. Taxes on Income:

(a) Provision for current tax is made in accordance with the Income Tax Act, 1961.
(b) In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, 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.

2.11. 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.

23. Additional Information to the Financial Statements

(i) Contingent liability not provided for:

(a) Counter Guarantees furnished to the bank Rs.4,04,640/- (Previous year Rs.2,82,350/-)
(b) Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.

(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.13,59,00,000/- (Previous year Rs.13,59,00,000/- pertaining to resulting company) and for others is nil.

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

(iv) Employee Benefits :

a) Defined Contribution plan:

Contribution to defined contribution plan recognized as expenses for the year 2015-16 accordingly an amount of Rs. 1,80,236/- (previous year Rs. 6,54,529/-) 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. 2,54,618/- has been made.

	Particulars	2015-16 (Amount in Rs.)	2014-15 (Amount in Rs.)
I	Expenses recognized in the statement of profit and loss for the year ended		
	1.Current Service Cost	2,43,423	70,072
	2.Interest Cost/ Interest on obligation	34,149	26,247
	3. Expected return on plan assets	-	-
	4.Net Actuarial (gains)/losses	(22,954)	13,396
	5.Total Expenses	2,54,618	1,09,715
II	Net Asset/(Liability)recognized in the balance sheet as on 31-03-2016		
	1. Present Value of funded Obligations	-	-
	2.Present Value of unfunded Obligations	6,92,426	4,37,808
	3.Fair Value of plan assets as at 31-03-2016	-	-
	4.Unrecognized past service cost	-	-
	5.Net liability as at 31-03-2016	6,92,426	4,37,808

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III	Changes in Benefit obligations during the year ended		
	1.Present Value of Defined Benefit Obligation at the beginning of the year	4,37,808	3,28,093
	2.Current Service Cost	2,43,423	70,072
	3.Interest Cost	34,149	26,247
	4.Actuarial(Gains)/losses	(22,954)	13,396
	5.Benefit payments	-	-
	6.Present Value of Defined Benefit Obligation at the end of the year	6,92,426	4,37,808
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:	Nil	Nil
	Government of India Securities		
	High Quality Corporate Bonds		
	Equity Shares of Listed Companies Property		
	Funds Managed by Insurer		
	Bank Balance		
VI	Principal Actuarial Valuation	7.5%	7.8%
	1.Discourt Rate	-	-
	2.Expected rate of Return on plan assets	-	-
	3.Annual Increase in Salary Costs	6.5%	7.0%
	4.Mortality Table	IALM(2006- 08) Ult.	ILAM(2006- 08) Ult.
	5.Withdrawal Rate	5% at younger ages reducing gradually to 1% at older ages	5% for all ages
VII	Table Showing Surplus/ (Deficit)		
	Defined Benefit Obligation	6,92,426	4,37,808
	Plan Assets	-	-
	Surplus/ (Deficit)	(6,92,426)	(4,37,808)

(v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2016 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

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

(vii) Value of Imported & Indigenous Raw Materials, Spare Parts Components consumed

Year	2015-16		2014-15		
	Particulars	Amount in Rs.	%	Amount in Rs.	%
Imported		-	-	-	-
Indigenous- Raw Material		434,453,680	100	286,493,926	100
Indigenous- Spares		3,410,162		3,537,366	

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

(ix) Remittance in Foreign Currency towards Dividend Nil

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

(xi) **RELATED PARTY DISCLOSURES**

Details of related parties including summary of transactions entered into by the Branch during the year ended 31 March 2016 are summarized below:

Names of related parties:	
Key management personnel	Mr. R Natarajan, Chairman & Managing Director
Other Related Party	Gita Renewable Energy Limited

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

Related party transactions:

Amount in Rs.

Directors Salary – Mr.R Natarajan	3,00,000/-
Advance Returned	1,58,310/-
Reimbursement of expenses	10,819/-
Advance Received	25,58,822/-

(xii) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2016.

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

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

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(xiv)	Earnings Per Share:	2015-16	2014-15
a)	Weighted Average No. of Equity Shares of Rs.10/- each		
	I. No. of Shares at the beginning of the year	36,04,509	36,04,509
	II. No. of Shares at the end of the year	36,04,509	36,04,509
	III. Weighted average number of equity shares outstanding during the year	36,04,509	36,04,509
b)	Net profit After Tax available for equity shareholders (Rs.)	(18,93,01,529)	(15,88,50,556)
c)	Basic and Diluted earnings per share (Rs.)	(52.52)	(44.00)

(xv) Previous year figures:

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

As Per our report of Even Dated
For S.K. GULECHA & ASSOCIATES
Chartered Accountants
Firm Regn.No.0133405

For and on behalf of the Board of Directors

R Natarajan

Chairman & Managing Director

(SANDEEP KUMAR GULECHA)

Proprietor

M.No: 226263

Date : May 28, 2016,

Place : Chennai.

K. Karthikeyan

Chief-Financial Officer

Suresh Kedia

Director

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CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office: OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201
CIN: L27310TN2010PLC075626

PROXY FORM

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

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

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

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

or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 6th Annual General Meeting of the Company, to be held on Friday, the September 30, 2016 at 2.00 p.m. at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements
2. Appointment of Directors
3. Ratification of Auditor's Appointment

Signed this day of 2016.

Affix
Revenue
Stamp
of
Re.1/-

(Signature of Member)

Signature of Proxy holder(s)

Note :

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

CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office: OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201
CIN: L27310TN2010PLC075626

POLLING PAPER

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

6th ANNUAL GENERAL MEETING

Date : 30.09.2016 (Friday)
Time : 2.00 PM
Place : OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201.

BALLOT PAPER

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

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

Sl. No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of Financial Statements			
2	Appointment of Directors			
3	Ratification of Auditor's Appointment			

Place:

(Signature of Shareholder)

Date: