



CHENNAI FERROUS INDUSTRIES LIMITED

Registered Office & Factory : Sy. No. 180 to 183, 190 & 191, OPG Nagar,
Periya Obulapuram Village, Near Nagaraja Kandigai, Gummidipoondi to
Madharpakkam Road, Gummidipoondi - 601 201, Thiruvallur, District, Tamil Nadu,
Telefax : 044 27991450 E-mail : chennaiferrous@gmail.com
CIN : L27310TN2010PLC075626

Date: 05-09-2017

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dala Street,
Mumbai- 400001.

Dear Sir,

Sub: **Submission of Annual Report 2016-17**

We are submitting the Annual Report 2016-17 for your records.

Thanking You,

Yours faithfully,

For **Chennai Ferrous Industries Limited,**


R. Natarajan,

Chairman and Managing Director.



CHENNAI FERROUS INDUSTRIES LIMITED

Seventh Annual Report 2016 - 17

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CHENNAI FERROUS INDUSTRIES LIMITED

CIN:L27310TN2010PLC075626

BOARD OF DIRECTORS

Mr.R. Natarajan	Chairman & Managing Director
Mr. Suresh Kedia	Director
Mr. Sunil Kumar Singh	Director
Mrs.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

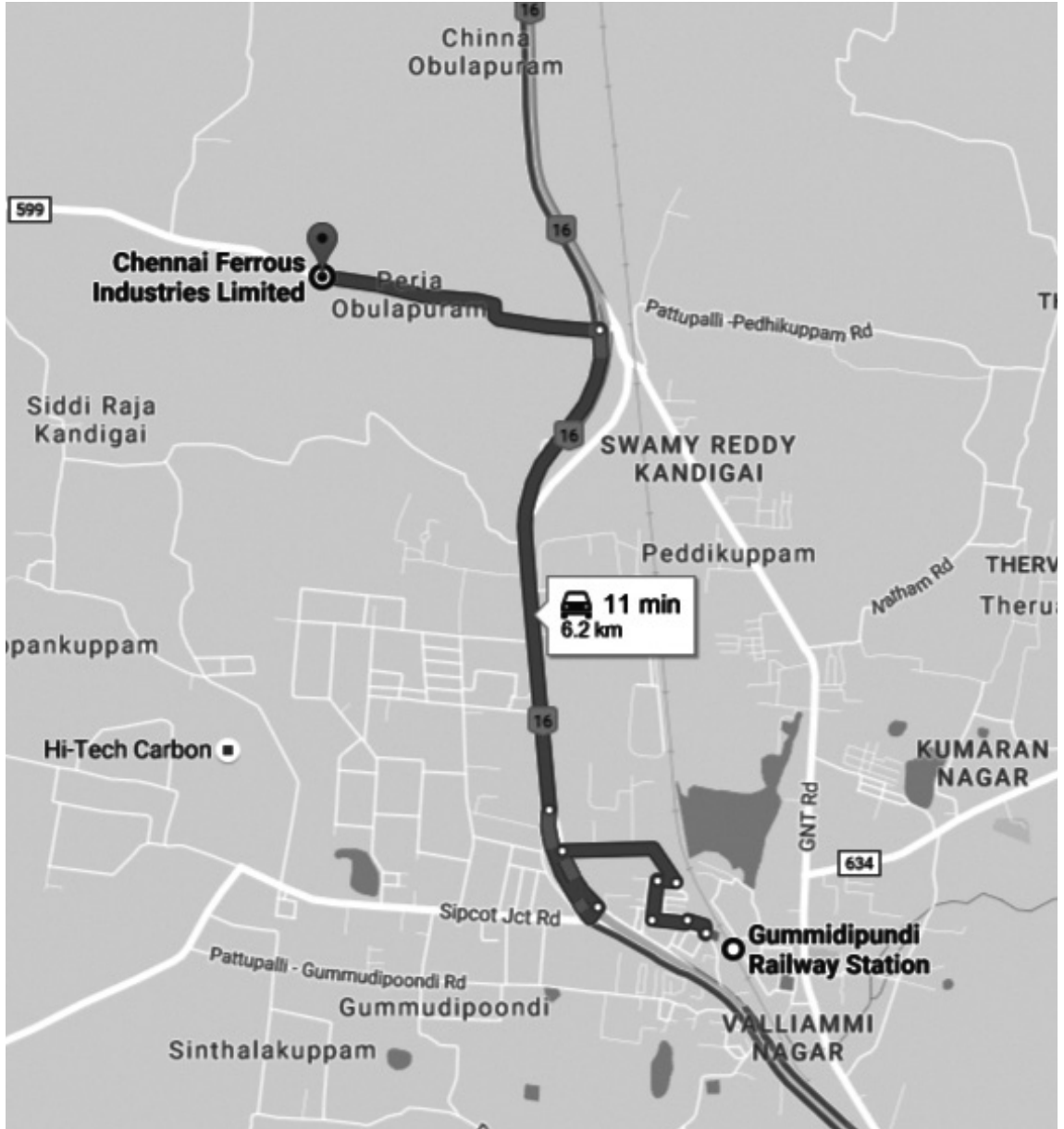
State Bank of India,
Industrial Financial Branch,
155, Anna Salai,
Chennai - 600 002.

SHARE TRANSFER AGENT

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

RouteMap to AGM Venue

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



Nearest Land mark :

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

Distance from Gummidipoondi : Railway Station - 6.2 km

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of Chennai Ferrous Industries Limited will be held on Saturday, 30th September 2017 at 2.00 p.m. at the Registered Office situated at OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road, Gummidipoondi – 601201 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of financial statements

To receive, consider and adopt the financial statement of the Company for the year ended 31st March 2017 and the Reports of the Board of Directors and the Auditors thereon.

2. Appointment of Director

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

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 thereunder, and pursuant to the resolution passed by the members of the Company at AGM held on 30th September, 2015 and pursuant to the recommendations of the Audit Committee of the Company, 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 AGM, 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 31st March 2018 on the recommendation of the Audit Committee of the Company”.

SPECIAL BUSINESS:

4. Approval of re-appointment of Chairman and Managing Director

To pass the following resolution as special resolution:

“**RESOLVED** that, pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, the re-appointment of Mr. R. Natarajan as Chairman and Managing Director, whose term of office expired on 12th August 2017, is hereby approved and Mr.R. Natarajan is to hold his office for a further period of five years commencing from

13th August 2017 till 12th August 2022 at a remuneration of Rs. 600,000/- (Rupees Six Lakh only) per annum on such terms and conditions of appointment approved by the Board of Directors as are provided in the Explanatory Statement annexed hereof.

RESOLVED FURTHER that, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

5. Re-appointment of Independent Director

To pass the following resolution as special resolution:

“RESOLVED that, pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013 and read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Suresh Kedia (DIN: 06596808), Independent Director of the Company and whose current term of office ends at the 7th AGM being eligible for re-appointment, be and is hereby reappointed as an Independent Director of the Company for a further term of five years commencing from the conclusion of this 7th AGM till 12th AGM not liable to retire by rotation.”

RESOLVED FURTHER that, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

(By Order of the Board)

For **CHENNAI FERROUS INDUSTRIES LIMITED,**

Date: 12th August 2017
Place: Chennai

R. NATARAJAN,
Chairman & Managing Director.

Notes:

1. The statement of material facts concerning the items of special business to be transacted at this AGM is annexed in terms of section 102 of the Companies Act,2013.
2. A member entitled to attend and vote at this AGM is entitled to appoint a proxy to attend and vote in the meeting instead of him/her and the proxy need not be a member of the company.
3. Pursuant to section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of 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.
4. 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.
5. 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.
6. Members desirous of getting any information in respect of accounts of the company are requested to send their queries in writing to the Company's Registered Office at least seven days before the date of the meeting so that the required information can be made available at the meeting.
7. 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.
8. The Register of Members of the Company and Share Transfer Books will remain closed from 22nd September 2017 to 30thSeptember 2017 (both days inclusive).
9. 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.
10. 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.

11. The Notice of the AGM along with the 7th Annual Report for the financial year ended 2016-17 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 7th Annual Report for the financial year ended 2016-17 will also be available on the Company's website viz. www.chennaiferrous.com
12. 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 21st April 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.
13. The route map showing directions to reach the venue of the AGM is annexed.
14. 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 herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
15. The Board of Directors has appointed Mr.M.K.Madhavan, Proprietor, M/s.M.K. Madhavan & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
16. 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.
17. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Procedure for E-voting

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:

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 cs.madhavanmk@gmail.com with a copy marked to evoting@nsdl.co.in

B. in case a member receives physical copy of the notice of AGM for members whose email ids are not registered with the Company/depository Participants(s) or requesting physical copy] :

- 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. (i) to Sl. No. (xi) Above, to cast vote.

C. Other Instructions

- i. The e-voting period commences on 26th September 2017 (10.00 a.m. IST) and ends on 29th September, 2017 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 21st September, 2017 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.

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

Item no.4:

The Board of Directors at the Meeting held on 12th August 2017 reappointed Mr.R.Natarajan as the Chairman and Managing Director of the Company for a further period of five years, subject to approval of Members at the General Meeting. The Board of Directors on the recommendations of the Nomination and Remuneration Committee approved the following terms and Conditions for his appointment:

A. Tenure:

5 years commencing from 13thAugust 2017 till 12thAugust 2022.

B. Remuneration:

Rs. 600,000/- (Rupees Six Lakh only) per annum with such increments as the Board may decide from time to time. The total remuneration including perquisites if any, payable in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Companies Act 2013 and the Rules made thereunder.

C. Minimum Remuneration:

When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites if any, payable will be paid to Mr.R.Natarajan, in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

D. The Nomination, Remuneration and Compensation Committee will review and recommend the remuneration payable to the Chairman and Managing Director during the tenure of his appointment.

The Company has also received a notice from a member along with the deposit of requisite amount under Section 160 of the Act, 2013, proposing the candidature of Mr.R.Natarajan for the office of Chairman and Managing Director of the Company.

The Memorandum and Articles of Association, relevant resolutions passed by the Nomination cum Remuneration Committee and the Board and the letter of appointment setting out the terms of appointment of Chairman and Managing Director vide Section 190(1)(b) are available for inspection by members at the registered office of the company on any working days.

The Board of Directors recommends for consent of members by way of special resolution as set out in item no:4.

Mr.R.Natarajan is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr.R.Natarajan and his relatives are, in any way, concerned or interested in this resolution set out at item no.4

Statement containing required information as per Part II of Section II of Schedule V to the Companies Act, 2013:

General Information	:																													
(1) Nature of Industry	:	Sponge Iron																												
(2) Date of commencement of Commercial production		Not applicable since the company has already commenced its business activities																												
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus		Not Applicable																												
(4) Financial performance based on given Indicators		(Amount in Rs.)																												
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>2016-17</th> <th>2015-16</th> <th>2014-15</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>32,818,689</td> <td>322,815,764</td> <td>331,299,113</td> </tr> <tr> <td>Profit before Interest, Depreciation & Tax</td> <td>(25,213,047)</td> <td>(189,301,529)</td> <td>(165,988,561)</td> </tr> <tr> <td>Profit Before Tax</td> <td>(25,213,047)</td> <td>(189,301,529)</td> <td>(165,988,561)</td> </tr> <tr> <td>Profit After Tax</td> <td>(25,213,047)</td> <td>(189,301,529)</td> <td>(165,988,561)</td> </tr> <tr> <td>Net worth</td> <td>(156,249,884)</td> <td>(131,036,836)</td> <td>58,264,694</td> </tr> <tr> <td>Dividend (%)</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Particulars	2016-17	2015-16	2014-15	Total Income	32,818,689	322,815,764	331,299,113	Profit before Interest, Depreciation & Tax	(25,213,047)	(189,301,529)	(165,988,561)	Profit Before Tax	(25,213,047)	(189,301,529)	(165,988,561)	Profit After Tax	(25,213,047)	(189,301,529)	(165,988,561)	Net worth	(156,249,884)	(131,036,836)	58,264,694	Dividend (%)	-	-	-
Particulars	2016-17	2015-16	2014-15																											
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Net worth	(156,249,884)	(131,036,836)	58,264,694																											
Dividend (%)	-	-	-																											
(5) Foreign Investments or collaborators, if any		There is no foreign collaboration in the company																												
Information about the appointee																														
(1) Background details		<p>Mr. R.Natarajan is graduate of Business Administration having 39 years of experience in Sugar Industry, Property Development and manufacturing of Iron and steel products.</p> <p>His role in management, operation and marketing fields are remarkable and beneficial to the Company.</p>																												

(2) Past remuneration	(Amount in Rs.)			
	Particulars	2016-17	2015-16	2014-15
	Salary	5,58,000	-	-
	Perquisites	-	-	-
	Total	5,58,000	-	-
(3) Recognition or awards	Nil			
(4) Job profile and suitability	He, as the Chairman and Managing Director of the Company shall devote whole time attention to the management of the affairs of the Company and exercise powers under the supervision and superintendence of the Board of the Company			
(5) Remuneration proposed	Rs.600,000/- per annum.			
(6) Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him of the business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses			
(7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.	Mr.R.Natarajan does not have any pecuniary relationship with the Company			
Other information				
(8) Reasons of loss or inadequate profits	The Company incurred loss due to poor market conditions, rise in power and fuel expenses and rise in transportation cost. The Company could not operate the plant to the expected capacity due to restricted supply of raw materials at affordable prices.			
(9) Steps taken or proposed to be taken for improvement	The Company has completed its periodical maintenance schedule and is revamping the operations of the company to improve production volume and product quality. It is also taking several steps to minimise the expenses, cost of production and thereby to improve productivity and turnover of the Company. It is also expected for the market conditions to improve better.			

(1) Expected increase in productivity and profit in measurable terms.	It is expected to achieve break even in the forthcoming years.
Disclosures	Remuneration details have been disclosed in the Corporate Governance Report attached to Board's Report as required

Statement containing required information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding Director seeking appointment / re-appointment

Mr. R.Natarajan

Age	:	65 years
Qualifications & Experience	:	Mr. R.Natarajan is graduate of Business Administration having 39 years of experience in Sugar Industry, Property Development and manufacturing of Iron and steel products. His role in management, operation and marketing fields are remarkable and beneficial to the Company.
Terms and Conditions of appointment or re-appointment	:	<p>A. Tenure: 5 years commencing from 13th August 2017 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.</p> <p>B. Remuneration: A sum of Rs. 600,000/- (Rupees Six Lakh only) per annum with such increments as the Board may decide from time to time. The aggregate of the remuneration and perquisites if any, payable in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made.</p> <p>C. Minimum Remuneration: When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites if any, payable will be paid to Mr. R.Natarajan, in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.</p> <p>D. The Nomination, Remuneration and Compensation Committee will review and recommend the remuneration payable to the Chairman and Managing Director during the tenure of his appointment.</p>

Last Drawn Remuneration	:	Rs. 5,58,000/- per annum
Date of first appointment on the Board	:	13 th August 2014
No. of Shares held	:	Nil
Relationship with Directors, Managers & KMP	:	He is not related to the Directors/KMP of the Company.
Number of Board Meetings attended during FY	:	4 (Details of Meetings provided in Corporate Governance Report)
Other Directorship	:	Gita Renewable Energy Limited
Chairman/Member of the Committees of the Boards of other Companies	:	Member of the Audit Committee and Stakeholders Relationship Committee

Item no.5:

Mr. Suresh Kedia, Independent Director and whose term of office ends at this 7th AGM, being eligible for re-appointment, seeks reappointment for further period of five years at this AGM.

Mr. Suresh Kedia has submitted a declaration in terms of Section 149(7) that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. It is also confirmed that in the opinion of the Board, Mr. Suresh Kedia proposed to be appointed as an Independent director fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

The Company has received a notice from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Suresh Kedia for the office of director of the Company and the same has been displayed on the website of the company.

The Board of Directors recommends for consent of members by way of special resolution as set out in item no: 5.

Mr. Suresh Kedia is not related to any other Director and Key Managerial Personnel of the Company. Except Mr. Suresh Kedia or his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in this resolution set out at item no.5.

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 Seventh Annual General Meeting is provided below:

V.K.DEEPA

V.K. Deepa, aged 38 years, is a management graduate and has good experience in General Management and Administration. She is the Non-Executive Non-Independent Director of the company since 2015. She is the member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. The company continues to benefit from her association with the company.

