

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED



Board and committees as on 31st March, 2019

THE BOARD OF DIRECTORS

Jayesh Ramniklal Mehta
[Chairman & Managing Director]

Amita Jayesh Mehta
[Non-Executive Director]

Bharat Sugnomal Bhatia
[Non-Executive Independent Director]

Rameshchand Garg
[Non-Executive Independent Director]

Vasant Gaurishankar Joshi
[Non-Executive Independent Director]

CHIEF FINANCIAL OFFICER

Shailesh Pandurang Sankav

COMPANY SECRETARY & COMPLIANCE OFFICER

Khushboo Lalit Shah

REGISTERED OFFICE ADDRESS:

110, T.V.INDUSTRIAL ESTATE, 52, S.K.AHIRE MARG, WORLI, MUMBAI – 400030

REGISTRAR AND SHARE TRANSFER AGENT:

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

9, Shiv Shakti Industrial Estate, Ground Floor,
Sitaram Mill Compound, Lower Parel, Mumbai – 400011

TEL NO.: 022-23016761 / 022-23012518

E-MAIL ID: support@purvashare.com

SECRETARIAL AUDITOR

M/s Ajay Anil Thorat & Associates

BANKERS

HDFC Bank Limited

Union Bank of India

BOARD COMMITTEES

Audit Committee

Mr. Rameshchand Garg {Chairman}

Mr. Bharat Sugnomal Bhatia

Mr. Vasant Gaurishankar Joshi

Nomination & Remuneration Committee

Mr. Vasant Gaurishankar Joshi

Mr. Bharat Sugnomal Bhatia {Chairman}

Mr. Rameshchand Garg

Stakeholder Relationship Committee

Mr. Bharat Sugnomal Bhatia

Mr. Jayesh Ramniklal Mehta

Mr. Vasant Gaurishankar Joshi {Chairman}

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NOTICE TO SHAREHOLDERS

Notice is hereby given that 33rd Annual General Meeting of the Members of Chandni Textiles Engineering Industries Limited will be held on Friday 27th September, 2019, at 03:00 P.M. at the The Park Club Ltd, North Keluskar Road, Shivaji Park, Opposite to Scout Hall, Dadar (West), Mumbai - 400028, Maharashtra, India to transact the following business, with or without modification(s), as may be permissible;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Auditors and Board of Directors thereon;
2. To appoint a Director in place of Mrs. Amita Jayesh Mehta (DIN: 00193075), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Rameshchand Garg as Non- Executive Independent Director

To consider and, if thought fit, to pass the following as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and subject to approval of members at the ensuing Annual General Meeting, Mr. Rameshchand Garg (DIN: 03346742), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for re-appointment under the provisions of the Act and the rules made there under and SEBI LODR Regulations and in respect of whom the Company has received a notice in writing from a member signifying his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

4. Re-appointment of Mr. Bharat Sugnomal Bhatia as Non- Executive Independent Director

To consider and, if thought fit, to pass the following as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and subject to approval of members at the ensuing Annual General Meeting, Mr. Bharat Sugnomal Bhatia (DIN: 00195275), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for re-appointment under the provisions of the Act and the rules made there under and SEBI LODR

Regulations and in respect of whom the Company has received a notice in writing from a member signifying his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

5. Re-appointment of Mr. Vasant Gaurishankar Joshi as Non- Executive Independent Director

To consider and, if thought fit, to pass the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and subject to approval of members at the ensuing Annual General Meeting, Mr. Vasant Gaurishankar Joshi (DIN: 00193105), Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for re-appointment under the provisions of the Act and the rules made there under and SEBI LODR Regulations and in respect of whom the Company has received a notice in writing from a member signifying his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company”.

By order of the Board

Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director

Registered Office:
110, T. V. Industrial Estate,
52, S. K. Ahire Marg,
Worli, Mumbai -400030

Date: 14th August, 2019
Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of a maximum of 50 members and holding in aggregate not more than 10% 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, provided that the person does not act as proxy for any other shareholder. If a proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ letter of authority, as applicable.

2. A statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) relating to the Special Business to be transacted at the Meeting is annexed to this Report.

3. Corporate members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

4. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 21, 2019 to Friday, September 27, 2019, (both days inclusive) for the purpose of AGM of the Company.

5. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

6. Members/ proxies / authorized representatives should bring the duly- filled attendance slip enclosed herewith to attend the meeting.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.

8. Proxy holders are requested to carry an Identity proof at the time of attending the Meeting.

9. We urge members to support our commitment to environmental protection by choosing to receive the Company’s communication through e-mail. You can do this by updating your email addresses with your depository participants.

10. The Notice of the 33rd Annual General Meeting is being sent by electronic mode to those members whose e-mail address 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.

11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013, copies of the Annual Report for Financial Year 2018-2019 along with the Notice of the AGM, Attendance Slip and Proxy Forms are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/ Depository Participant(s) (“DPs”) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc. are being sent by the permitted mode. The Annual Report are being sent to the Members, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, 20th September, 2019. However, if such a person is not a Member on the cut-off date of Friday, 20th September, 2019 such person shall not be eligible to vote via remote e-voting or at AGM and may treat this Notice for information purpose only. Members may also note that the Annual Report of the Company is also available for download from the website of the Company www.cteil.com

12. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Purva Sharegistry (India) Private Limited / Company Secretary of the Company.

13. Details as required in Regulation 36 (3) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 (‘Listing Regulations’) in respect of the Directors seeking appointment / re-appointment at the AGM is attached as **Annexure I**, forming part of this Report.

14. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

15. The voting shall be reckoned in proportion to the value of shares registered in the Member’s name to the total paid up share capital of the Company as on Friday, 20th September, 2019, and as a person who is not a Member as on that date should treat this Notice for information purposes only.

16. The date of declaration of results of the e-voting, i.e. Saturday, September 28, 2019 shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

17. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 10:00 a.m. and 05:30 p.m. up to the date of the Annual General Meeting (AGM) of the Company.

18. Resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at the AGM of the Company.

19. Members having any grievances connected with the e-voting can contact **M/s Purva Sharegistry (India) Private Limited** - Registrar and Share Transfer Agent at Shiv Shakti Industrial Estate, Unit No. 9, J. R. Boricha Marg, Sitaram Mill Compound, Mumbai - 400011, **Phone No.:** 022-23016761/8261, **E-mail Id:** support@purvashare.com

20. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated the submission of the Permanent Account Number (PAN) and Bank Account Details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent (RTA) by sending a duly signed letter along with self attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/ statement attested by the bank.

21. VOTING THROUGH ELECTRONIC MEANS:

(a) In compliance with Section 108 of the Companies Act, 2013 (the “Act”), read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“the Listing Regulations”), the Company has provided the facility to its members to exercise their votes electronically through the electronic voting (e-voting) services facilitated by the Central Depository Services Limited (CDSL). The facility for voting will also be made available at the AGM, and the members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

(b) Members who have registered their e-mail ids with the depositories or with the Company are being sent Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice through post/courier.

(c) The facility for voting through ballot paper shall be made available at the AGM and the members attending meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

(d) 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.

(e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

22. The instructions for shareholders voting electronically are as under:

i. The voting period begins on Tuesday, September 24, 2019 at 10:00 A.M. and ends on Thursday, September 26, 2019 at 05:00 P.M. During this period shareholder’s of the Company, holding shares in dematerialized form, as on the cut –off date (record date) September 20, 2019, may cast their vote electronically. The e-voting module shall be disable by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com

iii. Click on “Shareholders/ Members” tab

iv. Now enter your User Id

❖ For CDSL :16 digits beneficiary ID,

❖ For NSDL : 8 character DP ID followed by 8 digits Client ID,

❖ Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and in Physical Form | |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> •Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. •In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. <p>Example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> •Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv) |

viii. After entering these details appropriately, click on “SUBMIT” tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the Electronic Voting Sequence Number (“EVSN”) for the relevant “**CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED**” on which you choose to vote.

xii. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.

xiii. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution DETAILS.

xiv. After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.

xv. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.

xvi. You can also take print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.

xvii. If Demat account holder has forgotten the same password then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.

xviii. Shareholders can also cast their votes using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Stores. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non-Individuals Shareholders and Custodians:

- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

23. The Board of Directors of the Company has appointed **M/s S P K G & Co. LLP**, Mumbai will be acting as the Scrutinizer to scrutinize the e-voting and voting process at the AGM in a fair and transparent manner.

24. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

25. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.cteil.com and on the website of CDSL immediately after the declaration of result by the Chairman or person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.

26. A member can opt for only one mode i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at AGM meeting shall be treated as invalid.

By order and on behalf of the Board

Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director

Date: 14th August, 2019
Place: Mumbai

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

ITEM NO. 3

Mr. Rameshchand Garg is a Non-Executive Independent Director. In terms of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under Mr. R C Garg is now being appointed as an Independent Director for a second term of 5 (five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company, not liable to retire by rotation.

Mr. Garg is holding NIL equity shares of the Company in his name as on 31st March, 2019. He is not disqualified from being appointed as Independent Director in terms of Section 164 of the Companies Act, 2013 (hereinafter known as the “Act”). The Company has also received a declaration from Mr. Garg that he meets the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Rameshchand Garg is also Additional Non-Executive Independent Director of “**CHANDNI MACHINES LIMITED**” with effect from 20th September, 2018.

Brief resume of Mr. Garg nature of his expertise in specific functional areas and name of the Companies in which he holds directorships and memberships/chairmanships of Board / Committee as stipulated under Listing Regulations with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Rameshchand Garg none of the Directors, Key Managerial Personnel and their relatives are deemed to be concerned or interested, financially or otherwise in the resolution set out at item No.3 of Notice.

The Board recommends the resolution set out under Item No. 3, for approval of the Members of the Company by way of Special Resolution.

ITEM NO. 4

Mr. Bharat Bhatia is a Non-Executive Independent Director. In terms of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under Mr. Bhatia is now being appointed as an Independent Director for a second term of 5 (five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company, not liable to retire by rotation.

Mr. Bhatia is holding NIL equity shares of the Company in his name as on 31st March, 2019. He is not disqualified from being appointed as Independent Director in terms of Section 164 of the Companies Act, 2013 (hereinafter known as the “Act”). The Company has also received a declaration from Mr. Bhatia that he meets the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Bharat Bhatia is also Additional Non-Executive Independent Director of “**CHANDNI MACHINES LIMITED**” with effect from 20th September, 2018.

Brief resume of Mr. Bhatia nature of his expertise in specific functional areas and name of the Companies in which he holds directorships and memberships/chairmanships of Board / Committee as stipulated under Listing Regulations with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Bharat Bhatia none of the Directors and Key Managerial Personnel and their relatives are deemed to be concerned or interested, financially or otherwise in the resolution set out at item No.4 of Notice.

The Board recommends the resolution set out under Item No. 4, for approval of the Members of the Company by way of Special Resolution.

ITEM NO. 5

Mr. Vasant Joshi is a Non-Executive Independent Director. He joined the Board of Directors of the Company in December, 2005. In terms of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made there under Mr. Joshi is now being appointed as an Independent Director for a second term of 5 (five) consecutive years upto the conclusion of the 38th Annual General Meeting of the Company, not liable to retire by rotation.

Mr. Joshi is holding 10 (ten) equity shares of the Company in his name as on 31st March, 2019. He is not disqualified from being appointed as Independent Director in terms of Section 164 of the Companies Act, 2013 (hereinafter known as the “Act”). The Company has also received a declaration from Mr. Joshi that he meets the criteria of independence as prescribed under Section 149 (6) of the Act and under Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Joshi is also Additional Non-Executive Independent Director of “**CHANDNI MACHINES LIMITED**” with effect from 20th September, 2018.

Brief resume of Mr. Joshi nature of his expertise in specific functional areas and name of the Companies in which he holds directorships and memberships/chairmanships of Board / Committee as stipulated under Listing Regulations with the Stock Exchange are provided in the Corporate Governance Report forming part of the Annual Report.

Except Mr. Vasant Joshi none of the Directors, Key Managerial Personnel of the Company and their relatives are deemed to be concerned or interested, financially or otherwise in the resolution set out at item No.5 of Notice.

The Board recommends the resolution set out under Item No. 5, for approval of the Members of the Company by way of Special Resolution.

By order and on behalf of the Board

Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director

Date: 14th August, 2019
Place: Mumbai

“ANNEXURE – I”

Details of Mrs. Amita Jayesh Mehta, Director seeking re-appointment as set out in Item No. 2 of this Notice, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards on General Meetings are as follows:

| | |
|--|--|
| Name of Director | Mrs. Amita Jayesh Mehta |
| Date of Birth | 01.11.1963 |
| Qualification | Commerce Graduate |
| Nationality | Indian |
| Date of First Appointment | 17.06.1986 |
| Designation | Non-Executive Director |
| Director Identification Number | 00193075 |
| Brief Profile including expertise in specific Functional Area | Mrs. Amita J Mehta deals with the sourcing of Materials. She is also active in corporate governance issues. |
| No .of Board Meetings attended during the Financial Year 2018-2019 | Mrs. Mehta attended all the 6 Board Meetings conducted during the year. |
| Names of the other Public Companies in which Directorships held | Chandni Machines Limited (formerly known as Chandni Machines Private Limited) |
| Committee Membership other Companies | Nil |
| Total shares held by her in the Company with other Directors | 27, 59, 626 (17.10%) equity shares of Re. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta. |

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: | |
| Email Id: | |
| Folio No/ Client Id: | |
| DP ID: | |

I/We, being the member(s) of _____ No. of Equity shares of the above named Company, hereby appoint

1. Name: _____
 Address: _____
 Email Id: _____ Signature: _____ or failing
 him/her;

2. Name: _____
 Address: _____
 Email Id: _____ Signature: _____ or failing
 him/her;

3. Name: _____
 Address: _____
 Email Id: _____ Signature: _____ or failing
 him/her;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on the Friday, 27th September, 2019 at 3.00 p.m. at The Park Club Ltd, North Keluskar Road, Shivaji Park. Opp. Scout Hall, Dadar West, Mumbai - 400028 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Particulars of Resolution | For | Against |
|----------|---|-----|---------|
| | Ordinary Business: | | |
| 1. | To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Auditors and Board of Directors thereon; | | |
| 2. | To appoint a Director in place of Mrs. Amita Jayesh Mehta (DIN: 00193075), who retires by rotation and being eligible offers herself for re-appointment | | |
| | Special Business: | | |
| 3. | Re-appointment of Mr. Rameshchand Garg as a Non- Executive Independent Director (DIN No: 03346742) | | |
| 4. | Re-appointment of Mr. Bharat Sugnomal Bhatia as a Non- Executive Independent Director (DIN No.: 00195275) | | |
| 5. | Re-appointment of Mr. Vasant Gaurishankar Joshi as a Non- Executive Independent Director (DIN No.: 00193105) | | |

Signed this _____ day of _____ 2019

Signature of the Shareholder

Signature of Proxy Holder(s)

| |
|----------------------------|
| Affix 1/- Revenue Stamp |
|----------------------------|

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.