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

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

R.NATARAJAN:

R.Natarajan, aged 65 years, has been serving for the Company since 2014. His rich experience of around 39 years in Steel industry and his guidance, will continue to be beneficial to the Company.

R.Natarajan is the member of the Audit Committee and Stakeholders Relationship Committee of the Company

R.Natarajan is not related to any other Director of the Company and not holding any shares in the company.

R.Natarajan is also the Chairman and Managing Director of Gita Renewable Energy Limited, a listed Company.

SURESH KEDIA

Suresh Kedia, aged 57 years, is having good experience more than 25 years in Management and Administration. He is the Non-Executive Independent Director of the company since 2013.

He is the Chairman of Nomination & Remuneration Committee and Stakeholders Relationship Committee. He is also the member of Audit Committee of the company. The Company continues to benefit from his association with the company.

He is not related to any other Director of the Company and not holding any shares in the company.

He does not hold any Directorship in other companies and he does not hold any Committee/ executive positions in other companies.

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting their 7th Annual Report together with the financial statements for the financial year ended 31st March 2017.

Financial Summary

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

(Amount in Rupees)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue form operations	32,818,689	322,815,764
Profit / (Loss) after Interest & Depreciation	(25,213,047)	(189,301,529)
Current Tax	-	-
Deferred Tax	-	-
Profit / (Loss) after Tax	(25,213,047)	(189,301,529)
Less Taxation Adjustments of Previous Years	-	-
Add: Balance of Profit brought from previous year	(341,544,489)	(152,242,960)
Profit / (Loss) available for Appropriation	(366,757,536)	(341,544,489)
APPROPRIATIONS		
Equity Dividend Proposed (Final)	-	-
Dividend Distribution Tax (Final)	-	-
Transfer to General Reserve	-	-
Balance Carried Forward	(366,757,536)	(341,544,489)

Company's performance

Your Company is engaged in manufacture and supply of Sponge Iron & Steel products. During the year the plant had undergone major shutdown and maintenance and the turnover was Rs. 32,818,689 /- as against Rs. 322,815,764 /- for the previous year. The Company incurred loss of Rs. 25,213,047/- previous year loss Rs. 189,301,529/-.

Dividend

No dividend was declared during the financial year. (Previous year: NIL).

Reserves

Transfer of profit to the General Reserve did not arise due to losses incurred by the company during the financial year.

Names of Companies which have become or ceased to be the Subsidiaries, Joint Ventures or Associate Companies during the year: NIL.

Management Discussion & Analysis Report:

An analysis on the Industry and the performance of the Company is given 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.**

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

Four (4) Board Meetings were held during the financial year and the details of which are available in the Corporate Governance report which forms part of this report.

Directors and Key Managerial Personnel (KMP)

Mrs.V.K. Deepa (DIN: 07140954) retires by rotation at the ensuing AGM and being eligible has offered herself for re-appointment.

The term of Mr.R. Natarajan (DIN: 00595027) as Chairman and Managing Director of the Company expires on 13th August 2017 and he is proposed for re appointment.

The office of Mr. Suresh Kedia (DIN: 06596808) Independent Director expires at the ensuing AGM and being eligible the Board recommends for re-appointment for further period of five years.

The Company has been taking all steps to appoint a suitable Company Secretary.

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.

Corporate governance

Pursuant to the provisions of Regulation 34 read with point C & E of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 a separate Report on Corporate Governance for the financial year ended 31st March 2017 along with the Auditor's Certificate on its compliance is enclosed and is forming part of this report as **Annexure III**.

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

Related Party Transactions

During the year the Company has a Policy on dealing with Related Party Transactions in place and the same has been on the website of the Company.

All transactions entered into with the Related Parties are in the ordinary course of business and at an arms' length and do not attract the provisions of Section 188 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, prior approval of the Audit Committee has been obtained for entering into such Related Party Transactions.

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

Particulars of contracts or arrangements with related parties

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in the Notes to the Financial Statements.

The Corporate Governance Report contains relevant details such as 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 has been furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2 as **Annexure V**.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings & 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 VI** and forms part of this Report.

Audit Committee

The Board of Directors has an Audit Committee and the composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Committee and the meetings held are disclosed in Corporate Governance Report

Auditors and Auditors' report

The Members at the 5th Annual General Meeting held on 30th September 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.

The Board recommends for ratification of the appointment of the 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.

Extract of Annual Return

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s.S. Dhanapal & Associates, a firm of practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is given as **Annexure VIII** and that forms 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.

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., 31st March, 2017 and the date of the Report i.e., 30th May, 2017).

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, the 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.

CEO/ CFO certification

Mr.R. Natarajan, Chairman and Managing Director and Mr.K. Karthikeyan, Chief Financial Officer have given their certifications to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Acknowledgement

Your directors place on record their great appreciation of the fine efforts of all Executives and Employees of the Company. Your directors also express their sincere thanks to various Departments of Central Government, State Government, TANGEDCO, State Bank of India, the Customers, Shareholders and other stakeholders for their continuing support and encouragement during the year and expect the same in forthcoming years also.

For and on behalf of the Board of Directors

Date: 30th May 2017

R. NATARAJAN.

Place: Chennai

Chairman & Managing Director.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

In FY 2016-17, India became net exporter of steel, with 8.2 million tonnes of exports, registering a 102 % growth over steel exports in previous fiscal.

In FY 2016-17, imports were reduced by 37% at 7.42 million tonnes as a result of Government of India initiatives.

Indian Steel sector has been growing at steady Compound Annual Growth Rate (CAGR) of about 7% over the past three years with improvement in the overall capacity utilization even with enhanced capacity.

In 2015, India became 3rd largest producer of crude steel in the world as against its 4th position in 2014.

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

In the recent years, the demand for Sponge Iron is sluggish. The factors like fluctuating volatile raw materials prices, regional demand & supply imbalances, and INR Value against global currencies have impacted significantly the Indian steel industry. The high cost and short supply of power in India may hamper the steel industry's production level. Cheap import of steels products from neighboring countries may result in the lowering prices and making the market highly competitive. This may be improved in future.

Steel Demand of steel is expected to rise in future with economic and Industrial growth. Growing infrastructure like roads and highways, railways, aviation, shipping, energy, power or oil & gas will boost the demand for specialized steel and the Company expects to revive the operations as the demand for sponge iron products seems better in the future with economic and Industrial growth.

For and on behalf of the Board of Directors

Date: 30th May 2017

Place: Chennai

R. NATARAJAN.

Chairman & Managing Director.

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, 2017. For and on behalf of the Board of Directors

Date: 30th May 2017

Place: Chennai

R. NATARAJAN.

Chairman & Managing Director.

ANNEXURE – III**REPORT ON CORPORATE GOVERNANCE**

(For the Financial Year 2016-17)

1. 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.

2. 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	Mrs.V.K. Deepa	Non-Executive Director	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.

The re-appointment of Mr. R.Natarajan as the Chairman and Managing Director is proposed for approval of members at the ensuing AGM.

The re-appointment of Mr. Suresh Kedia is proposed at the ensuing AGM.

Mrs.V.K. Deepa being eligible seeks re-appointment at the ensuing 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 hold directorship in more than 7 listed companies as Independent Director and holds office of whole-time director in other listed company.

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

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

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

* Only in public companies

B. Board Meetings:

During the financial year 2016-17, the Board met four times i.e., on 28th May 2016, 9th August 2016, 14th November 2016 and 10th February 2017 within a time gap of 120 days between two meetings. No Board meeting was conducted through video conferencing or other audio visual means. The requisite quorum was present at all the meetings.

During the financial year 2016-17, 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 financial year 2016-17, one meeting of the Independent Directors were held on 10th February 2017 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 30th September 2016. 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
Mrs. V.K Deepa	4	4	YES

C. COMMITTEES OF THE BOARD

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

i. Audit Committee:

- 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 composition of the Audit Committee and the attendance of members for the four Audit Committee meetings held on 28th May 2016; 9th August 2016, 14th November 2016 and 10th February 2017 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

- The time gap between two meetings did not exceed one hundred and twenty days. The requisite quorum was present at all Meetings.

ii. Nomination and Remuneration Committee:

- 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. All member directors of the committee are Independent Directors.
- The composition of the Nomination and Remuneration Committee and the attendance of members at the meeting held on 10th February 2017 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
Mrs.V.K. Deepa	Non-Executive Non-Independent Director	Member	1	1

Remuneration Policy:

The company has framed a remuneration policy in view of retaining suitable employees with remuneration commensurate with size of the company, nature the business and nature of duties and responsibilities of the employee. The Board of the company may fix remuneration

to Directors and Key Managerial Personnel on the recommendation of the Nomination and Remuneration committee.

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

iii. 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 Committee comprises of three member directors and one of whom is non-executive director as chairman

- Ten meetings of the stakeholders' relationship committee were held. The dates on which the said meetings held are as follows: 25th April 2016, 5th May 2016, 20th May 2016, 26th July 2016, 17th August 2016, 11th November 2016, 16th November 2016, 28th November 2016, 20th December 2016 and 3rd March 2017,.
- 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	10	10
Mr.R. Natarajan	Executive Non -Independent Director	Member	10	10
Mrs.V.K. Deepa	Non-Executive Non -Independent Director	Member	10	10

B Investors compliance status:

No. of shareholders complaints received	Number of complaints not solved to the satisfaction of shareholders	Number of complaints pending as on 31.03.2017
1	NIL	NIL

1. DETAILS OF ANNUAL GENERAL MEETINGS:

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

Year	Date	Time	Venue
2013-2014	30.09.2014	1.00 P.M	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi - 601201
2014-2015	30.09.2015	2.00 P.M	
2014-2016	30.09.2016	2.00 P.M	

ii. Details of Special resolutions passed

Year	Special Resolution
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 Mrs.V.K. Deepa as an Non-Independent Director • Appointment of Mr. Sunil Kumar Singh as an Independent Director
2015-2016	<ul style="list-style-type: none"> • Nil

2. POSTAL BALLOT:

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

3. MEANS OF COMMUNICATION:

The Quarterly/Half-Yearly/Annual financial results of the Company are published in “Trinity Mirror”- the English Daily and “Makkal Kural” - 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 email system or both at the desire of shareholders.

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

4. General shareholder information:

Details of Annual General Meeting for the Financial Year 2016-17

Date	30 th September 2017
Time	2.00 P.M.
Venue	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi - 601201
Dates of Book closure	22 nd September 2017- 30 th September 2017
Financial Calendar	Financial Reporting for the quarter ending 30 th Jun 2017 - Latest by 14 th Sep 2017 30 th Sep 2017 - Latest by 14 th Dec 2017 31 st Dec 2017 - Latest by 14 th Feb 2018 31 st Mar 2017- Latest by 30 th May 2018

Dividend Payment	Nil
Listing on Stock Exchanges	Bombay Stock Exchange Limited
Depository Participant	National Securities Depository Limited Central Depository Services Limited
Security Code	539011
Demat ISIN Number	INE 777O01016
Listing on Stock Exchange (overseas)	Nil
Plant Location Rolling & Furnace Mills	OPG Nagar, Periya Obulapuram Village, Nagaraja Kandigai, Madaharapakkam Road, Gummidipoondi – 601201.

C. 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 2016-17 is furnished below:

Month	Open Price (Rs)	High Price (Rs)	Low Price (Rs)	Close Price	No. of Shares
April 2016	4.85	4.90	4.12	4.40	3,616
May 2016	4.45	4.45	4.45	4.45	6
June 2016	4.40	4.62	4.40	4.62	406
July 2016	4.50	4.50	4.50	4.50	1
August 2016	4.40	4.85	4.40	4.85	442
September 2016	5.09	6.74	5.09	6.41	3,474
October 2016	6.10	6.10	5.80	6.05	950
November 2016	5.75	5.75	4.24	4.24	1,207
December 2016	4.03	4.23	3.99	4.00	3,103
January 2017	4.00	4.00	3.80	3.95	910
February 2017	3.90	4.00	3.35	3.51	1,302
March 2017	3.68	4.18	3.68	4.18	1,952

D. 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 10 times during the year.

No. of shares received for transfer up to 31.03.2017 is 260 shares and shares pending for transfer as on 31.03.2017 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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E. Distribution of Shareholders

Share holding Rs.	Share holders		Share amount	
	Number	% of total	Rs.	% of total
10-5000	5033	97.5198	1598480	4.4346
5001-10000	46	0.8913	315770	0.8760
10001-20000	20	0.3875	252360	0.7001
20001-30000	4	0.0775	94610	0.2624
30001 - 40000	5	0.0968	166220	0.4611
40001 - 50000	5	0.0968	243110	0.6744
50001 - 100000	13	0.2518	997150	2.7663
100001 - And Above	35	0.6781	32377390	89.8246
TOTAL	5161	100.00	36045090	100.0000

XII Share holding pattern as on 31st March 2017

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
	Subtotal [A] [1]	2056520	57.05
2	Foreign		
	- Bodies Corporate	250000	6.94
	- Any other Directors/Relative NRI	250000	6.94
	Subtotal [A] [2]	500000	13.88
	total Shareholding of Promoter & Promoter Group {A= [A] [1] +[A] [2]}		
B	Public Shareholding.		
1	Institutions.	0	0.00
	Foreign Institutional Investor	0	0
	Subtotal [B] [1]	0	0
2	Non-Institutions.		
a.	Bodies Corporate	632625	17.55
b.	Individuals		
	I. Individual Shareholders Holding Nominal Share Capital uptoRs 2 Lakh	281075	7.80
	II. Individual shareholders holding nominal Share Capital in excess of Rs. 2 lakhs.	69483	1.93
c.	Any Other.		
	Body Corporate	631508	17.52
	HUF	48649	1.35
	NRI –Non Repat	433	0.01
	NRI –Repat	14781	0.41
	Others	2060	0.06

Category		No. of Shares held	Percentage of Share holding
Subtotal	[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
Physical	2930	56.7719	421457	11.6925
CDSL	1586	30.7305	27022732	74.9820
NSDL	645	12.4976	480320	13.3255

Demat of shares:

The physical form of trading is also available to the shareholders. Electronic Holding by Members comprises of 88.30% (as on 31.03.2017) 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.

Investor query/address for correspondence:

The Compliance officer

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

Ph: 044 27991450 Fax: 044 27991450

E-mail: investor@chennaiferrous.com

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

M/s. Cameo Corporate Services Limited

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

Ph: 044-28460390 (6 lines)

E-Mail: cameo@cameoindia.com

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

Date : 30th May 2017

Place:Chennai

R. NATARAJAN
Chairman & Managing Director

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 on 31st March 2017, as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance as stipulated in the said clause. 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 Obligations & Disclosure Requirements) Regulations 2015.

We further state that such compliance is neither an assurance as to the future viability of the company nor of 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 30, 2017

Place: Chennai

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:**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: Mr.R. Natarajan 4:1
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: Not Applicable No increase in remuneration.
3. The percentage increase in the median remuneration of employees in the financial year: No increase in remuneration during the year: Not Applicable
4. The number of permanent employees on the rolls of company: 6 (which includes 1 Director)
5. The explanation on the relation ship between average increase in remuneration and company performance: Not Applicable
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: No increase in remuneration.
7. 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:

	31.03.2017	31.03.2016
Market capitalisation	Rs. 15,066,848	Rs. 18,346,951
PE Ratio	(0.60)	(47.43)
% increase in market quote	(18%)	(87%)

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

Date: 30th May 2017

Place: Chennai

R. NATARAJAN.

Chairman & Managing Director.

ANNEXURE - V**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
(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	Nil
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts / arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	date(s) of approval by the Board	
(f)	Amount paid as advances, if any:	

Date: 30th May 2017

Place: Chennai

R. NATARAJAN.
Chairman & Managing Director.

ANNEXURE – VI**INFORMATION UNDER SECTION 134 (3) (M) OF THE COMPANIES ACT,2013 READ WITH THE COMPANIES (ACCOUNTS) RULES,2014.****A. CONSERVATION OF ENERGY**

- i. The steps taken or impact on conservation of energy– 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: 30th May 2017

Place: Chennai

R. NATARAJAN.

Chairman & Managing Director.