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

CIN: L25209MH1986PLC040119

Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai-400030

No. (Fax): 022 24950328 E-mail: jrgroup@jrmehta.com; Website: www.cteil.com

ATTENDANCE SLIP

| | |
|--|--|
| DP ID- CLIENT ID/ Folio No. | |
| Name & Address of Sole Member | |
| Name of Joint Holder(s), If any, (In Block Letters) | |
| No. of shares held | |

I certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the 33rd Annual General Meeting on Friday, 27th September, 2019 at 03.00 P.M. at The Park Club Ltd, North Keluskar Road, Shivaji Park, Opposite to Scout Hall, Dadar West, Mumbai – 400028

Signature of Shareholder / Proxy

-----Cut Here-----

ELECTRONIC VOTING PARTICULARS

| | | |
|--|--|--|
| | | |
| | | |

Note: Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of Annual General Meeting. The voting starts from Tuesday, 24th September, 2019 from 10: 00 A.M. and ends on Thursday, 26th September, 2019 at 05:00 P.M. The voting module shall be disabled by the CDSL for voting thereafter.

Note: Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

CIN: L25209MH1986PLC040119

Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai-400030

No. (Fax): 022-24950328 E-mail: jrgroup@jrmehta.com

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., phone no. and e-mail id in our records.

We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).

2. If you are holding shares in physical form, you may provide the following:

Folio No. :

Pan No. :

E-mail ID:

Telephone No.:

Name and Signatures: (i)

(ii)

(iii)

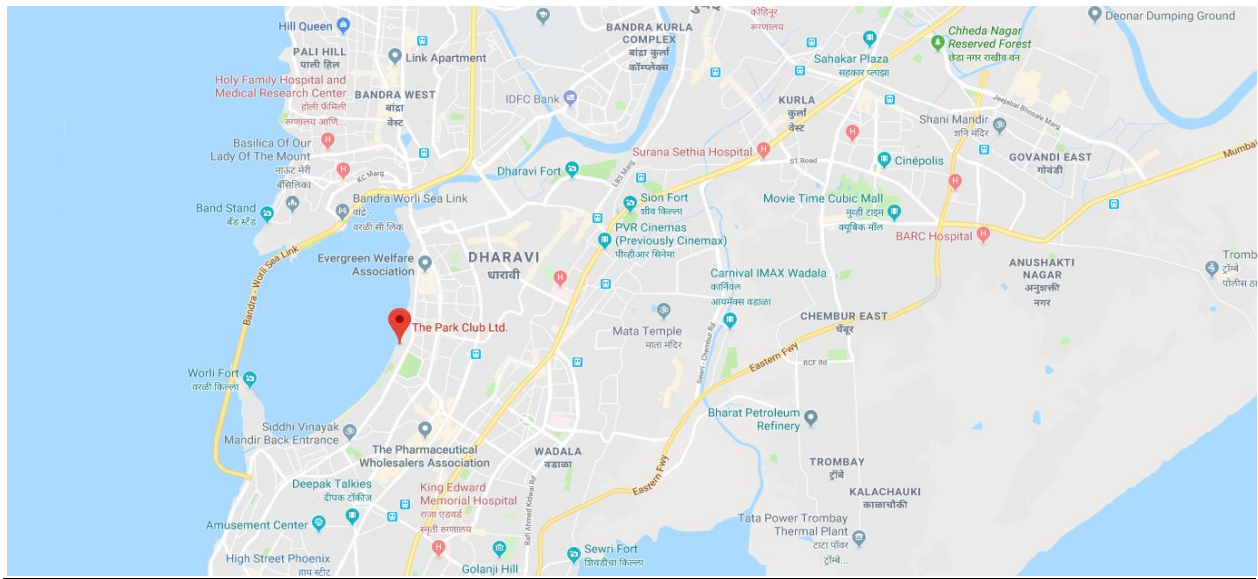
Thanking you,

For Chandni Textiles Engineering Industries Limited

Khushboo Shah

[Company Secretary & Compliance Officer]

A Route Map showing directions to reach to the venue of the AGM as required under Secretarial Standard on General Meeting (SS-2) issued by the ICSI.



Venue: The Park Club Ltd., North Keluskar Road, Shivaji park, Opp. Scout Hall, Dadar West, Mumbai – 400028, Maharashtra.

BOARD REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 33rd Annual Report together with Audited Financial Statements for the year ended 31st March, 2019. The Financial Statements have been prepared after giving accounting effect to the demerger of the business of **CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED** (i.e. Engineering Division). The Financial Results of the Company have been summarized and given below:

1. FINANCIAL HIGHLIGHTS OF THE COMPANY

| | (In Rupees) | |
|---|---------------------|---------------------|
| | 2018-2019 | 2017-2018 |
| Revenue from operations | 10,86,47,114 | 49,04,34,932 |
| Other Income | 60,60,924 | 1,07,81,288 |
| Total Revenue | 11,47,08,038 | 50,12,16,220 |
| Profit before depreciation, finance costs & tax | 98,01,875 | 47,52,63,319 |
| Less: Depreciation | 62,80,316 | 57,76,772 |
| Finance Costs | 14,93,143 | 3,68,401 |
| Profit before exceptional items and tax | 20,28,416 | 1,98,07,728 |
| Less: Exceptional Items | 47,209 | 0 |
| Profit before tax | 19,81,207 | 1,98,07,728 |
| Tax Expense | | |
| Current tax | 6,34,684 | 40,60,897 |
| Deferred tax | (4,05,103) | 15,65,124 |
| Profit after tax | 17,51,626 | 1,41,81,707 |
| Balance brought forward from previous year | 1,39,88,421 | 53,08,931 |
| Add: Profit for the year | 17,51,626 | 1,41,81,706 |
| Less: Profit of demerged undertaking from appointed date (01/07/2016 to 31/03/2017) transferred to CMPL | 0 | (55,02,216) |
| Balance carried to balance sheet | 1,57,40,047 | 1,39,88,421 |

2. OPERATIONS OF THE COMPANY

Turnover of the company has drastically decreased from INR 49,04,34,932/- as compared to previous year to INR 10,86,47,114/- in the current year.

The **Profit before tax** has decreased from INR 1,98,07,728/- in the previous year to INR 36,89,249/- in the current year.

The **Net Profit after tax** decreased from INR 1,41,81,707/- in the previous year to INR 17,51,626/- in the current year.

3. DIVIDEND

In order to conserve the resources of Company, your Directors do not recommend any dividend.

4. TRANSFER TO RESERVES

An amount of INR 1,57,40,047/- is proposed to be retained in the Profit & Loss Account.

5. CHANGE IN NATURE OF BUSINESS, IF ANY

During the financial year, there has been no change in the business of the company or in the nature of business carried by the Company during the financial year under review.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATED AND THE DATE OF THE REPORT

No material changes and commitments, if any, affecting the financial position of the Company which have occurred between end of the financial year of the Company to which the financial statements relate and the date of the report.

7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

SUBSIDIARY COMPANY

As on 31st March, 2019 your Company has one subsidiary company incorporated on 11th January, 2019 in the name of “CHANDNI PLASTICS LIMITED” and is registered in India. The subsidiary company is engaged in the business of manufacture of Plastic crates, Battery Invertor casings, pail buckets and all types of injection plastic injection moulded parts.

8. SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS

There are no significant and material orders passed by the regulators/ courts that would impact the going concern status and the Company’s operation in future.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Amita Jayesh Mehta, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment which has been annexed to this report as ‘Annexure –I’

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, the Board of Directors is seeking re-appointment of Mr. Rameshchand Garg, Mr. Bharat Sugnomal Bhatia and Mr. Vasant Gaurishankar Joshi as Non-Executive Independent Director for a term of 5 (five) consecutive years upto the conclusion of 38th Annual General Meeting. Details of the proposal for appointment of Mr. Rameshchand Garg, Mr. Bharat Sugnomal Bhatia and Mr. Vasant Gaurishankar Joshi are mentioned in statement pursuant to Section 102 of the Companies Act, 2013 in the Notice of Annual General Meeting. The aforesaid directors fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors. The Board is of the opinion that their continued association as Independent Directors shall immensely benefit the Company. Accordingly, the Board recommends their appointment as Non-Executive Independent Directors by the shareholders upto the conclusion of the 38th Annual General Meeting in the calendar year 2024.

Mr. Rameshchand Garg, Mr. Bharat Sugnomal Bhatia and Mr. Vasant Gaurishankar Joshi are the Additional Non-Executive Independent Director of “CHANDNI MACHINES LIMITED” the listed company.

Information pertaining to these Directors is given in Corporate Governance Section which forms part of this annual report.

None of the Directors is disqualified for appointment/ re-appointment under Section 164 of the Companies Act, 2013. As required by law, this position is also reflected in the Auditor's Report.

The Composition of the Board, meetings of the Board held during the year and the attendance of the Directors thereat have been mentioned in the Report on Corporate Governance in the Annual Report.

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. Jayesh Ramniklal Mehta, Managing Director; Mr. Shailesh Pandurang Sankav, Chief Financial Officer and Ms. Khushboo Shah, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

10. NUMBER OF MEETINGS OF THE BOARD

During the year under review, six Board Meetings were conducted. The composition of the Board and other details relating to the Board meetings has been provided in the Corporate Governance Report. The gap between two Board Meetings did not exceed 120 days as per Section 173 of the Companies Act, 2013.

11. COMMITTEE

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with rules framed thereunder viz.,

- i) Audit Committee
- ii) Nomination and Remuneration Committee
- iii) Stakeholders Relationship Committee

The composition of all such Committees, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors to the best of their knowledge hereby state and confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures.

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31st March, 2019 and of its profit for the year;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and such Internal Financial Controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated under Section 149(6) of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

SEPARATE MEETING OF INDEPENDENT DIRECTOR

In terms of requirements of Schedule IV of the Companies Act, 2013, the Independent Director of the Company met separately on 14th February, 2019 to inter alia review the performance of Non-Independent Directors.

14. PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review and there are no outstanding deposits which are pending for repayment.

15. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following a policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee (NRC). Based on the recommendation of the NRC, the remuneration of Executive Director is fixed in accordance with the provisions of the Company's Act, 2013 which comprises of Basic Salary, Perquisites, Allowances and Commission. The Remuneration of Non-Executive Directors comprises of sitting fees in accordance with the provisions Companies Act, 2013.

The criteria for appointment of Board of Directors and Remuneration Policy of your Company are placed on the website of the Company www.cteil.com

16. EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The details of performance evaluation have been mentioned in the Corporate Governance Report.

17. SECRETARIAL AUDITOR

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 appointed M/s Ajay Anil Thorat & Associates, Practicing Company Secretaries to conduct the Secretarial

Audit of the Company for the financial year 2018-2019. The report is attached herewith as 'Annexure – II' to the Board's Report.

M/s Ajay Anil Thorat & Associates, Practicing Company Secretaries, in their Secretarial Audit Report have made certain qualifications. The auditor's qualifications and Boards explanation thereto are summarized as under:

| AUDITOR'S QUALIFICATION | BOARD'S EXPLANATION |
|--|--|
| <p><i>a) In the outcome of board meeting dated 14th November, 2018, the company has not disclosed forming of subsidiary decision taken by the Board, to the stock exchanges.</i></p> | <p>As per Regulation 30 read with Schedule III Part A Para A (4) of Securities and Exchange board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 the points mentioned thereunder are required to be disclosed in outcome of board meeting within 30 minutes of the conclusion of the board meeting.</p> <p>However, company obtained Certificate of Incorporation on 11th January, 2019 and the same was disseminated to both the stock exchanges on 12th January, 2019 as per the format prescribed in SEBI Circular dated September 09, 2015.</p> |
| <p><i>b) Form MGT 14 filed for special resolution passed by shareholders for confirming the continuation of Independent Director over the threshold age limit, the purpose of passing of resolution has been selected as Resolutions passed in pursuance of exercise of powers of Board of Directors instead of others under Companies Act, 2013. Since the board of directors does not have powers to exercise for this matters. Further, in Form MGT 14 – declaration part - the date of board of directors meeting in which authority to file this form MGT 14 has been given is mentioned as 28th September, 2018; however there is no any board meeting on this date. Hence, this date has been wrongly mentioned by the Company. Further, all the special business should be specifically discussed in the Board Meeting and once board confirms it then only it should be added in the Notice of Annual General Meeting.</i></p> | <p>The Company inadvertently wrote the date of Annual General Meeting (AGM), however the e-form was approved without any error.</p> <p>The Company will take care in future.</p> |

18. EXTRACT OF ANNUAL RETURN

The details forming part of extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of The Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, has been annexed with this report as '**Annexure –III**'

19. AUDITORS

STATUTORY AUDITORS

M/s Ambavat Jain & Associates, LLP Chartered Accountants (**Firm Registration No.: 109681W**) were appointed as Statutory Auditors of the Company for a period of Five (5) years till the conclusion of Thirty Sixth Annual General Meeting of the Company.

20. STATUTORY AUDITORS REPORT

The Auditors Report on Standalone Financial Statements for the financial year 2018 -2019, issued by M/s Ambavat Jain & Associates, LLP Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

21. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE ACT

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in **Note No. 4** to the Financial Statements. The Company has not given any loans and guarantees under Section 186 of the Act during the Financial Year 2018-2019.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form AOC-2 pursuant to section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as '**Annexure – IV**' to this report. The company has framed a Policy on Related Party Transactions. The policy on related party transaction can be accessed on the website of the Company www.cteil.com

23. RISK MANAGEMENT

The Company has a risk management frame work for identification, assessment and mitigation of risks. This framework essentially creates transparency and minimize the risk and adverse impact on the business objectives and enhances the Company's competitive edge. This frame work consists of various risk models helping in indentifying risk, risk trends, exposure and potential influence analysis is separately for various business segments and at various levels of the Company.