ANNEXURE - VII**Form No.MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2017**

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:L27310TN2010PLC075626

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

v) Address of the registered office and contact details:

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

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

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

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

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

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

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

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	929520	97208	1026728	28.4845	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	1029792	0	1029792	28.5695	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	1407375	649145	2056520	57.0540	1959312	97208	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	250000	0	250000	6.9357	250000	0	250000	6.9357	0.0000
		250000	0	250000	6.9357	250000	0	250000	6.9357	0.0000
	SUB - TOTAL (A)(2)	250000	250000	500000	13.8715	250000	250000	500000	13.8715	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	1657375	899145	2556520	70.9256	2209312	347208	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
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	631761	864	632625	17.5509	630644	864	631508	17.5199	-0.0309
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	170582	62755	233337	6.4734	154372	61977	216349	6.0021	-0.4712
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	116545	0	116545	3.2333	134209	0	134209	3.7233	0.4900
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	HINDU UNDIVIDED FAMILIES	48009	12	48021	1.3322	48637	12	48649	1.3496	0.0174
	NON RESIDENT INDIANS	5953	9448	15401	0.4272	5878	9336	15214	0.4220	-0.0051
	OTHERS	0	2060	2060	0.0571	0	2060	2060	0.0571	0.0000
		53962	11520	65482	1.8166	54515	11408	65923	1.8289	0.0122
	SUB - TOTAL (B)(2)	972850	75139	1047989	29.0743	973740	74249	1047989	29.0743	0.0000
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	972850	75139	1047989	29.0743	973740	74249	1047989	29.0743	0.0000
	TOTAL (A)+(B)	2630225	974284	3604509	100.0000	3183052	421457	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)	2630225	974284	3604509	100.0000	3183052	421457	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			% of shares pledged / encumbered to total shares	% change in share holding 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		
1	TAMILNADU ENTERPRISES & INVESTMENTS PRIVATE LIMITED	251,937	6.99	-	251,937	6.99	-	-
2	RADIANT SOLUTIONS PRIVATE LIMITED	250,000	6.94	-	250,000	6.94	-	-
3	AMEENA BEGUM S .	250,000	6.94	-	250,000	6.94	-	-
4	TAMILNADU PROPERTY DEVELOPERS PRIVATE LIMITED	300,000	8.32	-	300,000	8.32	-	-
5	DHANVARSHA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED	157,475	4.37	-	157,475	4.37	-	-
6	RAVI KUMAR GUPTA	167,058	4.63	-	167,058	4.63	-	-

Sl No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% of shares pledged / encumbered to total shares	% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares		
7	RAJESH KUMAR GUPTA	148,768	4.13	-	148,768	4.13	-
8	GOODFAITH VINIMAY PRIVATE LIMITED	125,155	3.47	-	125,155	3.47	-
9	ARVIND GUPTA	132,377	3.67	-	132,377	3.67	-
10	SUDHA GUPTA	121,230	3.36	-	121,230	3.36	-
11	RENU DEVI JALAN	100,000	2.77	-	100,000	2.77	-
12	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED	85,907	2.38	-	85,907	2.38	-
13	ABHISHEK SARAFF	73,712	2.04	-	73,712	2.04	-
14	ASSAM MERCANTILE COMPANY LIMITED	65,643	1.82	-	65,643	1.82	-
15	VANDANA GUPTA	55,344	1.54	-	55,344	1.54	-
16	KANISHK GUPTA	57,201	1.59	-	57,201	1.59	-
17	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI	47,200	1.31	-	47,200	1.31	-
18	INDIAN CORPORATE BUSINESS CENTRE LIMITED	43,675	1.21	-	43,675	1.21	-
19	GITADEVI	28,725	0.80	-	28,725	0.80	-
20	SHAILJA GUPTA	24,091	0.67	-	24,091	0.67	-
21	ALOK GUPTA	19,934	0.55	-	19,934	0.55	-
22	ROOP CHAND BETALA JT1 : RATNA BETALA	12,500	0.35	-	12,500	0.35	-
23	RAVI GUPTA HUF	10,100	0.28	-	10,100	0.28	-
24	SAMRIDHI GUPTA	9,340	0.26	-	9,340	0.26	-
25	ARVIND GUPTA HUF	7,131	0.20	-	7,131	0.20	-
26	RAJESH GUPTA HUF	7,131	0.20	-	7,131	0.20	-
27	AVANTIKA GUPTA	2,701	0.07	-	2,701	0.07	-
28	NIVEDITA GUPTA	1,524	0.04	-	1,524	0.04	-
29	ARVIND KUMAR GUPTA	625	0.02	-	625	0.02	-
30	SUBHASH CHANDRA SARAFF	36	0.00	-	36	0.00	-

(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 PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	251,937	6.99	251,937	6.99
	At the end of the Year 31-Mar-2017	251,937	6.99	251,937	6.99
2	RADIANT SOLUTIONS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	250,000	6.94	250,000	6.94
	At the end of the Year 31-Mar-2017	250,000	6.94	250,000	6.94
3	AMEENA BEGUM S .				
	At the beginning of the year 01-Apr-2016	250,000	6.94	250,000	6.94
	At the end of the Year 31-Mar-2017	250,000	6.94	250,000	6.94
4	TAMILNADU PROPERTY DEVELOPERS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	300,000	8.32	300,000	8.32
	At the end of the Year 31-Mar-2017	300,000	8.32	300,000	8.32
5	DHANVARSHA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	157,475	4.37	157,475	4.37
	At the end of the Year 31-Mar-2017	157,475	4.37	157,475	4.37
6	RAVI KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	167,058	4.63	167,058	4.63
	At the end of the Year 31-Mar-2017	167,058	4.63	167,058	4.63
7	RAJESH KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	148,768	4.13	148,768	4.13
	At the end of the Year 31-Mar-2017	148,768	4.13	148,768	4.13

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
8	GOODFAITH VINIMAY PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	125,155	3.47	125,155	3.47
	At the end of the Year 31-Mar-2017	125,155	3.47	125,155	3.47
9	ARVIND GUPTA				
	At the beginning of the year 01-Apr-2016	132,377	3.67	132,377	3.67
	At the end of the Year 31-Mar-2017	132,377	3.67	132,377	3.67
10	SUDHA GUPTA				
	At the beginning of the year 01-Apr-2016	121,230	3.36	121,230	3.36
	At the end of the Year 31-Mar-2017	121,230	3.36	121,230	3.36
11	RENU DEVI JALAN				
	At the beginning of the year 01-Apr-2016	100,000	2.77	100,000	2.77
	At the end of the Year 31-Mar-2017	100,000	2.77	100,000	2.77
12	SRI HARI VALLABHAA ENTERPRISES AND INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	85,907	2.38	85,907	2.38
	At the end of the Year 31-Mar-2017	85,907	2.38	85,907	2.38
13	ABHISHEK SARAFF				
	At the beginning of the year 01-Apr-2016	73,712	2.04	73,712	2.04
	At the end of the Year 31-Mar-2017	73,712	2.04	73,712	2.04
14	ASSAM MERCANTILE COMPANY LIMITED				
	At the beginning of the year 01-Apr-2016	65,643	1.82	65,643	1.82
	At the end of the Year 31-Mar-2017	65,643	1.82	65,643	1.82
15	VANDANA GUPTA				

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year 01-Apr-2016	55,344	1.54	55,344	1.54
	At the end of the Year 31-Mar-2017	55,344	1.54	55,344	1.54
16	KANISHK GUPTA				
	At the beginning of the year 01-Apr-2016	57,201	1.59	57,201	1.59
	At the end of the Year 31-Mar-2017	57,201	1.59	57,201	1.59
17	SATYA NARAIN GUPTA JT1 : RAMESH KUMAR JT2 : LAKSHMI DEVI				
	At the beginning of the year 01-Apr-2016	47,200	1.31	47,200	1.31
	At the end of the Year 31-Mar-2017	47,200	1.31	47,200	1.31
18	INDIAN CORPORATE BUSINESS CENTRE LIMITED				
	At the beginning of the year 01-Apr-2016	43,675	1.21	43,675	1.21
	At the end of the Year 31-Mar-2017	43,675	1.21	43,675	1.21
19	GITADEVI				
	At the beginning of the year 01-Apr-2016	28,725	0.80	28,725	0.80
	At the end of the Year 31-Mar-2017	28,725	0.80	28,725	0.80
20	SHAILJA GUPTA				
	At the beginning of the year 01-Apr-2016	24,091	0.67	24,091	0.67
	At the end of the Year 31-Mar-2017	24,091	0.67	24,091	0.67
21	ALOK GUPTA				
	At the beginning of the year 01-Apr-2016	19,934	0.55	19,934	0.55
	At the end of the Year 31-Mar-2017	19,934	0.55	19,934	0.55
22	ROOP CHAND BETALA JT1 : RATNA BETALA				
	At the beginning of the year 01-Apr-2016	12,500	0.35	12,500	0.35

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the end of the Year 31-Mar-2017	12,500	0.35	12,500	0.35
23	RAVI GUPTA HUF				
	At the beginning of the year 01-Apr-2016	10,100	0.28	10,100	0.28
	At the end of the Year 31-Mar-2017	10,100	0.28	10,100	0.28
24	SAMRIDHI GUPTA				
	At the beginning of the year 01-Apr-2016	9,340	0.26	9,340	0.26
	At the end of the Year 31-Mar-2017	9,340	0.26	9,340	0.26
25	ARVIND GUPTA.HUF				
	At the beginning of the year 01-Apr-2016	7,131	0.20	7,131	0.20
	At the end of the Year 31-Mar-2017	7,131	0.20	7,131	0.20
26	RAJESH GUPTA HUF				
	At the beginning of the year 01-Apr-2016	7,131	0.20	7,131	0.20
	At the end of the Year 31-Mar-2017	7,131	0.20	7,131	0.20
27	AVANTIKA GUPTA				
	At the beginning of the year 01-Apr-2016	2,701	0.07	2,701	0.07
	At the end of the Year 31-Mar-2017	2,701	0.07	2,701	0.07
28	NIVEDITA GUPTA				
	At the beginning of the year 01-Apr-2016	1,524	0.04	1,524	0.04
	At the end of the Year 31-Mar-2017	1,524	0.04	1,524	0.04
29	ARVIND KUMAR GUPTA				
	At the beginning of the year 01-Apr-2016	625	0.02	625	0.02
	At the end of the Year 31-Mar-2017	625	0.02	625	0.02
30	SUBHASH CHANDRA SARAFF				
	At the beginning of the year 01-Apr-2016	36	0.00	36	0.00
	At the end of the Year 31-Mar-2017	36	0.00	36	0.00

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

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	CHENNAI MATERIAL RECYCLING AND TRADING COMPANY PRIVATE LIMITED	311,198	8.63	311,198	8.63
2	GLOBE STOCKS AND SECURITIES LIMITED	131,943	3.66	163,193	4.53
3	PRJ FINANCE PRIVATE LIMITED	60,625	1.68	60,625	1.68
4	VINOD KUMAR GARG	35,525	0.99	35,525	0.99
5	SANGITA GARG	33,958	0.94	33,958	0.94
6	YASH MOVERS PRIVATE LIMITED	31,250	0.87	31,250	0.87
7	KARIKISH VYAPAAR PRIVATE LIMITED	31,137	0.86	31,137	0.86
8	VINOD KUMAR GARG	30,453	0.84	30,453	0.84
9	D M TRADING PRIVATE LIMITED	28,900	0.80	28,900	0.80
10	SHAILESH JALAN	18,801	0.52	18,801	0.52
11	NIMESH MAHESHBHAI SHAH	17,500	0.49	17,500	0.49

(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
NIL				

V. INDEBTEDNESS

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

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

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		R. Natarajan	
1.	Gross salary	558,000	558,000
	(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)	558,000	558,000
	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	-	-	-	-

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	-	-	357,000	357,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	Total	-	-	357,000	357,000

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	-	-	--	-	-

Date: 30th May 2017

Place: Chennai

R. NATARAJAN.
Chairman & Managing Director.

ANNEXURE - VIII

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017**

[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

1. 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.
2. 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, 2017, 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, 2017 according to the applicable provisions of:

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

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; not applicable as the company has not issued any ESOP during the year.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable as the company has not issued any listed debt securities during the year.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable as the company has not been registered as Registrar to issue or share transfer agent.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the company has not delisted any of its securities and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the company has not bought back any shares during the year.
- vi) The management of the company has represented to us that there is no specific law applicable to the company for the financial year 2016 - 2017.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2).
- ii) The Listing Agreement entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 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 the required extent except few lapses in compliance under Companies Act, 2013 relating to appointment of company secretary, website disclosures, meetings, minutes and FEMA.

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 no approvals of its members for the matters, other than transactions of ordinary business at the Annual General Meeting.

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

Place: Chennai

Date: 30th May 2017

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

N.Ramanathan

(Partner)

FCS 6665

CP No. 11084

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.

To,
The Members,
M/s. CHENNAI FERROUS INDUSTRIES LIMITED,
Gummidipoondi.

Management’s Responsibility

- a. 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

- b. Our responsibility was to express an opinion on the secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
- c. 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.
- d. 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

- e. 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: 30th May 2017

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

N.Ramanathan
(Partner)
FCS 6665
CP No. 11084

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 31st March 2017, 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 Standalone 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 accounts 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 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 2017 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 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.
- iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in specified bank notes during period from 8th November 2016 to 30th December 2016, and these are in accordance with the books of accounts maintained by the Company. Refer the Notes to the financial statements

Date : May 30, 2017

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 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - (a)(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.
 - (a)(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) As explained to us, the management has conducted physical verification of Inventories during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- (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.
- (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 : 30th May 2017
Place : Chennai

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

SANDEEP KUMAR GULECHA
PROPRIETOR
(Membership Number:226263)

“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 (i) 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 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 : 30th May 2017
Place : Chennai

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

SANDEEP KUMAR GULECHA
PROPRIETOR
(Membership Number:226263)

CHENNAI FERROUS INDUSTRIES LIMITED
BALANCE SHEET as at 31st March, 2017

Particulars		Note No.	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (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	(192,294,974)	(167,081,925)
			(156,249,884)	(131,036,836)
2	Non-current liabilities			
	(a) Long Term Loans & Advances		93,296,839	93,296,839
	(b) Deferred Tax Liability	5	25,749,633	25,749,633
	(b) Long Term Provisions		149,019	500,909
			119,195,491	119,547,381
3	Current liabilities			
	(a) Trade payables		579,707,269	574,522,436
	(b) Other current liabilities	6	1,123,675	424,357
	(c) Short-term provisions		-	-
			580,830,944	574,946,793
	TOTAL		543,776,551	563,457,338
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	7	129,177,803	141,910,135
	(b) Non - Current Investments	8	1,249,400	739,000
	(c) Long-term loans and advances	9	72,210,845	72,108,992
			202,638,048	214,758,127
2	Current assets			
	(a) Inventories	10	140,621,055	152,297,384
	(b) Trade receivables	11	150,207,177	144,942,314
	(c) Cash and cash equivalents	12	2,021,293	10,221,481
	(d) Short-term loans and advances	13	27,385,933	22,550,733
	(e) Other current assets	14	20,903,046	18,687,299
			341,138,503	348,699,210
	TOTAL		543,776,551	563,457,338

Significant Accounting Policies

2

Accompanying Notes are an integral part of the Financials Statements.

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

(SANDEEP KUMAR GULECHA)

Proprietor

M.No: 226263

Date : 30th May 2017, Place : Chennai.

For and on behalf of the Board of Directors

R. Natarajan

Chairman & Managing Director

K. Karthikeyan
Chief-Financial Officer

Suresh Kedia
Director

CHENNAI FERROUS INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st March, 2017

Particulars		Note No.	For the year ended 31st March, 2017 Amount in Rs.	For the year ended 31st March, 2016 Amount in Rs.)
1	Revenue from operations (gross)	15	32,818,689	322,815,764
	Less: Excise duty		268,191	44,248,998
	Revenue from operations (net)		32,550,498	278,566,766
2	Other income	16	615,895	449,020
3	Total revenue		33,166,393	279,015,786
4	Expenses			
	(a) Cost of materials consumed	17	5,915,931	434,453,680
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	4,650,107	-9,856,506
	(d) Employee benefits expense	19	1,740,212	3,040,558
	(e) Finance costs	20	19,111	21,664
	(f) Depreciation and amortisation expense	7	12,732,332	14,401,526
	(g) Other expenses	21	33,321,747	26,256,393
	Total expenses		58,379,441	468,317,315
5	Profit before exceptional and extraordinary items and tax		(25,213,047)	(189,301,529)
6	Exceptional items		-	-
7	Profit / (Loss) before extraordinary items and tax		(25,213,047)	(189,301,529)
8	Extraordinary items		-	-
9	Profit / (Loss) before tax		(25,213,047)	(189,301,529)
10	Tax expense:			
	(a) Current tax expense for current year		-	-
	(b) Deferred Tax		-	-
			-	-
11	Profit / (Loss) For the period		(25,213,047)	(189,301,529)
12	Earnings Per Equity Share:			
	(a) Basic & Diluted		(6.99)	(52.52)

Significant Accounting Policies 2

Additional Information to Financial Statements 22

Accompanying Notes are an integral part of the Financials Statements.