Based on the operations of the Company new risks, if any, are identified, appropriate steps are taken to mitigate them. Our internal control encompasses various management system, structures of organisation, standard and code of conduct which all put together help in managing the risks associated with the Company.

24. AUDIT COMMITTEE

As on 31st March, 2019 the Audit Committee of the Board of Directors of the Company comprises of 3 (three) members namely:

1. Mr. Bharat Sugnomal Bhatia
2. Mr. Rameshchand Garg – [CHAIRMAN]
3. Mr. Vasant Gaurishankar Joshi

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

25. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

26. ESTABLISHMENT OF VIGIL MECHANISM

The Company's vigil mechanism /Whistle blower Policy aims to provide the appropriate platform and protection for Whistle blowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Integrity Code, Code of Conduct for Prevention of Insider Trading in Securities, Code of Fair Practices and Disclosure. All employees and Directors have access to the Chairperson of the Audit Committee. Company investigates such complaints speedily, confidentially and in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always maintained.

The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company www.cteil.com

27. CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from Practicing Company Secretary of the Company confirming of corporate governance requirements as stipulated under Regulation 27 of SEBI (LODR) Regulations forms part of this Annual Report.

28. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The company has provided a safe and dignified work environment for employee which is free of discrimination. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaints of harassment.

Pursuant to requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, it is hereby declared that the Company has not received any complaint of sexual harassment during the year under review.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS STIPULATED UNDER SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

a) Conservation of Energy

Technology up gradation, modernization, and the introduction of control instrumentation are practiced realizing the full potential of energy conservation in our organization. The Company does a continual improvement for optimum utilization of resources to ensure minimize consumption of energy, water, natural resources while maximizing production volumes in eco friendly manner.

b) Technology Absorption

Your Company has not imported any technology for manufacture of textiles yarn or plastic crates.

c) Foreign Exchange Earnings and Outgo

| | FY 2018-2019 | FY 2017-2018 |
|-------------------------------------|---------------------|---------------------|
| Total Foreign Exchange Outgo | 1,06,095 | NIL |
| Total Foreign Exchange earned (FOB) | NIL | NIL |

30. PARTICULARS OF EMPLOYEES

Information as required under the provisions of Section 197 of the Act, read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in 'Annexure – V' to the Directors' Report. There are no employees employed throughout the financial year who was in receipt of remuneration of INR 1.02 crore or more, or employed for part of the year and in receipt of INR 8.5 lakh or more a month, as mentioned under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations is presented in a separate section forming part of this Annual Report attached as 'Annexure – VI'

32. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES

During the year, Company has amended the Code of Conduct for Prevention of Insider Trading in Securities ("Code") in accordance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, which is effective from April 01, 2019. The amended Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons, and employees. Ms. Khushboo Lalit Shah is the Compliance Officer under the Code.

33. REPORTING OF FRAUD BY THE AUDITORS

In case the auditor has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company or by the Company the Auditor shall forward his report to the Committee and the Committee shall send its reply or observations to the Auditor and such matters shall be reported to the Board by the committee.

34. INSURANCE

All the properties/ assets including buildings, furniture/fixtures, etc. and insurance interests of the Company are adequately insured.

35. CAUTIONARY STATEMENT

Statements in Annual Report, including those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

36. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all employees for their enormous efforts at the individual level as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in management.

For and behalf of the Board of Directors

**Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director**

**Place: Mumbai
Date: 14th August, 2019**

'Annexure –II'

FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019
[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 of
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED
(CIN – L25209MH1986PLC040119)
110, T.V. Industrial Estate, 52 S. K. Ahire Marg,
Worli, Mumbai– 400030,
Maharashtra,
India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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 – Not Applicable
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the Company has not issued any further share capital during the period under review];**
- d. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Company has also listed its securities on Metropolitan Stock Exchange Ltd on 12th June, 2018.)
- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review] ;**
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client; **[Not Applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review] ;**
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; **[Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review] ;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review].**
- j. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable as the Company as there is no any such event took place during the reporting period].**

6. The management has identified and confirmed the following laws as specifically applicable to the company:

- (a) Factories Act, 1948
- (b) Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (f) The Payment of Bonus Act, 1965
- (g) The Payment of Gratuity Act, 1972
- (h) The Contract Labour (Regulation & Abolition) Act, 1970
- (i) Employees' State Insurance Act, 1948
- (j) Water (Prevention and Control of Pollution) Act, 1974
- (k) Air (Prevention and Control of Pollution) Act, 1981

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

- 1) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India;
- 2) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Listing Agreements entered into by the Company with BSE Limited and Metropolitan Stock Exchange of India Limited.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and committee thereof were carried out with requisite majority.

I further report that:-

Based on review of compliance mechanism established by the Company and on the basis of the certificate given by the CS and CFO, we are of the opinion that there are adequate systems and processes in place in the company which is commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

The Company was in receipt of one notice from Registrar of Companies, Ministry of Corporate Affairs, regarding filing of Form DPT 4. As informed the company has responded to such notices received.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

(a) In the outcome of board meeting dated 14th November, 2018, the company has not disclosed forming of subsidiary decision taken by the Board, to the stock exchanges.

(b) Form MGT 14 filed for special resolution passed by shareholders for confirming the continuation of Independent Director over the threshold age limit, the purpose of passing of resolution has been selected as Resolutions passed in pursuance of exercise of powers of Board of Directors instead of others under Companies Act, 2013. Since the board of directors does not have powers to exercise for this matters. Further, in Form MGT 14 – declaration part - the date of board of directors meeting in which authority to file this form MGT 14 has been given is mentioned as 28th September, 2018; however there is no any board meeting on this date. Hence, this date has been wrongly mentioned by the Company. Further, all the special business should be specifically discussed in the Board Meeting and once board confirms it then only it should be added in the Notice of Annual General Meeting.

I further report that during the audit period the details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above are as follows:

- Company has also been listed on Metropolitan Stock Exchange of India Ltd*
- Company has formed its subsidiary viz Chandni Plastics Ltd. (CIN U25209MH2019PLC319443).*
- As reported by the company, there are three cases filed against erstwhile promoter group companies viz Prerna Textile Industries Private Limited ("Prerna"), M/S Zarnna Spinners Private*

Limited ("Zarnna") And M/S Sidhaant Velvet Private Limited ("Siddhant") now amalgamated With Chandni Textiles Engineering Industries Limited, against Umga Gears Private Limited, Shri. Bipin Kantibhai Patel, Sagar Agency Private Limited.

Ajay Anil Thorat & Associates
Company Secretaries

Date: 27th August, 2019

Place: Navi Mumbai

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,
The Members,
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED
(CIN – L25209MH1986PLC040119)
110, T.V. Industrial Estate, 52 S. K. Ahire Marg,
Worli, Mumbai,
Maharashtra
India – 400030

Our report of even date is to be read along with this letter.

Management Responsibility

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

Auditor's Responsibility

2. Our Responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the managements, representation about the compliances of laws, rules and regulations and happenings of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Ajay Anil Thorat & Associates
Company Secretaries

Date: 27th August, 2019
Place: Navi Mumbai

'Annexure –III'

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2019

[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 | L25209MH1986PLC040119 |
| (ii) | Registration Date | 17th June, 1986 |
| (iii) | Name of the Company | Chandni Textiles Engineering Industries Limited |
| (iv) | Category of Company Sub-Category of the Company | Public Limited Company Indian Non-government Company |
| (v) | Address of the Registered Office & Contact Details | 110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai, Maharashtra – 400030 Tele No: 022- 24950328 Email: jrgroup@jrmehta.com Website: www.cteil.com |
| (vi) | Whether listed Company | Yes |
| (vii) | Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any | M/s Purva Sharegistry (India) Pvt Ltd Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai – 400 011 Tel No. : 022 23016761/ 23018261 Fax No.: 022 23012518 E-mail : support@purvashare.com Website: www.purvashare.com |

II. Principal Business Activity of the Company

All the Business Activity contributing 10% or more of the total turnover shall be stated

| Sr. No | Name and Description of Main Products/ Services | NIC Code of the Product/ Service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1 | Velvet Fabrics | 1399 | 95.25% |
| 2. | Plastic Crates | | 4.75% |

III. Particulars of Holding, Subsidiary and Associate Companies

| Name and Address of the Company | CIN/GLN/ Number | Registration | Holding/Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|-----------------------------------|--------------|-------------------------------|------------------|---|
| Name: Chandni Plastics Limited Address: 110, T.V.Industrial Estate, 52, S.K.Ahire Marg, Worli, Mumbai – 400030, Maharashtra, India | CIN: U25209MH2019PLC319443 | | Subsidiary company | NIL | Sub section (87) Section 2 of Companies Act, 2013 |

IV. Shareholding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-04-2018) | | | | No. of Shares held at the end of the year (As on 31-03-2019) | | | | % Change during the year |
|--|--|----------|----------------|------------------|--|----------|----------------|------------------|--------------------------|
| | Demat | Physical | Total | % of Total share | Demat | Physical | Total | % of Total share | |
| A. Promoter | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 7081364 | 0 | 7081364 | 43.88 | 7081217 | 0 | 7081217 | 43.88 | 0.00 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 00 | 0 |
| c) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp | 422212 | | 422212 | 2.60 | 422212 | 0 | 422212 | 2.62 | 0.00 |
| e) Banks/ FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A)(1) | 7503576 | | 7503576 | 46.50 | 7503429 | 0 | 7503429 | 46.50 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRI-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/ FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total Shareholding of Promoters (A)=(A)(1)+(A)(2) | 7503576 | 0 | 7503576 | 46.50 | 7503429 | 0 | 7503429 | 46.50 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/ FI | 0 | 400 | 400 | 0.00 | 0 | 400 | 400 | 0 | 0 |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

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| | | | | | | | | | |
|---|-----------------|---------------|-----------------|--------------|-----------------|---------------|-----------------|--------------|-------------|
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Cos. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (B) (1) | 0 | 400 | 400 | 0.00 | 0 | 400 | 400 | 0.00 | 0.00 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 3199507 | 22600 | 3222107 | 19.97 | 3325285 | 22600 | 3347885 | 20.75 | 0.78 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto 1 Lakh | 1224549 | 201035 | 1425584 | 8.83 | 1211009 | 185025 | 1396034 | 8.65 | (0.18) |
| ii) Individual Shareholders holding nominal share capital in excess of 1 lakh | 3740133 | - | 3740133 | 23.18 | 3522417 | - | 3522417 | 21.83 | (1.35) |
| c) Others (Specify) | | | | | | | | | |
| i) LLP | 2500 | 0 | 2500 | 0.02 | 12500 | 0 | 12500 | 0.08 | 0.06 |
| ii) NRI (Repat& Non Repat) | 2153 | 0 | 2153 | 0.01 | 2053 | 0 | 2053 | 0.01 | 0.00 |
| iii) Hindu Undivided Family | 158035 | 0 | 158035 | 0.98 | 164890 | 0 | 164890 | 1.02 | 0.04 |
| iv) Clearing Members | 82775 | 0 | 82775 | 0.51 | 187655 | 0 | 187655 | 1.16 | 0.65 |
| Sub Total (B)(2) | 8409652 | 223635 | 8633287 | 53.50 | 8425809 | 207625 | 8633434 | 53.50 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 8409652 | 224035 | 8633687 | 53.50 | 8425809 | 208025 | 8633834 | 53.50 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 15913228 | 224035 | 16137263 | 100 | 15929238 | 208025 | 16137263 | 100 | 0.00 |

(ii) Shareholding of Promoter

| Shareholders Name | Shareholder at the beginning of the year | | | Shareholding at the end of the year | | | % Change during the year |
|-----------------------------------|--|------------------------------|---|-------------------------------------|------------------------------|---|--------------------------|
| | No. of shares | % of total shares of the Co. | % of pledged/encumbered to total shares | No. of shares | % of total shares of the Co. | % of pledged/encumbered to total shares | |
| Jayesh Ramniklal Mehta | 4192238 | 25.98 | 0 | 4192091 | 25.98 | 0 | 0 |
| Amita Jayesh Mehta | 2759626 | 17.10 | 0 | 2759626 | 17.10 | 0 | 0 |
| J.R. Texmachtrade Private Limited | 422212 | 2.62 | 0 | 422212 | 2.62 | 0 | 0 |
| Prerna Jayesh Mehta | 67000 | 0.42 | 0 | 67000 | 0.42 | 0 | 0 |
| Chandni Jayesh Mehta | 62500 | 0.39 | 0 | 62500 | 0.39 | 0 | 0 |

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

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------------|---|------------------------------|---|------------------------------|
| | | No. of shares | % of total shares of the Co. | No. of shares | % of total shares of the Co. |
| 1. | Jayesh Ramniklal Mehta | 4192238 | 25.98 | 4192091 | 25.80 |
| 2. | Amita Jayesh Mehta | 2759626 | 17.10 | 2759626 | 17.10 |
| 3. | J. R. Texmachtrade Private Limited | 422212 | 2.62 | 422212 | 2.62 |
| 4. | Prerna Jayesh Mehta | 67000 | 0.42 | 67000 | 0.42 |
| 5. | Chandni Jayesh Mehta | 62500 | 0.39 | 62500 | 0.39 |

(iv) Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | For each of the Top 10 Shareholders | 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. | SYKES AND RAY EQUITIES (MUMBAI) PRIVATE LIMITED | | | | |
| | At the beginning of the year | 1880043 | 11.65 | 0 | 0 |
| | Decrease – Transfer on 25/05/2018 | 515488 | 3.19 | 1364555 | 8.46 |
| | Increase – Transfer on 10/08/2018 | 546305 | 3.39 | 1910860 | 11.84 |
| | Decrease – Transfer on 17/08/2018 | 500 | 0.00 | 1910360 | 11.84 |
| | Decrease – Transfer on 14/09/2018 | 50 | 0.00 | 1910310 | 11.84 |

| | | | | | |
|-----------|--|----------|----------|----------------|--------------|
| | Decrease – Transfer on 21/09/2018 | 998 | 0.01 | 1909312 | 11.83 |
| | Decrease – Transfer on 28/09/2018 | 1050 | 0.01 | 1908262 | 11.83 |
| | Decrease – Transfer on 05/10/2018 | 2085 | 0.01 | 1906177 | 11.81 |
| | Decrease – Transfer on 12/10/2018 | 3591 | 0.02 | 1902586 | 11.79 |
| | Decrease – Transfer on 26/10/2018 | 56276 | 0.35 | 1846310 | 11.44 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 1846310 | 11.44 |
| | | | | 0 | |
| 2. | INTERNATIONAL FINANCIAL SERVICES LTD. | | | | |
| | At the beginning of the year | 1233071 | 7.64 | 0 | 0 |
| | Increase – Transfer on 06/07/2018 | 4264 | 0.03 | 123733 | 7.67 |
| | Increase – Transfer on 21/12/2018 | 180300 | 1.12 | 141763 | 8.78 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 141763 | 8.78 |
| | | | | 5 | |
| 3. | MAHAVIRSINGH N CHAUHAN | | | | |
| | At the beginning of the year | 613791 | 3.80 | 0 | 0 |
| | No change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 613791 | 3.80 |
| 4. | HETAL CHETAN MEHTA | | | | |
| | At the beginning of the year | 450512 | 2.79 | 0 | 0 |
| | Decrease – Transfer on 14/12/2018 | 175000 | 1.08 | 275512 | 1.71 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 275512 | 1.71 |
| 5. | KETAL M BRAHMBHATT | | | | |
| | At the beginning of the year | 211749 | 1.31 | 0 | 0 |
| | Decrease - Transfer on 14/09/2018 | 190 | 0.00 | 211559 | 1.31 |
| | Decrease - Transfer on 21/09/2018 | 1712 | 0.01 | 209847 | 1.30 |
| | Decrease - Transfer on 19/10/2018 | 950 | 0.01 | 208897 | 1.29 |
| | Increase - Transfer on 26/10/2018 | 7965 | 0.05 | 216862 | 1.34 |
| | Decrease - Transfer on 02/11/2018 | 7522 | 0.05 | 209340 | 1.30 |
| | Increase - Transfer on 07/12/2018 | 967 | 0.01 | 210307 | 1.30 |
| | Decrease- Transfer on 14/12/2018 | 3117 | 0.02 | 207190 | 1.28 |
| | Decrease- Transfer on 21/12/2018 | 5 | 0.00 | 207195 | 1.28 |
| | Decrease- Transfer on 28/12/2018 | 40 | 0.00 | 207155 | 1.28 |
| | Decrease- Transfer on 04/01/2019 | 100 | 0.00 | 207055 | 1.28 |
| | Increase- Transfer on 11/01/2019 | 35 | 0.00 | 207090 | 1.28 |
| | Increase- Transfer on 18/01/2019 | 896 | 0.01 | 207986 | 1.29 |
| | Increase- Transfer on 22/02/2019 | 33515 | 0.21 | 241501 | 1.50 |
| | Increase- Transfer on 01/03/2019 | 6 | 0.00 | 241507 | 1.50 |
| | Decrease- Transfer on 15/03/2019 | 101 | 0.00 | 241406 | 1.50 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 241406 | 1.50 |
| 6. | AVANI JASMIN AJMERA | | | | |
| | At the beginning of the year | 200000 | 1.24 | 0 | 0 |
| | No Change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 200000 | 1.24 |
| 7. | MINAL MANISH AJMERA | | | | |
| | At the beginning of the year | 200000 | 1.24 | 0 | 0 |
| | No Change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 200000 | 1.24 |
| 8. | REENA ASHISH AJMERA | | | | |

| | | | | | |
|------------|---|----------|----------|---------------|-------------|
| | At the beginning of the year | 200000 | 1.24 | 0 | 0 |
| | No Change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 200000 | 1.24 |
| 9. | NISHITA ALPESH AJMERA | | | | |
| | At the beginning of the year | 200000 | 1.24 | 0 | 0 |
| | No Change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 200000 | 1.24 |
| 10. | ASHWINI JITEN AJMERA | | | | |
| | At the beginning of the year | 200000 | 1.24 | 0 | 0 |
| | No Change | 0 | 0 | 0 | 0 |
| | At the end of the year on 31/03/2019 | 0 | 0 | 200000 | 1.24 |

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---|---|-------------------|---|-------------------|
| | | No. of Shares | % of Total Shares | No. of Shares | % of Total Shares |
| 1. | Jayesh Ramniklal Mehta – Chairman & Managing Director | | | | |
| | At the beginning of the year | 4192238 | 25.98 | 4192238 | 25.98 |
| | Decrease – Transfer on 10/08/2018 | 147 | 0.00 | 4192091 | 25.98 |
| | At the end of the year | 0.00 | 0.00 | 4192091 | 25.98 |
| 2. | Amita Jayesh Mehta – Non Executive Director | | | | |
| | At the beginning of the year | 2759626 | 17.10 | 2759626 | 17.10 |
| | Changes during the year | - | - | - | - |
| | At the end of the year | 2759626 | 17.10 | 2759626 | 17.10 |
| 3. | Bharat Sugnomal Bhatia – Non Executive Independent Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 4. | Rameshchand Garg – Non Executive Independent Director | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 5. | Vasant Gaurishankar Joshi – Non Executive Independent Director | | | | |
| | At the beginning of the year | 10 | 0.00 | 10 | 0.00 |
| | Changes during the year | - | - | - | - |

| | | | | | |
|-----------|---|--------------|-------------|--------------|-------------|
| | At the end of the year | 10 | 0.00 | 10 | 0.00 |
| 6. | Shailesh Pandurang Sankav – Chief Financial Officer | | | | |
| | At the beginning of the year | 41568 | 0.26 | 41568 | 0.26 |
| | Changes during the year | - | - | - | - |
| | At the end of the year | 41568 | 0.26 | 41568 | 0.26 |
| 7. | Khushboo Lalit Shah – Company Secretary & Compliance Officer | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | Changes during the year | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |

V. INDEBTNESS

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

| Particulars | Secured loans excluding deposits (Rs.) | Unsecured Loans (Rs.) | Deposits (Rs.) | Total Indebtedness (Rs.) |
|--|--|-----------------------|-----------------|--------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 19,64,252 | 0 | 1,42,945 | 21,07,197 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 19,64,252 | 0 | 1,42,945 | 21,07,197 |
| Change in indebtedness during the financial year | | | | |
| Addition | 0 | 0 | 9,256 | 9,256 |
| Reduction | 8,09,989 | 0 | 0 | 8,09,989 |
| Net Change | (8,09,989) | 0 | 9,256 | (8,00,733) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 11,54,264 | 0 | 1,52,201 | 13,06,464 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |

VI. Remuneration of Directors and Key Managerial Personnel**A) Remuneration to Managing Director, Whole-time Directors and / or Manager:**

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount (Rs.) |
|---------|---|-------------------------|--------------------|
| | | Name | |
| | | Designation | |
| | | Jayesh Ramniklal Mehta | |
| | | Managing Director | |
| 1. | Gross Salary | 12,00,000 | 12,00,000 |
| | (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) | 12,00,000 | 12,00,000 |

B) Remuneration to other Directors

| Sr. No. | Particulars of Remuneration | Mrs. Amita Jayesh Mehta | Mr. Rameshchand Garg | Mr. Bharat Bhatia | Mr. Vasant Gaurishankar Joshi | Total Amount |
|-----------|--|-------------------------|----------------------|-------------------|-------------------------------|-----------------|
| I | Independent Directors | | | | | |
| 1 | Fee for attending Board/Committee meetings/AGM | - | 50,000 | 50,000 | 50,000 | 1,50,000 |
| 2 | Commission | - | | | | |
| 3 | Others, please specify | - | | | | |
| | Total (I) | | 50,000 | 50,000 | 50,000 | 1,50,000 |
| II | Other Non-Executive Directors | | | | | |
| 1 | Fee for attending Board/Committee meetings/AGM | 30,000 | - | - | - | 30,000 |
| 2 | Commission | - | - | - | - | - |
| 3 | Others, please specify | - | - | - | - | - |
| | Total (II) | 30,000 | - | - | - | - |
| | Total (B) = (I + II) | 30,000 | - | - | - | 30,000 |

C) Remuneration to Key Managerial Personnel other than MD/ Manager / WTD:

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---------|---|---------------------------|--|-----------------|
| | | Mr. Shailesh Sankav (CFO) | Ms. Khushboo Shah (Company Secretary & Compliance Officer) | |
| 1. | Gross Salary | 6,00,000 | 3,31,200 | 9,31,200 |
| | (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 – (Bonus) | 46,850 | 6,300 | 53,150 |
| | TOTAL | 6,46,850 | 3,37,500 | 9,84,350 |

VI. Penalties/ Punishment/ Compounding of offences:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

For and on behalf of the Board of Directors
Chandni Textiles Engineering Industries Limited

Date: 14th August, 2019
Place: Mumbai

Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director

'ANNEXURE-IV'**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: NIL

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis.

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

| Name of the Related parties | Nature of contracts / arrangements / transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Amount paid as advances, if any |
|---|---|---|--|---------------------------------|
| Chandni Machines Limited [formerly known as Chandni Machines Private Limited] | Purchase of Machinery | 01-08-2018 | 33,06,360 | N.A. |
| | Sale of Machinery | 21-04-2018 | 72,03,900 | |
| | Compensation paid | 08-02-2019 | 4,375 | |
| | Compensation received | 07-02-2019 | 1,51,625 | |
| Mr. Jayesh Ramniklal Mehta | Remuneration paid to Managing Director | 01-04-2018 to 31-03-2019 | 12,00,000 | |
| Mr. Shailesh Sankav | Salary & Bonus | 01-04-2018 to 31-03-2019 | 6,46,850 | |
| Ms. Khushboo Shah | | 01-04-2018 to 31-03-2019 | 3,37,500 | |

For and on behalf of Chandni Textiles Engineering Industries Limited

**Jayesh R Mehta
(DIN: 00193029)
Managing Director**

Date: 14th August, 2019

Place: Mumbai

'ANNEXURE V'**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended March 31, 2018.

| Sr. No. | Requirement | Disclosure | |
|-------------------|--|-------------------------------------|---|
| 1. | The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year | Name of Director | Ratio |
| | | Mr. Jayesh Ramniklal Mehta | 4.24:1 |
| | | Mrs. Amita Jayesh Mehta | 1.27:1 |
| | | Mr. Vasant Gaurishankar Joshi | 2.12:1 |
| | | Mr. Bharat Sugnomal Bhatia | 2.12:1 |
| | | Mr. Rameshchand Garg | 2.12:1 |
| 2. | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and company Secretary in the financial year | Name of Director/ CEO/CFO/CS | Percentage increase in their remuneration during the Financial Year ended 2018 |
| | | Mr. Jayesh R Mehta | NIL |
| | | Mrs. Amita Jayesh Mehta | 20% |
| | | Mr. Vasant Gaurishankar Joshi | 11.11% |
| | | Mr. Bharat Sugnomal Bhatia | 11.11% |
| | | Mr. Rameshchand Garg | 11.11% |
| | | Mr. Shailesh Sankav | 6.21% |
| Ms. Khushboo Shah | NA | | |
| 3. | The percentage increase in the median remuneration of employees in the Financial Year | Not Applicable | |
| 4. | Number of permanent employees on the rolls of Company at the end of Financial Year | 08 employees | |

| | | |
|----|---|--|
| 5. | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Not Applicable |
| 6. | Affirmation that the remuneration is as per the Remuneration Policy of the Company | It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company |

**For and on behalf of the Board of Directors
For Chandni Textiles Engineering Industries Limited**

**Place: Mumbai
Date: 14th August, 2019**

**Jayesh R Mehta
(DIN: 00193029)
Chairman & Managing Director**

REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed with Bombay Stock Exchange Limited (BSE) and Metropolitan Stock Exchange of India (MSEI) Limited with effect from Approval Letter dated June 12, 2018 and was admitted to dealings on the Exchange with effect from July 16, 2018 Corporate Governance is the soul of an organisation and must be adhered to while indulging in any business practices.

1. BRIEF STATEMENT ON PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance in India is a set on internal controls, policy and procedures which form the framework of a company's operations and its dealings with various stakeholders such as customers, management, employee, government and industry bodies. There is a direct relationship between governance, risk mitigation and compliance. While there is no established relation between corporate governance and market value of a company, it does enhance shareholder satisfaction. Corporate Governance plays a key role in protecting valuations of a company because the ultimate goal of good governance is to maximize the interest of all stakeholders.

The more the level of corporate governance, the stronger is the company in the eyes of the shareholders of the company. The independent and the active directors are the ones who infuse and contribute towards displaying the corporate as that of having a positive outlook. Corporate Governance imbibes the much required transparency in the corporate.

2. BOARD OF DIRECTORS

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with one woman independent director; fifty percent of the Board of Directors comprises of non-executive independent directors. The Chairman of the Board is an executive director.

a) Composition and category of Directors (eg: Promoter, Executive, Non-Executive Independent, Nominee Director – institution represented and whether as lender or as equity investor)

| Name of Director | Designation | Category / Remark | No. of Committee Membership/ Chairmanship held in other Listed Companies |
|------------------------------|------------------------------------|--|--|
| Shri. Jayesh Ramniklal Mehta | Chairman & Managing Director | Executive & Non-Independent (Promoter) | Member in Audit Committee - Chandni Machines Limited |
| Smt. Amita Jayesh Mehta | Non-Executive Director | Promoter | Nil |
| Shri. Rameshchand Garg | Non-Executive Independent Director | NIL | Chandni Machines Limited |
| | | | Chairman – Stakeholder Relationship Committee |
| | | | Member- Nomination and Remuneration Committee |
| Shri. Vasant Gaurishankar | Non-Executive Independent Director | NIL | Chandni Machines Limited |

| | | | |
|----------------------------|------------------------------------|-----|---|
| Joshi | | | Chairman – Audit Committee |
| | | | Member – Nomination and Remuneration Committee and Stakeholder Relationship Committee |
| Mr. Bharat Sugnomal Bhatia | Non-Executive Independent Director | NIL | Chandni Machines Limited |
| | | | Chairman – Nomination and Remuneration Committee |
| | | | Member- Audit Committee and Stakeholder Relationship Committee |

b) Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting:

| Directors | Board Meeting held during the tenure of Director | Board Meeting attended during the year | Whether attended last Annual General Meeting held on 28th September, 2018 | Remarks |
|---------------------------|--|--|---|---|
| Jayesh Ramniklal Mehta | 6 | 6 | No | Inability to attend the AGM due to personal reasons |
| Amita Jayesh Mehta | 6 | 6 | Yes | - |
| Bharat Sugnomal Bhatia | 6 | 5 | Yes | - |
| Rameshchand Garg | 6 | 6 | No | Inability to attend the AGM due to Ill health |
| Vasant Gaurishankar Joshi | 6 | 6 | Yes | - |

c) Number of other Board of Directors or Committees in which a director is a member or chairperson as on 31st March, 2019:

| Sr. No | Name of the Director | Directorship in other listed company # | Membership of Committees of other Listed Entity ^ | Chairmanship of Committees of other Listed Entity ^ | Name of the Listed Entity holding Directorship / Designation @ |
|--------|------------------------|--|---|---|--|
| 1. | Jayesh Ramniklal Mehta | 1 | Audit Committee | NIL | Name of Company: Chandni Machines Limited Designation: Chairman & Managing Director |
| 2. | Amita Jayesh | 1 | NIL | NIL | Name of Company: Chandni Machines Limited |

| | | | | | |
|----|---------------------------|---|--|---------------------------------------|---|
| | Mehta | | | | Designation: Non-Executive Director |
| 3. | Bharat Sugnomal Bhatia | 1 | Stakeholder Relationship Committee and Audit Committee | Nomination and Remuneration Committee | Name of Company: Chandni Machines Limited Designation: Additional Director (Non-Executive Independent Director) |
| 4. | Rameshchand Garg | 1 | Nomination and Remuneration Committee | Stakeholder Relationship Committee | Name of Company: Chandni Machines Limited Designation: Additional Director (Non-Executive Independent Director) |
| 5. | Vasant Gaurishankar Joshi | 1 | Nomination and Remuneration Committee & Stakeholder Relationship Committee | Audit Committee | Name of Company: Chandni Machines Limited Designation: Additional Director (Non-Executive Independent Director) |

NOTES:

* Chandni Machines Limited (formerly known as Chandni Machines Private Limited) was a Wholly –Owned Subsidiary Company of Chandni Textiles Engineering Industries Limited by the order of National Company Law Tribunal (NCLT) the Engineering Division got demerged into Chandni Machines Limited and is now a separate legal entity and equity shares of the company are listed on The Bombay Stock Exchange Of India Limited (BSE) as on 05th April, 2019.

Number of Directorships held excludes Directorship in Private limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 and alternate Directorships & also in Chandni Textiles Engineering Industries Limited.

^ Covers Memberships/ Chairmanship of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of Listed and Unlisted Public Limited Companies excluding committee Memberships / Chairmanships of Chandni Textiles Engineering Industries Limited.

d) Number of meetings of the Board of Directors held and dates on which held

During the financial year 2018 -2019, 6 Board Meetings were held respectively on 30th May, 2018; 06th August, 2018; 14th August, 2018; 14th November, 2018; 14th February, 2019 and 30th March, 2019.

e) Disclosure of relationships between Directors inter-se

No other Directors are related to each other except Jayesh R Mehta and Amita Jayesh Mehta who are related to each other as husband and wife.

f) Number of Shares and Convertible instruments held by non-executive Directors

| Name of Director | Number of Equity Shares as on 31st March, 2019 |
|---------------------------|--|
| Amita Jayesh Mehta | 27, 59, 626 equity shares (17.10%) |
| Vasant Gaurishankar Joshi | 10 equity shares |

g) Web link where details of familiarization programmes imparted to independent directors is disclosed

As per Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent Directors of the Company need to be imparted with familiarization programs. The details is available on the website of the Company i.e. www.cteil.com

Separate Meeting of the Independent Directors

During the year under review, a meeting of Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 was held on 14th February, 2019.

Company's Policy on Prohibition of Insider Trading

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Insiders to determine the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

The full text of the Code is available on the website of the Company under the heading "Policies" in the investor tab which can be accessed at www.cteil.com

h) The following is the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

- i. Knowledge – understand the Company's business, polices, culture and knowledge of the industry in which the Company operates.
- ii. Strategic thinking and decision making;
- iii. Financial skills
- iv. Technical/ Professional skills and specialized knowledge to business

i) The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16 (1) (b) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the management.

3. AUDIT COMMITTEE

a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II)

The Role of the Audit Committee includes the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;

- e. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- f. Reviewing the management discussion & analysis of financial condition and result of operations;
- g. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control system.
- h. Reviewing the internal controls, risk management policies and practices and related party transactions.

b) Composition, name of members and chairperson

The Audit Committee comprises of 3 (Three) Directors and all the Directors are Non-Executive Independent Directors.

All Members are financially literate and possess sound knowledge of accounts, finance and audit matters.

The Internal Auditors of the Company attend the meetings of the Audit Committee on invitation of the Chairman of the Committee.

The Composition of Audit Committee as on 31st March, 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|---------------------------|------------------------------------|-------------|
| 1 | Rameshchand Garg | Non Executive Independent Director | Chairman |
| 2 | Bharat Sugnomal Bhatia | Non Executive Independent Director | Member |
| 3 | Vasant Gaurishankar Joshi | Non Executive Independent Director | Member |

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

c) Meeting and attendance during the year

| Sr. No. | Name | Attendance in Audit Committee Meetings held on | | | |
|---------|---------------------------|--|------------|------------|------------|
| | | 30.05.2018 | 14.08.2018 | 14.11.2018 | 14.02.2019 |
| 1. | Rameshchand Garg | ✓ | ✓ | ✓ | ✓ |
| 2. | Bharat Bhatia | ✓ | ✓ | ✓ | ✓ |
| 3. | Vasant Gaurishankar Joshi | ✓ | ✓ | ✓ | ✓ |

4. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015) (specified in Part D of Schedule II)

b) Composition, name of members and chairperson

The Nomination and Remuneration Committee comprises of Three (3) Non-Executive Independent Directors.

The Composition of Nomination and Remuneration Committee as on 31st March, 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|---------------------------|------------------------------------|-------------|
| 1 | Bharat Sugnomal Bhatia | Non Executive Independent Director | Chairman |
| 2 | Rameshchand Garg | Non Executive Independent Director | Member |
| 3 | Vasant Gaurishankar Joshi | Non Executive Independent Director | Member |

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

c) Meetings and attendance during the year

| Sr. No. | Name | Attendance in Nomination and Remuneration Committee Meetings held on 11.01.2019 |
|---------|---------------------------|---|
| 1. | Rameshchand Garg | ✓ |
| 2. | Bharat Bhatia | ✓ |
| 3. | Vasant Gaurishankar Joshi | ✓ |

d) Performance Evaluation

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee had carried out the performance evaluation of the Individual Directors on the basis of the criteria/ performance evaluation policy, approved by the Board of Directors.

5. REMUNERATION OF DIRECTORS

a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity shall be disclosed in the annual report

There is no pecuniary relationship or transactions, except sitting fees paid to Non-Executive Independent Directors.

b) Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.cteil.com under the heading “Policies” section in the investor tab.

The Non-Executive Independent Director’s, are entitled to Sitting Fees for attending meetings of the Board, and its Committees.

c) Disclosures with respect to remuneration

(i) Details of remuneration/ sitting fees paid to Directors during the Financial Year 2018 -2019 are given below:

| Name of the Director | Relationship with other directors | Business relationship with the company | Salary (Rs.) | Sitting Fees (Rs.) | Total (Rs.) | Stock Option |
|---------------------------------|-----------------------------------|--|--------------|--------------------|-------------|--------------|
| Shri. Jayesh R Mehta | Husband of Smt. Amita J Mehta | Promoter & Managing Director | 12,00,000 | - | 12,00,000 | Nil |
| Smt. Amita J Mehta | Wife of Shri. Jayesh R Mehta | Promoter Group | - | 30,000 | 30,000 | Nil |
| Dr. Bharat Sugnomal Bhatia | None | None | - | 50,000 | 50,000 | Nil |
| Shri. Rameshchand Garg | None | None | - | 50,000 | 50,000 | Nil |
| Shri. Vasant Gaurishankar Joshi | None | None | - | 50,000 | 50,000 | Nil |

6. STAKEHOLDER RELATIONSHIP COMMITTEE

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavored to be addressed instantly by the secretarial department and status thereof is also placed before the Stakeholders Relationship Committee.

a) Name of Non - Executive Director heading the Committee

The Stakeholder Relationship Committee comprises of Two (2) Non-Executive Independent Director and One (1) Executive Director

The Composition of Stakeholder Relationship Committee as on 31st March, 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|---------------------------|------------------------------------|-------------|
| 1 | Vasant Gaurishankar Joshi | Non Executive Independent Director | Chairman |
| 2 | Rameshchand Garg | Non Executive Independent Director | Member |
| 3 | Jayesh R Mehta | Executive Director | Member |

b) Name and Designation of Compliance Officer

Ms. Khushboo Shah, Company Secretary is the Compliance Officer of the Company.

c) Number of shareholders' complaints received so far

Two complaints were received during the year 2018 -2019 and both the complaints were solved as at 31st March, 2019. All the complaints were solved to the satisfaction of shareholders. No complaints were pending as at 31st March, 2019.

d) Meetings and attendance during the year

| Sr. No. | Name | Attendance in Stakeholder Relationship Committee Meetings held on | | | |
|---------|---------------------------|---|------------|------------|------------|
| | | 07.04.2018 | 12.07.2018 | 12.10.2018 | 11.01.2019 |
| 1. | Jayesh Mehta | ✓ | ✓ | ✓ | ✓ |
| 2. | Bharat Bhatia | ✓ | ✓ | ✓ | ✓ |
| 3. | Vasant Gaurishankar Joshi | ✓ | ✓ | ✓ | ✓ |

Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PITR). The Company has also approved and adopted a Code to Monitor, Regulate and Report trading by its designated persons and immediate relatives of designated persons pursuant to the amended Regulation 9 of SEBI PITR and adopting the minimum standards set out in relevant Schedule to SEBI PITR and the same is effective from April 01, 2019.

7. NOTE ON DIRECTOR'S APPOINTMENT/ RE-APPOINTMENT**[PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015]****Re-appointment of Mrs. Amita Mehta who retires by rotation: [As per Item No. 2 of Notice]**

| | |
|---|---|
| I. NAME OF DIRECTOR | Mrs. Amita Jayesh Mehta |
| Date of Birth | 01/11/1963 |
| Qualification | Commerce Graduate |
| Expertise | Mrs. Amita Jayesh Mehta deals with the sourcing of Materials. She is also active in corporate governance issues. |
| Names of the other Public Companies in which Directorships held | Chandni Machines Limited (formerly known as Chandni Machines Private Limited) |
| Committee Membership other Companies | Nil |
| Total shares held by her in the Company with other Directors | 27, 59, 626 equity shares of Rs. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta. |

Re-appointment of Mr. Rameshchand Garg as Non-Executive Independent Director:**[As per Item No. 3 of Notice]**

| | |
|----------------------------|-----------------------------|
| I. NAME OF DIRECTOR | Mr. Rameshchand Garg |
| Date of Birth | 06/07/1955 |
| Qualification | B.com Graduate |

| | |
|---|---|
| Expertise | Mr. R.C. Garg, aged 57 years, after graduating from the University of Rajasthan in the year 1975, did his articleship for 3 years from a Chartered Accountant firm, Mumbai. After working as a Chief Accountant in a Private Limited Company for 8 years, he started his own tax consultancy firm specializing in the field of sale-tax, income-tax, accounts finalization etc. |
| Names of the other Public Companies in which Directorships held | Chandni Machines Limited (formerly known as Chandni Machines Private Limited) |
| Committee Membership other Companies | Name of the Company : CHANDNI MACHINES LIMITED Chairmanship in Stakeholder Relationship Committee and Member in Nomination and Remuneration Committee |
| Total shares held by him in the Company with other Directors | Nil |

Re-appointment of Mr. Bharat Bhatia as Non-Executive Independent Director:
[As per Item No. 4 of Notice]

| | |
|---|---|
| I. NAME OF DIRECTOR | Mr. Bharat Sugnomal Bhatia |
| Date of Birth | 20/07/1939 |
| Qualification | M.com ; L.L.B. |
| Expertise | Mr. Bharat Bhatia has done PhD in investment banking. He is associated with the working of development of financial institution for Medium and Large Scale companies throughout the country in the areas of Project Financing, Resource Mobilization and Fund Raising for Industrial and Infrastructure projects. He also has exposure to International Finance (ADB, GDR, ECB, KFW) and finalizing documentation related to project financing. |
| Names of the other Public Companies in which Directorships held | Chandni Machines Limited (formerly known as Chandni Machines Private Limited) |
| Committee Membership other Companies | Name of the Company : CHANDNI MACHINES LIMITED Chairmanship in Nomination and Remuneration Committee; Member in Audit Committee and Stakeholder Relationship Committee. |
| Total shares held by him in the Company with other Directors | Nil |

Re-appointment of Mr. Vasant Joshi as Non-Executive Independent Director:
[As per Item No. 4 of Notice]

| | |
|----------------------------|--------------------------------------|
| I. NAME OF DIRECTOR | Mr. Vasant Gaurishankar Joshi |
| Date of Birth | 25/12/1941 |
| Qualification | Arts Graduate |

| | |
|---|--|
| Expertise | He has an experience of almost 48 years in the field of accounts, administration and indirect taxes. He started his career in the year 1964 with associated precision bearings Star Limited (Formerly known as Suesan Textile Bearing Limited) as an Accounts Officer. In the year 1986 he joined textile industry. He is on board since 2003. |
| Names of the other Public Companies in which Directorships held | Chandni Machines Limited (formerly known as Chandni Machines Private Limited) |
| Committee Membership other Companies | Name of the Company : CHANDNI MACHINES LIMITED Chairmanship in Audit Committee ; Member in Nomination and Remuneration Committee and Stakeholder Relationship Committee |
| Total shares held by him in the Company with other Directors | 10 equity shares of Re. 10/- each. |

8. GENERAL BODY MEETINGS

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

| Year | Date | Location and Time | Special Resolution Passed |
|------------|------------|--|---|
| 2017-2018 | 28/09/2018 | The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai – 400028 at 03:00 P.M. | 1. Continuation of Directorship of Mr. Bharat Sugnomal Bhatia (DIN:00195275) |
| | | | 2. Continuation of Directorship of Mr. Vasant Gaurishankar Joshi (DIN:00193105) |
| 2016 -2017 | 29/09/2017 | The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai – 400028 at 03:00 P.M. | Re-appointment of Managing Director for a period of 5 years. |
| 2015 -2016 | 30/09/2016 | The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai – 400028 at 03:00 P.M. | 1. Consolidation of 10 Equity Shares of the face value of Re. 1/- into 1 Equity Share of the face value of Rs. 10/- each. |
| | | | 2. Approve contribution to charitable and other funds |
| | | | 3. Determination of fees to be charged for service of documents in particular mode. |

No Special Resolutions were passed through Postal Ballot in the Financial Year 2018-2019

9. MEANS OF COMMUNICATION

a) Quarterly Results

The Quarterly Financial Results are announced within a stipulated time and are also published in English and Marathi Newspaper.

b) Newspapers wherein results normally published

The Company publishes its results in one English daily newspaper (The Free Press Journal) and one Marathi Newspaper (Navshakti) within 48 hours of approval thereof.

c) Website, where displayed

www.cteil.com

As the financial results of the Company are published in the Newspapers and also displayed on the Company's website, a separate half yearly declaration of financial performance is not sent to each household of shareholders.

10. GENERAL SHAREHOLDER INFORMATION

| Sr. | Particulars | Details |
|-----|--|--|
| a. | Annual General Meeting Day, Date, Time and Venue | 33rd AGM – Friday, 27 th September, 2019 ; 03:00 P.M.; The Park Club Ltd, North Keluskar Marg, Opposite Scout Hall, Shivaji Park, Dadar (West), Mumbai – 400028 |
| b. | Financial Year | 01 st April, 2018 to 31 st March, 2019 |
| c. | Dividend Payment Date | Dividend declared, if any, would be paid within 30 days from the date of declaration of dividend at the Annual General Meeting. |
| d. | Date of Book Closure | Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive) |
| e. | Name and Address of each stock exchange(s) at which the listed entity's securities are listed and confirmation about payment of annual listing fee to each of such stock exchange(s) | <p>The shares of the Company are listed on:</p> <p>Bombay Stock Exchange Limited (BSE) Address: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001</p> <p>The listing fees for the Financial Year has been paid on 26th April, 2019</p> <p>AND</p> <p>Metropolitan Stock Exchange of India Limited (MSEI) Address: Vibgyor Towers, 4th Floor, Plot No C 62, G Block, Opposite Trident Hotel, Bandra Kurla Complex, Bandra (East), Mumbai -400098,</p> <p>The listing fees for the Financial Year has been paid on 29th May, 2019.</p> |
| f. | Scrip Code and Scrip ID | BSE- Scrip Code – 522292 ; Scrip ID - CHANDNI |
| | | MSEI – Scrip Id – CHANDNI |
| g. | Financial Calendar | For Quarter ending June, 2018 14th August, 2018 |
| | | For Quarter ending September, 14 th November, 2018 |

| | | | | |
|-----------|---|--|---------------------------------|------------|
| | | 2018 | | |
| | | For Quarter ending December, 2018 | 14 th February, 2019 | |
| | | For Quarter ending March, 2019 | 30 th May, 2019 | |
| | Annual General Meeting for the year ended March 31, 2019 | 27 th September, 2019 | | |
| h. | Corporate Identity Number (CIN) | L25209MH21986PLC040119 | | |
| i. | Market Price Information | Month | Share Price | |
| | | | BSE [INR] | |
| | | | HIGH | LOW |
| | | April, 2018 | 44.65 | 37.15 |
| | | May, 2018 | 41.00 | 34.05 |
| | | June, 2018 | 38.50 | 27.50 |
| | | July, 2018 | 32.95 | 29.50 |
| | | August, 2018 | 43.50 | 31.05 |
| | | September, 2018 | 38.00 | 27.70 |
| | | October, 2018 | 45.80 | 27.00 |
| | | November, 2018 | 41.85 | 37.10 |
| | | December, 2018 | 42.95 | 36.10 |
| | | January, 2019 | 39.80 | 34.95 |
| | | February, 2019 | 41.75 | 34.20 |
| | | March, 2019 | 37.50 | 32.80 |
| j. | In case securities are suspended from trading, the Director's Report shall explain the reason there of | Not Applicable | | |
| k. | Registrar and Share Transfer Agents (RTA) | PURVA SHAREGISTRY (INDIA) PVT. LTD Shiv Shakti Industrial Estate, Unit No. 9, J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Mumbai – 400011 Tel: 022- 23016761/23018261 E-mail: support@purvashare.com | | |
| l. | Share Transfer System | Trading in Equity Shares of the Company through recognized Stock Exchange can be done only in Dematerialized Form. All the request received from Shareholders for transfer, transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or in any other applicable law. | | |
| m. | Dematerialization of shares and liquidity | As per SEBI Circular SEBI/ HO/ MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 members are advised to consider dematerialized of their shareholding and submit the copy of PAN and bank account details to RTA. | | |
| n. | Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity. | There are no GDRs /ADRs/ Warrants outstanding as on 31st March , 2019 | | |
| o. | Commodity price risk or foreign exchange risk and hedging activities | The Company has established controls in forex management to hedge few currency risk liabilities. | | |

| | | |
|----|-----------------|--|
| | | Forex related matters are reviewed periodically for taking necessary action within overall frame of forex policy. By hedging, mitigating the impact of short term movements in currency on the businesses. |
| p. | Plant Locations | (a) Gat Number 466/A/ (1+4) + 466B, Plot No. 22 & 23 Shinde Naigaon Road, Shinde Village, Taluka – Nashik - 422101 Dist – Maharashtra |
| | | (b) Plot No. 4612/A, G.I. D.C Estate, Ankleshwar - 393002 |

q. Shareholding as on 31st March, 2019

(A) Distribution of Shareholding as on 31st March, 2019:

| Slab of Shareholdings Shares | No. of No. of Shareholders | % | Amount | % |
|------------------------------|----------------------------|---------------|---------------------|---------------|
| Up to 5000 | 2767 | 82.75 | 3913270.00 | 2.42 |
| 5,001 – 10,000 | 221 | 6.61 | 1857070.00 | 1.15 |
| 10,001 – 20,000 | 122 | 3.65 | 1863080.00 | 1.15 |
| 20,001 – 30,000 | 59 | 1.76 | 1469640.00 | 0.91 |
| 30,001 – 40,000 | 34 | 1.02 | 1207960.00 | 0.75 |
| 40,001 – 50,000 | 24 | 0.72 | 1137200.00 | 0.70 |
| 50,001 – 1,00,000 | 50 | 1.50 | 3881280.00 | 2.41 |
| 1,00,001 and above | 67 | 2.00 | 146043130.00 | 90.50 |
| TOTAL | 3344 | 100.00 | 161372630.00 | 100.00 |

(B) Shareholding Pattern as on 31st March, 2019:

| | Category of Shareholder | No. of shareholders | Total number of shares | % |
|------------|---|---------------------|------------------------|--------------|
| (A) | Shareholding of Promoter and Promoter Group | | | |
| | Indian | | | |
| (a) | Individuals/ Hindu Undivided Family | 4 | 70,81,217 | 43.88 |
| (b) | Bodies Corporate | 1 | 4,22,212 | 2.62 |
| | Sub-Total (A) (1) | 5 | 75,03,429 | 46.5 |
| (B) | Public Shareholding | | | |
| 1. | Institutions | | | |
| (a) | Financial Institutions/ Banks | 1 | 400 | 0.00 |
| | Sub-Total (B) (1) | 1 | 400 | 0.00 |
| 2. | Non-Institutions | | | |
| (a) | Bodies Corporate | 46 | 3360385 | 20.82 |
| (b) | Individuals | | | |
| i. | Individual Shareholders holding nominal share capital upto Rs. 2 lakh | 3157 | 1707601 | 10.58 |
| ii. | Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh | 33 | 3210850 | 19.90 |
| (c) | Any Other (NRI Repat & Non Repat) | 7 | 2053 | 0.01 |
| (d) | Any Other (Hindu Undivided Family) | 80 | 1,64,890 | 1.02 |
| (e) | Any Other (Clearing Members) | 15 | 1,87,655 | 1.16 |
| | Sub- Total (B) (2) | 3338 | 86,33,434 | 53.50 |
| | Total Public Shareholding (B) = (B) (1) + (B) (2) | 3339 | 86,33,834 | 53.50 |
| | GRAND TOTAL (A) + (B) | 3344 | 1,61,37,263 | 100 |

11. OTHER DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2018 -2019, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transaction in accordance with IND AS – 24 are given in Note No. 45 of Notes to Accounts of the Annual Report.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange (s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

There was no non-compliance, penalties, strictures imposed by any stock exchange(s) or the board or any statutory authority on the listed entity during the last three years.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy to file a grievance if he/she notices any irregularity. No person has been denied access to the Audit Committee for any grievance.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable and will ensure to comply with non-mandatory requirements in coming years.

(e) Web link where policy for determining ‘material’ subsidiaries is disclosed

The policy for determining ‘material’ subsidiary is available on the website of the Company under the heading “policies” in the investor tab which can be accessed from www.cteil.com

(f) Web link where policy on dealing with related party transactions

The policy on dealing with related party transaction is available on the website of the Company under the heading “policies” in the investor tab which can be accessed from www.cteil.com

(g) A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

Certificate received from Company Secretary in practice is attached as ‘Annexure – VII’

(h) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network form /network entity of which the statutory auditor is a part

During the financial year 2018 -2019, total fees by the company to statutory auditor is INR 2,12,760/-. No fees were paid to any entities in the network form / network entity in which statutory auditor is a part.

(I) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of complaints filed, disposed & pending are given below:

Number of complaints filed during the year – Nil

Number of complaints disposed of during the year – Not Applicable

Number of complaints pending as at end of the financial year – Not Applicable

12. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

a) The Board: All the expenses of Chairperson along with reimbursement expenses incurred during his performance of duty in maintained in premises of the company.

b) Shareholder Rights: Quarterly/Yearly/ Half Yearly financial statements shall be published in leading newspapers and uploaded on Company's website i.e. www.cteil.com

c) Modified opinion(s) in audit report: The Company already has a regime of unmodified financial statements. Auditors have raised no qualification on the financial statements.

d) Reporting of Internal Auditor: The Company has appointed Mrs. Reema Shah as the Internal Auditor for conducting the internal audit.

13. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46

The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 to the extent applicable and the documents are uploaded on the website of the company.

14. DECLARATION SIGNED BY THE CHIEF FINANCIAL OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors have adopted the Code of Conduct for the Directors as also for the Members of Senior Management. The said Code has been communicated to all the Directors and Members of the Senior Management and they have affirmed their compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Chief Financial Officer of the Company forms part of this Report as 'Annexure – VIII'

15. ANNUAL SECRETARIAL COMPLIANCE REPORT

As required under Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report dated May 29, 2019 issued by M/s Anjana Manseta & Co., Practicing Company Secretary, is annexed hereto.

16. UPDATE E-MAILS FOR RECEIVING NOTICE/ DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed services of documents by companies including Notice calling General Meeting(s). Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email address with the Company are requested to kindly register their e-mail addresses with the Company in the KYC Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository Participant.

17. DEMATERIALISATION OF SHARES

98.71% of the Equity Shares of the Company have been dematerialized as on 31st March, 2019. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. The whole of the Promoters Shareholding has been dematerialized.

Status of Dematerialization of Shares:

| PARTICULARS | NO. OF SHARES | % TO TOTAL CAPITAL |
|---|----------------------|---------------------------|
| National Security Depository Limited | 21,99,854 | 13.63 |
| Central Depository Services (India) Limited | 1,37,29,384 | 85.07 |
| TOTAL DEMATERIALISED | 1,59,29,238 | 98.71 |
| PHYSICAL | 2,08,025 | 1.29 |
| GRAND TOTAL | 1,61,37,263 | 100.00 |

18. NOMINATION FACILITY

Provision of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/successors get the shares transmitted in their favor, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialized form are requested to register their nominations directly with their respective DPs.

19. UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/ PAN/ EMAIL ID

✚ To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/PAN/ Email Id instantly by written request under the signatures of sole/ first joint holder. Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details/ address/ Email Id directly with their respective DPs.

✚ For any complaints relating to no-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Registrar and Share Transfer Agent (RTA) directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no. /Client ID No., number of shares held etc.

M/s PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

{Unit : Chandni Textiles Engineering Industries Limited}

Address: Shiv Shakti Industrial Estate, Unit No.9, J.R. Boricha Marg,

Opposite Kasturba Hospital Lane, Mumbai -400011

Telephone No.: 022-23016761 / 022-23012518

E-mail Id: support@purvashare.com

✚ For any query on any point in Annual Report, non-receipt of Annual Report, etc the complaint should be forwarded to the kind attention of Ms. Khushboo Lalit Shah, Company Secretary and Compliance Officer of the Company at the following address:

Chandni Textiles Engineering Industries Ltd

Address: 110 T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030

Telephone No.: 022-24950328

Mobile No.: 09324802991

✚ Members can also register their complaints at compliance@cteil.com, an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2) (d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

20. QUOTE FOLIO NO. /DP ID NO.

Shareholders/ Beneficial Owners are requested to quote their Folio Nos. /DP ID Nos., as the case may be in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

For Chandni Textiles Engineering Industries Limited

Jayesh R Mehta
(DIN: 00193029)

Chairman & Managing Director

Place: Mumbai

Date: 14th August, 2019

'Annexure – VII'

CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

To,

The Members

Chandni Textiles Engineering Industries Limited

110, T.V.Industrial Estate, 52, S.K.Ahire Marg,

Worli, Mumbai -400030

Based on the disclosures/ declarations received from Directors appointed on the Board of Chandni Textiles Engineering Industries Limited ("Company"), we hereby certify that as on March 31, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the Company by Securities and Exchange Board of India, Ministry of Corporate Governance or any such statutory authority.

**For Anjana Manseta & Co.
Company Secretary**

**Anjana Manseta
Membership No. 10078
Certificate of Practice: 10668**

Date: 29th May, 2019

Place: Mumbai

**SECRETARIAL COMPLIANCE REPORT
OF
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED
FOR THE YEAR ENDED 31st MARCH, 2019**

To,
The Members
Chandni Textiles Engineering Industries Limited

1. We, M/s Anjana Manseta & Co. Company secretaries, having our office at 03, Radha Kunj CHS LTD, Near Ram Mandir, L.T. Road, Borivali west, Mumbai-400091 have examined:

2. all the documents and records made available to us and explanation provided by Chandni Textiles Engineering Industries Limited (“the listed entity”),

3. the filings / submissions made by the listed entity to the stock exchanges,

4. website of the listed entity

5. any other documents / filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2019 (“Review Period”) in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

2. The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

****Not Applicable as the Company has not issued any further share capital during the period under review.**

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

****Not Applicable as the Company has not issued any further share capital during the period under review.**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

****Not Applicable as the Company has not issued any Debt Securities during the period under review.**

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

****Not Applicable as the Company has not issued any NCD and Preference shares capital during the period under review.**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) Securities and Exchange Board of India (Depository Participants) Regulations, 1996 & 2018;

and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder as applicable to it, However, in absence of any transaction relating to regulations mentioned above under clause (b), (d), (f) and (g) during the period under review, the compliance of relevant provisions mentioned herein does not arise.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) No action was required to be taken against the listed entity/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

(d) This being the first reporting since notification of requirement of submission of this secretarial compliance report, therefore any actions to comply with the observations made in previous reports does not arise:

**For Anjana Manseta & Co.
Company Secretaries**

Anjana Manseta

**Place: Mumbai
Date: 29th May, 2019**

'Annexure – VIII'

**DECLARATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO SCHEDULE V(D)
READ WITH REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

To,
The Directors,
Chandni Textiles Engineering Industries Limited

This is to confirm that the Company has adopted a Code of Conduct for Board of Directors and Senior Management.

I confirm that the Company has in respect of the financial year ended 31st March, 2019, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**Shailesh Sankav
Chief Financial Officer**

**Mumbai
Date: 14th August, 2019**

**CERTIFICATE BY THE CHIEF FINANCIAL OFFICER PURSUANT TO PART B
SCHEDULE II READ WITH REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Board of Directors
Chandni Textiles Engineering Industries Limited
Mumbai

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2019 and to the best of our knowledge and belief-
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

Independent Auditor’s Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Chandni Textiles Engineering Industries Limited
CIN: L25209MH1986PLC040119

1. The Corporate Governance Report prepared by Chandni Textiles Engineering Industries Limited (hereinafter the “Company”), contains details as stipulated in Regulations 17 -27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (“applicable criteria”) with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submissions to the Stock Exchange and to be sent to the Shareholders of the Company.

Management’s Responsibility

2. The preparation of Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor’s Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors’ judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as whole.

Opinion

9. Based on the procedure performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019 referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling the Company to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this Certificate.

For Ambavat Jain & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 109681W

Ashish Jain

Partner

Membership No. 111829

Date: 14th August, 2019

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-2018 and 7 per cent in 2018-2019. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by Financial Year 2027 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

Tariff increase in the US, the introduction of more stringent fuel emission standards in Germany, financial and sovereign risks affecting domestic demand in Italy, the lack of confidence in financial markets stability in Turkey, and trade tensions in China weighed heavily.

The New Integrated Textile Policy 2019 has been hailed by every section of the textile industry as a unique one and that would ensure the sustenance of the industry in the long term. The government has extended 2 per cent interest subsidy for modernizing spinning machines. Out of the 24 million spindles in the State around 11 million are over 15 years old. This will, therefore, benefit the spinning sector by enabling them to modernize. The benefits extended for the weaving and garmenting sector, including the 10 per cent capital subsidy for all new machines. The downstream sectors of the textile value chain would definitely get strengthened, with lots of new investments flowing into the weaving and processing sectors. It is expected to give a boost to Technical textiles, particularly in defence. The policy announcements will give a big boost to all sectors from yarn to finished fabric.

Year 2018 has been challenging as the industry on many fronts. India is one of the major forces in the global software market with its young and skilled manpower. As an outsourcing destination, India accounted for approximately 55% of the \$185-190 Billion global services sourcing business in FY18. The industry is expected to add 1,00,000 jobs in FY19 and is currently undergoing transformation with the emergence of Internet of Things (IoT), virtual and augmented reality, automation, AI and big data.

MARKET OPPORTUNITIES

India is the world's second-largest exporter of textiles and apparels, with a massive raw material and manufacturing base. The textile industry is a significant contributor to the economy, both in terms of its domestic share and exports. It contributes about seven per cent to industry output, two per cent to the GDP and 15 per cent to the country's total exports earnings. The sector is one of the largest sources of job creation in the country, employing about 45 mn people directly.

The Indian textile and apparel market was worth \$ 90 billion in 2017. The market is further projected to reach \$198 billion by 2023, at a Compound Annual Growth Rate (CAGR) of around 14 per cent during 2018-2023. India is the second largest textile exporter in the world. India's share in global trade of textiles and apparels is approximately 6 per cent. Today, the textile and apparel market has become a vital contributor to the Indian economy. The apparel export has seen a positive trend from November 2018 onwards.

OPPORTUNITIES AND THREATS

| | |
|---|--|
| <p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> ▪ Robust Demand ▪ Competitive Advantage ▪ Policy Support ▪ Increasing Investments ▪ Rich heritage ▪ Flexibility | <p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> ➤ Growth Rate of Domestic Textile Industry ➤ Product development and Diversification to cater global needs ➤ Elimination of quota restriction leads to greater Market Development ➤ Greater Investment and Foreign Direct Investment opportunities available |
| <p><u>WEAKNESSES</u></p> <ul style="list-style-type: none"> ▲ Low investment on Research and Developments ▲ Poor quality standards ▲ Low labour productivity ▲ Limited exploitation of economies of scale ▲ Fragmented Industry | <p><u>THREATS</u></p> <ul style="list-style-type: none"> ◆ Decreasing Fashion Style ◆ Formation of trading blocks ◆ Difficult to maintain balance between price and quality ◆ Competition from other developing countries ◆ Geographical Disadvantage |

SEGMENT WISE PERFORMANCE

(Rs. in lacs)

| Sr. No. | Particulars | Year ended 2018-2019 | Year ended 2017-2018 |
|-----------|---|-------------------------|-------------------------|
| 1. | Segment Revenue | | |
| a. | Textile Division | 860.33 | 4671.23 |
| b. | Plastic Division | 226.14 | 233.12 |
| | TOTAL | 1086.47 | 4904.35 |
| 2. | Segment Results | | |
| a. | Textile Division | 21.40 | 278.00 |
| b. | Plastic Division | 70.09 | (33.98) |
| | Less: Interest | 14.93 | 3.68 |
| | Less: Un allocable Expenditure | 56.75 | 42.25 |
| | TOTAL | 19.81 | 198.08 |
| 3. | Capital Employed (Segment Assets –Segment Liabilities) | | |
| a. | Textile Division | 862.61 | 964.71 |
| b. | Plastic Division | 703.04 | 169.39 |
| c. | Un allocable | 393.5 | 807.83 |
| | TOTAL | 1959.15 | 1941.93 |

NOTE:

◆ As certain expenses are often incurred and interchangeably across segments, it is impractical to allocate such expenses. Hence, the details of the same have been considered under other un-allocable expenditure.

OUTLOOK

India currently has one of the world's largest young population, currently around half of the total population is below 25 years of age. This age group represents one of the biggest consumer group of textiles and apparel and is expected to drive the spending over the next five years. Catalyzed by increasing penetration of the internet, online retailing has witnessed strong growth in the country. Consumers are now looking for ease of shopping, multiple options, better offers and easy return policies. The growth in online sales has enabled the textile industry to reach consumers residing across every corner of the nation.

Having established their capabilities in delivering on-shore and off-shore services to global clients, top Indian IT firms have geared up to capitalize on significant opportunities emanating from emerging technologies. Strong demand from different geographies should revive IT exports in the near future. However, unfavorable INR movements could impact profitability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use on disposition and transactions are authorized, recorded and reported correctly.

Internal control systems are supplemented by Internal Audit Reviews, coupled with guidelines

FINANCIAL PERFORMANCE

1. Share Capital: As on March 31, 2019, the paid-up Share Capital of the Company stood at INR 16,13,72,630 comprising of 1,61,37,263 Equity Shares of Rs. 10/- each.

2. Reserves & Surplus: During the year 2018-2019 the total Reserves & Surplus of our Company increased to INR 3,45,42,709/- as against INR 3,28,19,824/- in the year 2017-2018.

3. Result: During the year 2018-2019 the total revenue of our company decreased to INR 11,47,08,037/- as against INR 50,12,16,219/- in the year 2017-2018.

HUMAN RESOURCE DEVELOPMENT

Human resource management is an important function in the Company. The Company's aim is to create a working environment that attracts, motivate and retains the best people. Companies Value aims to deliver value to its clients and opportunities to its employees in terms of career development and recognition.

The firm has always emphasized on quality of life, work life balance and continuous learning and excellence, Company successfully completed following initiatives;

- Establish a performance based culture with well defined structures, roles and responsibilities;
- Capability maturity benchmarking exercise across all functions, processes, people and technology;
- Rationalized Grades and uniform structures across organisation.
- Identify key talent based on functional as well as behavioral competencies.

FINANCIAL STATEMENT ANALYSIS

In accordance with SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector specific financial ratio.

The Company has identified the following ratios as key financial ratios:

| Particulars | Note No. | Year ended as on March 31, 2019 | Year ended as on March 31, 2018 |
|------------------------------|----------|------------------------------------|------------------------------------|
| Debtors Turnover (in days) | 1 | 280 | 251 |
| Inventory Turnover (in days) | 2 | 36 | 11 |
| Interest Coverage Ratio | 3 | 2.32 | 54.77 |
| Current Ratio | 4 | 3.13 | 1.28 |
| Debt Equity Ratio | 5 | 0.007 | 0.013 |
| Operating Profit Margin (%) | 6 | 1.82% | 4.04% |
| Net Profit Margin (%) | 7 | 1.61% | 2.89% |

Ratios where there has been a significant change from year ended March 31, 2018 to year ended March 31, 2019:

1. Debtors Turnover (in days): Debtors turnover is computed as net credit sales divided by average account receivable. The movement in this ratio is on account of increase in credit sales and average debtors during the current year as compared to the previous year.

2. Inventory Turnover (in days): Inventory turnover is computed as cost of goods sold divided by average inventory. The inventory turnover ratio measures how often a company moves its inventory out of its warehouse and stores to its customers. A high turnover ratio indicates managerial efficiency.

3. Interest Coverage Ratio: Interest coverage ratio is computed as Earnings before Interest and Tax (EBIT) divided by Interest expense. The movement in this ratio is on account of increase in the Company's interest cost, as additional loan is withdrawn during the current year.

4. Current Ratio: Current ratio is computed as current assets divided by current liabilities. The movement in this ratio is on account of company's ability to pay its current liabilities from its current assets.

5. Debt Equity Ratio: Debt equity ratio is computed as Long term Debts divided by shareholders' fund. The movement in this ratio is on account of loan withdrawn during the current year as compared to the previous year.

6. Operating Profit Margin (%): Operating profit margin is computed as operating income divided by revenue. The movement in this ratio is on account of decrease in revenue and operating income during the current year as compared to the previous year. Also, due to demerging engineering division hereby forming a separate legal entity.

7. Net Profit Margin (%) : Net profit margin is computed as net profit divided by revenue. The movement in this ratio is on account of decrease in revenue during the current year as compared to previous year.

THE DETAILS OF RETURN ON NET WORTH ARE GIVEN BELOW:

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-------------------------|---------------------------|---------------------------|
| Return on net Worth (%) | 0.88% | 7.30% |

Return on net worth is computed as net profit by average net worth. Net profit has declined i.e. from INR 14181706/- to INR 1722885/-. Additionally, there is no movement in each item of net worth except retained earnings.

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Chandni Textiles Engineering Industries Limited**

Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the standalone financial statements of Chandni Textiles Engineering Industries Limited("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

| The key audit matters | How our audit addressed the key audit matter |
|--|--|
| Adoption of Ind AS 115 - Revenue from Contracts with Customers | |
| As described in Note 2(d) to the standalone financial statements, the Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. | <p>Our Audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard -</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and |

| | |
|---|---|
| <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.</p> | <p>tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</p> <ul style="list-style-type: none"> • Selected a sample of continuing and new contracts and performed the following procedures: <ol style="list-style-type: none"> a) Read, analysed and identified the distinct performance obligations in these contracts. b) Compared these performance obligations with that identified and recorded by the Company. c) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. d) Performed analytical procedures for reasonableness of revenue recognition as per Ind AS 115. |
| <p>The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods.</p> | <ul style="list-style-type: none"> • Evaluated the changes made to internal reporting and accounting systems to reflect the changes required in revenue recognitions per the new accounting standard; • Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and • Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. |

Information Other than the Standalone Financial Statements and Auditor’s Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 does not have pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) as amended:

According to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

For Ambavat Jain & Associates LLP
Chartered Accountant
ICAI FRN No: 109681W

Ashish J Jain
Partner
Membership No.111829

Place: Mumbai
Date: 21-05-2019

Annexure – A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on other Legal & Regulatory Requirements' Section of our report of even date)

[i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

[ii] As informed to us, the inventory in the company's possession has been physically verified at reasonable intervals during the year by the management. In respect of inventory lying with the third parties, the same have substantially been confirmed by them at reasonable intervals during the year. The discrepancies noticed on verification between physical stock and book records were not material.

[iii] The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained u/s.189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable.

[iv] According to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made during the year.

[v] The company has not accepted any deposits from the public.

[vi] As informed to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the product of the Company.

[vii](a) In our opinion and according to the information and explanations given to us, the company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues applicable to it. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, custom duty, service tax, excise duty, value added tax, goods and service tax which have not been deposited on account of any dispute.

[viii] According to the information and explanations given to us, the company has not defaulted in repayment of loans to banks during the year. The company has not obtained any loans or borrowings from any financial institutions, government or debenture holders.

[ix] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

[x] According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit

[xi] According to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

[xii] In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

[xiii] According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

[xiv] According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

[xv] According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

[xvi] According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Ambavat Jain & Associates LLP.
Chartered Accountants
ICAI FRN No: 109681W**

**Ashish J.Jain
Partner
Membership No. 111829**

**Place: Mumbai
Date: 21-05-2019**

Annexure - B to the Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on other Legal & Regulatory Requirements' Section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Chandni Textile Engineering Industries Limited ("the Company") as of 31st March 2019 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 by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Considering the size of the company and nature of its business, 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 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ambavat Jain & Associates LLP
Chartered Accountants
ICAI FRN No: 109681W**

**Ashish J.Jain
Partner
Membership No. 111829**

**Place: Mumbai
Date: 21-05-2019**

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

Balance Sheet as at 31st March, 2019

| Particulars | | Note No. | AS AT 31-03-2019 | AS AT 31-03-2018 |
|-------------|--|----------|---------------------|---------------------|
| I | ASSETS | | | |
| (1) | NON-CURRENT ASSETS | | | |
| (a) | Property, Plant and Equipment | 3.1 | 78,940,805 | 64,750,034 |
| (b) | Capital work-in-progress | 3.2 | 783,341 | 19,430,240 |
| (c) | Investment Properties | 3.3 | 2,674,785 | 2,745,960 |
| (d) | Intangible assets | 3.4 | 29,400 | 6,301 |
| (e) | Financial Assets | | | |
| (i) | Investments | 4 | 2,618,522 | 3,193,408 |
| (ii) | Other Financial Assets | 5 | 3,065,963 | 7,797,425 |
| (f) | Other non-current assets | 6 | 3,917,150 | 6,101,098 |
| (g) | Income-tax Assets (net) | 7 | 1,562,506 | 927,461 |
| (2) | CURRENT ASSETS | | | |
| (a) | Inventories | 8 | 11,360,579 | 14,706,299 |
| (b) | Financial Assets | | | |
| (i) | Trade receivables | 9 | 62,033,154 | 337,613,042 |
| (ii) | Cash and cash equivalents | 10 | 14,310,329 | 4,942,012 |
| (iii) | Bank balances other than (ii) above | 11 | 31,246,040 | 35,056,824 |
| (iv) | Other financial assets | 12 | 3,936,575 | 1,073,271 |
| (c) | Other current assets | 13 | 29,705,726 | 28,678,330 |
| | Total Assets | | 246,184,875 | 527,021,705 |
| II | EQUITY AND LIABILITIES | | | |
| (1) | EQUITY | | | |
| (a) | Equity Share capital | 14 | 161,372,630 | 161,372,630 |
| (b) | Other Equity | 15 | 34,542,709 | 32,819,824 |
| (2) | LIABILITIES | | | |
| | (A) NON-CURRENT LIABILITIES | | | |
| (a) | Financial Liabilities | | | |
| (i) | Borrowings | 16 | 1,154,264 | 1,964,252 |
| (ii) | Other financial liabilities | 17 | 152,201 | 142,945 |
| (b) | Deferred tax liabilities (Net) | 18 | 152,231 | 557,334 |
| | (B) CURRENT LIABILITIES | | | |
| (a) | Financial Liabilities | | | |
| (i) | Short term borrowings | 19 | 21,902,015 | - |
| (ii) | Trade payables | 20 | | |
| (a) | total outstanding dues of micro enterprises & small enterprises | | 36,180 | - |
| (b) | total outstanding dues of creditors other than micro enterprises & small enterprises | | 22,530,536 | 295,911,330 |
| (iii) | Other financial liabilities | 21 | 1,215,621 | 4,119,643 |
| (b) | Other Current Liabilities | 22 | 3,126,488 | 27,094,491 |
| (c) | Current tax liabilities | 23 | - | 3,039,256 |
| | Total Equity and Liabilities | | 246,184,875 | 527,021,705 |

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Ambavat Jain & Associates LLP
Chartered Accountants
Firm Registration No. 109681W

On behalf of the Board

J.R. Mehta
Managing Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

Shailesh Sankav
Chief Financial Officer
Place :MUMBAI
Date : 21-05-2019

Khushboo Shah
Company Secretary

Place :MUMBAI
Date : 21-05-2019

Statement of Profit and Loss for the year ended 31st March, 2019

| | Particulars | Note No. | 2018-19 ₹ | 2017-18 ₹ |
|------|---|----------|--------------------|--------------------|
| I | Revenue From Operations | 24 | 108,647,114 | 490,434,932 |
| II | Other Income | 25 | 6,060,924 | 10,781,288 |
| III | Total Income (I + II) | | 114,708,037 | 501,216,219 |
| IV | Expenses | | | |
| a) | Cost of material consumed | 26 | 41,354,637 | 46,053,633 |
| b) | Purchases of Stock-in-Trade | 27 | - | 379,842,563 |
| c) | Changes in inventories of finished goods & Stock-in-Trade | 28 | 1,382,403 | 2,168,427 |
| d) | Manufacturing expenses | 29 | 18,086,854 | 13,333,530 |
| e) | Employee benefits expense | 30 | 30,332,950 | 19,136,506 |
| f) | Finance costs | 31 | 1,493,143 | 368,401 |
| g) | Depreciation and amortization | | 6,280,316 | 5,776,772 |
| h) | Other expenses | 32 | 13,749,319 | 14,728,660 |
| | Total Expenses (IV) | | 112,679,622 | 481,408,492 |
| V | Profit before exceptional items and tax (III-IV) | | 2,028,415 | 19,807,727 |
| VI | Exceptional items : Loss due to floods | | 47,209 | - |
| VII | Profit before tax (V - VI) | | 1,981,207 | 19,807,727 |
| VIII | Tax Expenses | 33 | | |
| | (i) Current tax | | 634,684 | 4,060,897 |
| | (ii) Income-tax of earlier years | | - | - |
| | (ii) Deferred tax | | (405,103) | 1,565,124 |
| | | | 229,581 | 5,626,021 |
| IX | Profit for the year (VII - VIII) | | 1,751,626 | 14,181,706 |
| X | Other Comprehensive Income | | | |
| | Items that will not be reclassified to profit & loss | | | |
| | (i) Remeasurement gains/loss on defined benefit plans | | (38,838) | - |
| | (ii) Income-tax on above | | 10,098 | - |
| | Total Other Comprehensive Income for the year (net of tax) | | (28,740) | - |
| XI | Total Comprehensive Income for the year (IX + X) | | 1,722,885 | 14,181,706 |
| XII | Earnings per equity share | 34 | | |
| | (a) Basic | | <u>0.11</u> | <u>0.88</u> |
| | (b) Diluted | | <u>0.11</u> | <u>0.88</u> |

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Ambavat Jain & Associates LLP
Chartered Accountants
Firm Registration No. 109681W

On behalf of the Board

J.R. Mehta
Managing Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

Shailesh Sankav
Chief Financial Officer

Khushboo Shah
Company Secretary

Place :MUMBAI
Date : 21-05-2019

Place :MUMBAI
Date : 21-05-2019

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Accounting Policy

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

| Particulars | 2018-19 | 2017-18 |
|---|--------------------|---------------------|
| | Rupees | Rupees |
| Cash flow from operating activities | | |
| Profit before Tax | 1,981,207 | 19,807,727 |
| Adjustment for : | | |
| Depreciation and Amortisation Expense | 6,280,316 | 5,776,772 |
| Demerger Expenses written off | 198,184 | 197,983 |
| (Gain) on disposal of Property, Plant & Equipments and Capital work in progress | (314,384) | (2,850,931) |
| Gain on sale of FVTPL Investments | (74,076) | (764,095) |
| Changes in fair value of equity instruments though profit and loss | 332,385 | 719,778 |
| Allowance for Credit Loss | 1,670,794 | - |
| Interest Income | (2,927,034) | (3,737,164) |
| Dividend income | (37,606) | (45,035) |
| Interest Expense | 1,493,143 | 368,401 |
| Cash operating profit before working capital changes | 8,602,929 | 19,473,435 |
| Adjustment for : | | |
| (Increase)/Decrease in trade receivables | 273,909,094 | (300,578,197) |
| (Increase)/Decrease in Inventories | 3,345,720 | 32,466,206 |
| (Increase)/Decrease in Other Financial Assets | 947,480 | 37,221,318 |
| (Increase)/Decrease in Other Current Assets | (1,027,396) | (9,905,228) |
| (Increase)/Decrease in Other non-current Financial Assets | 4,731,462 | (5,223,513) |
| (Increase)/Decrease in Other non-current assets | 1,947,127 | (2,190,060) |
| Increase/(Decrease) in short term borrowings | 21,902,015 | - |
| Increase/(Decrease) in trade payables | (273,344,615) | 264,943,519 |
| Increase/(Decrease) in Other non-current Liabilities | 9,256 | (67,055) |
| Increase/(Decrease) in Other Financial Liabilities | (2,904,022) | (331,761) |
| Increase/(Decrease) in Other current Liabilities | (23,968,004) | 17,448,510 |
| Cash generated from operating activities | 14,151,047 | 53,257,174 |
| Income tax paid (net of refund) | (4,298,887) | (791,493) |
| Net Cash generated from operating activities | 9,852,160 | 52,465,681 |
| Cash flow from Investing activities | | |
| Purchase of Property, Plant and Equipments, Intangible assets and Capital work in | (8,520,119) | (27,549,486) |
| Payment for Purchase of investments | - | (29,068,567) |
| Payment for Demerger Expenses | (200) | (958,241) |
| Proceeds from sale of investments | 316,575 | 27,991,888 |
| Proceeds from disposal of Property, Plant & Equipments and Capital work in progress | 7,058,390 | 13,452,444 |
| Interest received | 2,927,034 | 3,737,164 |
| Dividend received | 37,606 | 45,035 |
| Net cash generated/(used) from investing activities | 1,819,288 | (12,349,763) |

| | | |
|--|--------------------|---------------------|
| Cash flow from Financing activities | | |
| Repayment of long term borrowings | (809,989) | (671,962) |
| Interest paid | (1,493,143) | (368,401) |
| Net cash generated/(used) from financing activities | (2,303,132) | (1,040,363) |
| Net cash outflow on account of Demerger of Engineering Division | - | (41,685,441) |
| Net Increase/(decrease) in cash and cash equivalents | 9,368,316 | (2,609,885) |
| Cash and cash equivalents at the beginning of the year | 4,942,013 | 7,551,898 |
| Cash and cash equivalents at end of the year | 14,310,329 | 4,942,013 |

As per our report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Registration No. 109681W

On behalf of the Board

J.R. Mehta
Managing Director

A.J. Mehta
Director

Ashish J. Jain

Partner

Membership No. 111829

Shailesh Sankav
Chief Financial Officer

Khushboo Shah
Company Secretary

Place :MUMBAI

Date : 21-05-2019

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

STATEMENT OF CHANGES IN EQUITY

| Particulars | Equity Share Capital | Other Equity | | | Total Equity | |
|--|----------------------|----------------------|-------------------|------------------------------|-------------------|--------------------|
| | | Reserves and Surplus | | Items of Other Comprehensive | | Total Other Equity |
| | | Securities Premium | Retained Earnings | | | |
| A | | | | B | (A+B) | |
| As at 31 March 2017 | 161,372,630 | 55,740,000 | 5,308,931 | - | 61,048,931 | 222,421,561 |
| Profit of demerged undertaking from 1-7-2016 to 31-3-2017 transferred to CMPL in pursuance to demerger | - | | (5,502,216) | | (5,502,216) | (5,502,216) |
| Utilised against the value of net assets transferred to CMPL in pursuance to the scheme of Demerger | - | (36,277,271) | - | | (36,277,271) | (36,277,271) |
| Investment in share of CMPL cancelled in pursuance to scheme of demerger | - | (99,990) | - | | (99,990) | (99,990) |
| Deferred Tax effect of unused tax losses due to demerger | - | (531,336) | | | (531,336) | (531,336) |
| Profit for the year | | | 14,181,706 | | 14,181,706 | 14,181,706 |
| Other Comprehensive income | | | - | - | - | - |
| Total comprehensive income for the year | - | | 14,181,706 | - | 14,181,706 | 14,181,706 |
| As at 31 March 2018 | 161,372,630 | 18,831,403 | 13,988,421 | - | 32,819,824 | 194,192,454 |
| Profit of demerged undertaking from 1-7-2016 to 31-3-2017 transferred to CMPL in pursuance to demerger | - | | - | | - | - |
| Utilised against the value of net assets transferred to CMPL in pursuance to the scheme of Demerger | - | - | - | | - | - |
| Investment in share of CMPL cancelled in pursuance to scheme of demerger | - | - | - | | - | - |
| Profit for the year | | | 1,751,626 | (28,740) | 1,722,885 | 1,722,885 |
| Other Comprehensive income | | | - | - | - | - |
| Total comprehensive income for the year | - | | 1,751,626 | (28,740) | 1,722,885 | 1,722,885 |
| As at 31 March 2019 | 161,372,630 | 18,831,403 | 15,740,047 | (28,740) | 34,542,709 | 195,915,339 |

As per our report of even date
For Ambavat Jain & Associates LLP
Chartered Accountants
Firm Registration No. 109681W

On behalf of the Board

J.R. Mehta
Managing Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

Shailesh Sankav
Chief Financial Officer
Place :MUMBAI
Date : 21-05-2019

Khushboo Shah
Company Secretary

Place :MUMBAI
Date : 21-05-2019

CHANDNI TEXTILE ENGINEERING INDUSTRIES LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Chandni Textiles Engineering Industries Ltd. is a company limited by shares, incorporated and domiciled in India having its Registered Office at 110 T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030. The Company is primarily engaged in manufacturing of textiles goods and plastic moulded goods.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate Financial Statements of Chandni Textiles Engineering Industries Ltd. These policies have been consistently applied to all the period presented, unless otherwise stated.

a) Basis of preparation

(i) Compliance with Ind AS

These Financial Statement have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as a going concern on an accrual basis.

(ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- Equity Investments in entities are measured at fair value;
- Certain financial assets & liabilities are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

(iii) Use of estimates

In preparing the Financial Statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amounts of revenue and expenses during the reported period. Actual results

could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

c) Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for a fair value. Other fair value related disclosures are given in the relevant notes.

d) Revenue recognition

The Company earns revenue primarily from sale of products and sale of services. w.e.f. April 1, 2018 the company has adopted Ind 115 – “Revenue from Contracts with Customers” under the modified retrospective approach. The application of

the standard does not have any significant impact on the retained earnings as at 1st April, 2018 or on these financial statements. The comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11.

Sale of Products and Services

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised product or service to a customer. A product is transferred when the customer obtains control of that product. To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Revenues from the sale of goods is measured at the fair value of the consideration received ore receivable, net of returns and allowances, trade discounts and volume rebates.

Job work Charges

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of reporting period.

Rental Income

Rental income from the property leased under the leave and license agreement is recognized as income on a straight-line basis over the period of contractual lease terms. The respective leased assets are included in the balance sheet based on their nature.

Interest Income

Revenue from interest is recognized on accrual basis and determined by contractual rate of interest.

Dividend Income

Dividend income is stated at gross and is recognized when right to receive payment is established.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is measured net of indirect taxes, returns and discounts.

e) Transactions in Foreign Currency

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Premium on forward cover contracts, if any, in respect of imports is charged to profit & loss account over the period of contract. All monetary assets and liabilities as at the Balance sheet date, not covered by forward contracts are restated at the applicable exchange rates prevailing on that date. All exchange differences arising on transactions, not covered by forward contracts, are charged to Profit & Loss Account.

f) Leases

As a lessee:

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Assets under finance lease are capitalized at the inception, at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognized as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

i) Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical Cost represents direct expenses incurred