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

(SANDEEP KUMAR GULECHA)

Proprietor

M.No: 226263

Date : 30th May 2017, Place : Chennai.

For and on behalf of the Board of Directors

R Natarajan

Chairman & Managing Director

K. Karthikeyan
Chief-Financial Officer

Suresh Kedia
Director

CHENNAI FERROUS INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2017

Particular	Year Ended 31st March, 2017 (Amount in Rs.)		Year Ended 31st March, 2016 (Amount in Rs.)	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax And Extradinary Items		(25,213,047)		(189,301,529)
Add:				
Depreciation	12,732,332		14,401,526	
Interest Expenses	19,111	12,751,443	21,664	14,423,190
Operating Profitbefore Working Capital Changes		(12,461,604)		(174,878,339)
Adjustments for movement in Working Capital:				
- (Increase)/Decrease in Inventories	11,676,329		380,543,739	
- (Increase)/Decrease in Trade Receivable	(5,264,863)		(39,030,529)	
Short Term Loans & Advances (Asset)	(4,835,200)		1,664,425	
Other Current Assets	(2,215,747)		48,931,516	
Trade Payables	5,184,833		(233,145,544)	
Other Current Liabilities	699,318		(301,903)	
	-	5,244,669		158,661,703
		(7,216,935)		(16,216,636)
Less: Direct Taxes Paid		-		-
Net Cash Flow Operating activities (A)		(7,216,935)		(16,216,636)
B.CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	-		-	
Purchase of Shares	(510,400)		(139,000)	
Long Term loans & advance (Assets)	(101,853)		-	
Net Cash Flow Investing activities (B)		(612,253)		(139,000)
C.CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(19,111)		(21,664)	
Movement in Long Term Liabil. (Customer Advances)	-		17,146,034	
Long Term Provisions	(351,890)		254,618	
Net Cash Flow From Financing activities (C)		(371,001)		17,378,988
Net Increase in cash Equivalents (A)+(B)+(C)		(8,200,189)		1,023,352
Cash & Cash Equivalents (Opening Balance)	10,221,481		9,198,129	
Cash & Cash Equivalents (Closing Balance)	2,021,293		10,221,481	-
Net Increase/ (Decrease) in Cash & Cash Equivalents		(8,200,189)		1,023,352

As Per our report of Even Dated
For S.K. GULECHA & ASSOCIATES
Chartered Accountants
Firm Regn.No.013340S
(SANDEEP KUMAR GULECHA)
Proprietor
M.No: 226263
Date : 30th May 2017, Place : Chennai.

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

K. Karthikeyan
Chief-Financial Officer

Suresh Kedia
Director

NOTES TO ACCOUNTS AS ON MARCH 31, 2017**Note :**

Notes attached to and forming part of the Balance Sheet as at 31-03-2017 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 (IGAAP) 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 Cenvat / 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 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.

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

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.

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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 31st March, 2017		As at 31st March, 2016	
	% of share holding	No of Shares	% of share holding	No of Shares
Chennai Material Recycling & Trading Company Private Limited	8.63	311,198	8.63	311,198
Tamilnadu Enterprises & Investments Private Limited	6.99	251,937	6.99	251,937
Tamilnadu Property Developers Limited	8.32	300,000	8.32	300,000
Radiant Solutions Private Limited	6.94	250,000	6.94	250,000
Ameena Begum S	6.94	250,000	6.94	250,000

Particulars	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (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	(341,544,489)	(152,242,960)
Add: Profit / (Loss) for the year	(25,213,047)	(189,301,529)
Closing balance	(366,757,536)	(341,544,489)
Total	(192,294,972)	(167,081,925)
Note 5 Deferred Tax Liability		
(a) Deferred Tax Liability	-	-
Fixed Asset Impact of Difference Between Tax Depreciation and Depreciation Charged in the Financial Financial Statement	25,749,633.00	25,749,633.00
	-	-
	25,749,633.00	25,749,633.00
Closing Balance	-	25,749,633.00
Total	25,749,633.00	25,749,633.00
Note 6 Other current liabilities		
(i) EPF & ESI Payable	23,771	19,879
(ii) Salary Payable	150,458	83,953
(iii) Statutory Liabilities	110,661	71,270
(iv) Provision for Employee Benefit	781,285	191,517
(v) Others	57,500	57,738
Total	1,123,675	424,357

(Amount in Rs)

Note 7 - FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 01.04.2016	ADD.	DEL.	COST AS AT 31.03.2017	UP TO 31.03.2016	FOR THE PERIOD	DEL.	UP TO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
Land Free Hold	17,562,794	-	-	17,562,794	-	-	-	-	17,562,794	17,562,794
Factory Buildings	58,929,891	-	-	58,929,891	18,284,655	1,868,078	-	20,152,733	38,777,158	40,645,236
Plant & Machinery	165,048,778	-	-	165,048,778	82,178,409	10,447,588	-	92,625,997	72,422,781	82,870,369
Electrical Installations	17,818,721	-	-	17,818,721	17,795,136	23,585	-	17,818,721	-	23,585
Office Equipments	1,597,265	-	-	1,597,265	1,173,080	303,480	-	1,476,560	120,705	424,185
Furniture & Fittings	523,266	-	-	523,266	406,022	49,710	-	455,732	67,534	117,244
Vehicle	419,911	-	-	419,911	153,190	39,892	-	193,082	226,829	266,721
TOTAL	261,900,627	-	-	261,900,627	119,990,491	12,732,332	-	132,722,823	129,177,803	141,910,135
Previous Year	261,562,893	373,734	-	261,900,627	79,346,083	26,242,882	-	105,588,965	156,311,661	182,180,810

Particulars	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
Note 8 Non Current Investments		
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	649,400	139,000
Total	1,249,400	739,000
Note 9 Long-term loans and advances		
(Unsecured and Considered good)		
(i) Capital Advance	6,673,692.00	6,673,692.00
(ii) Other Deposits	62,301,853.00	62,200,000.00
(iii) Security Deposits	3,235,300.00	3,235,300.00
Total	72,210,845.00	72,108,992.00
Note 10 Inventories		
(a) Raw Materials	122,236,925.00	128,152,856.00
(b) Finished Goods	8,600,550.00	13,250,657.00
(c) Stores & Spares	9,783,580.00	10,893,871.00
Total	140,621,055.00	152,297,384.00
Note 11 Trade Receivable		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Other Debts	-	-
Unsecured, considered good	150,207,177.00	144,942,313.58
Total	150,207,177.00	144,942,313.58
Note 12 Cash and cash equivalents		
(a) Cash on hand	95,233.00	2,037,086.00
(b) Balances with banks		
(i) In current accounts	884,227.51	7,209,977.32
(ii) In Deposit accounts	1,041,832.00	974,418.00
Total	2,021,292.51	10,221,481.32
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 C.F.S	2,021,292.51	10,221,481.32
Note 13 Short Term Loans & Advances		
(a) Supplier Advances	27,385,933.00	22,550,733.00
Total	27,385,933.00	22,550,733.00

Particulars	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
Note 14 Other Current Assets		
(a) Balance with Excise Authorities	20,407,266.00	18,575,761.00
(b) Balance with VAT Authorities	25,600.00	-
(c) T.D.S	3,925.00	4,064.00
(d) Others	466,254.81	107,473.81
Total	20,903,045.81	18,687,298.81
Note 15 Revenue from operations		
(a) Sale of Goods:		
- Manufacturing Items	8,900,904.00	295,164,849.00
(b) Income Received from I.C.B.C	23,917,785.00	27,650,915.00
Total	32,818,689.00	322,815,764.00
Note 16 Other Income		
(a) Profit from Sale of Share Investment	573,600.00	408,000.00
(b) Interest Received	39,250.00	41,020.00
(c) Liability No longer required written back	3,045.42	-
Total	615,895.42	449,020.00
Note 17 Cost of Materials Consumed		
(a) Opening stock	128,152,856.00	521,052,874.00
(b) Add: Purchases	-	41,553,662.00
	128,152,856.00	562,606,536.00
(c) Less: Closing Stock	122,236,925.00	128,152,856.00
Total	5,915,931.00	434,453,680.00
Note 18 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
Stock-in-trade	8,600,550.00	13,250,657.00
	8,600,550.00	13,250,657.00
Inventories at the beginning of the year:		
Stock-in-trade	13,250,657.00	3,394,151.00
	13,250,657.00	3,394,151.00
Net (increase) / decrease	4,650,107.00	-9,856,506.00

Particulars	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
Note 19 Employee Benefit Expenses		
(a) Salary and Wages	1,243,080.00	2,318,678.00
(b) Contribution to EPF & ESI	147,399.00	180,236.00
(c) Employee Benefit	237,878.00	254,618.00
(d) Staff Welfare	111,855.00	287,026.00
Total	1,740,212.00	3,040,558.00
Note 20 Finance Costs		
(a) Bank Charges	13,495.11	20,041.00
(b) Interest on Other	5,616.00	1,623.00
Total	19,111.11	21,664.00
Note 21 Other expenses		
A. Material & Manufacturing Expenses		
Stores and Spares Consumed	15,435,314.00	3,410,162.00
Freight Charges	453,709.00	4,636,310.00
Power and Fuel	-	778,817.00
Clearing and Forwarding Charges	-	2,437,530.00
Customs Duty	-	1,461,693.00
Labour Charges	-	1,000,000.00
B. Repairs & Maintenance		
Building Repairs and Maintenance	494,183.00	-
Computer Maintenance	8,910.00	-
Machinery Maintenance	14,085,671.00	7,388,458.00
Vehicle Maintenance	228,480.03	327,790.66
C. Administrative Expenses		
Bad Debts Written Off	-	28,289.16
Donation	-	5,000.00
Directors Remuneration	558,000.00	300,000.00
Filing Fees	16,479.40	7,974.22
Insurance	50,627.00	108,469.00

Particulars	As at 31st March, 2017 (Amount in Rs.)	As at 31st March, 2016 (Amount in Rs.)
Postage Expenses	54,820.00	6,925.00
Printing and Stationery	124,124.00	56,702.00
Professional & Consultancy	489,298.00	350,090.00
Payment to Auditors		
i) As Statutory Audit Fees	40,250.00	40,075.00
ii) As Tax Audit Fees	17,250.00	17,175.00
Rates & Taxes	472,646.80	444,190.00
Rebate and Discount	-	-
Rent	134,500.00	285,000.00
Security Charges	-	1,428,322.00
Listing Fees / Share Transfer Charges	330,139.00	278,582.00
Telephone Expenses	37,459.00	327,333.16
Travelling & Conveyance	253,634.00	107,466.00
D. Selling & Distribution Expenses		
Sales Commission	-	202,100.00
Carriage Outwards	5,553.00	760,590.00
Advertisement Expenses	30,700.00	61,350.00
Total	33,321,747.23	26,256,393.20

22. Additional Information to the Financial Statements

- (i) Contingent liability not provided for:
- (a) Counter Guarantees furnished to the bank Rs.5,02,538/- (Previous year Rs. 4,78,458/-)
- (b) Towards outstanding Letter of Credit Nil (Previous year Nil) on account of import of raw materials.
- (ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs.13,59,00,000/- (Previous year Rs.13,59,00,000/- pertaining to resulting company) and for others is nil.
- (iii) Claims against the Company not acknowledged as Debt Rs. Nil. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil. Contingent liabilities not provided for: Nil
- (iv) Employee Benefits :
- (a) Defined Contribution plan:
Contribution to defined contribution plan recognized as expenses for the year 2016-17 accordingly an amount of Rs. 1,47,399/-(previous year Rs.1,80,236/-) 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. 2,37,878/- has been made.

Particulars		2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
I	Expenses recognized in the statement of profit and loss for the year ended		
	1. Current Service Cost	3,92,282	2,43,423
	2. Interest Cost/ Interest on obligation	51,932	26,247
	3. Expected return on plan assets	-	-
	4. Net Actuarial (gains)/losses	(2,06,336)	(22,954)
	5. Total Expenses	2,37,878	2,54,618
II	Net Asset/(Liability) recognized in the balance sheet as on 31-03-2017		
	1. Present Value of funded Obligations	-	-
	2. Present Value of unfunded Obligations	9,30,304	6,92,426
	3. Fair Value of plan assets as at 31-03-2016	-	-
	4. Unrecognized past service cost	-	-
	5. Net liability as at 31-03-2017	9,30,304	6,92,426
III	Changes in Benefit obligations during the year ended		
	1. Present Value of Defined Benefit Obligation at the beginning of the year	6,92,426	4,37,808

Particulars		2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
	2. Current Service Cost	3,92,282	2,43,423
	3. Interest Cost	51,932	34,149
	4. Actuarial(Gains)/losses	(2,06,336)	(22,954)
	5. Benefit payments	-	-
	6. Present Value of Defined Benefit Obligation at the end of the year	9,30,304	6,92,426
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	7.00%	7.50%
	1. Discount Rate	-	-
	2. Expected rate of Return on plan assets	-	-
	3. Annual Increase in Salary Costs	6.00%	6.50%
	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% at younger ages reducing gradually to 1% at older ages
VII	Table Showing Surplus/ (Deficit)		
	Defined Benefit Obligation	9,30,304	6,92,426
	Plan Assets	-	-
	Surplus/ (Deficit)	(9,30,304)	(6,92,426)

(v) There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2017 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

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

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

Year	2016-17		2014-15		
	Particulars	Amount in Rs.	%	Amount in Rs.	%
Imported	-	-	-	-	-
Indigenous- Raw Material	59,15,931	100	434,453,680	100	
Indigenous- Spares	1,54,35,314		3,410,162		

- (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 2017 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 Rupees)

Particulars	Value	Value Outstanding as on 31.03.2017
Directors Salary – Mr.R. Natarajan	5,58,000	78,275
Advance Recovered – Gita Renewable Energy Limited	20,37,584	(26,05,000)
Advance Paid – Gita Renewable Energy Limited	26,05,000	

- (xii) SEGMENT INFORMATION FOR THE YEAR ENDED 31st MARCH 2017.

- (a) Business Segment:

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

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

(xiii)	Earnings Per Share:	2016-17	2015-16
a)	Weighted Average No. of Equity Shares of Rs.10/- each		
	I. No. of Shares at the beginning of the year	36,04,509	36,04,509
	II. No. of Shares at the end of the year	36,04,509	36,04,509
	Weighted average number of equity shares outstanding during the year	36,04,509	36,04,509
b)	Net profit After Tax available for equity shareholders (Rs.)	(2,52,13,047)	(18,93,01,529)
c)	Basic and Diluted earnings per share (Rs.)	(6.99)	(52.52)

(xiv) Previous year figures:

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

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

(SANDEEP KUMAR GULECHA)

Proprietor
M.No: 226263

Date : 30th May 2017

Place : Chennai

For and on behalf of the Board of Directors

R Natarajan

Chairman & Managing Director

K. Karthikeyan
Chief-Financial Officer

Suresh Kedia
Director

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 :

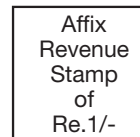
or failing him

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 7th Annual General Meeting of the Company, to be held on Saturday, the 30th September 2017 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
4. Approval of re-appointment of Chairman and Managing Director
5. Re-appointment of Independent Director

Signed this day of 2016.



(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]

7th ANNUAL GENERAL MEETING

Date : 30.09.2017 (Saturday)
Time : 2.00 P.M
Place : OPG Nagar, Periya Obulapuram village, Nagaraja kandigai, Madharapakkam Road,
Gummidipoondi – 601201.

BALLOT PAPER

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

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

Sl. No:	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	Adoption of Financial Statements			
2	Appointment of Directors			
3	Ratification of Auditor's Appointment			
4	Approval of re-appointment of Chairman and Managing Director			
5	Re-appointment of Independent Director			

Place:

(Signature of Shareholder)

Date:

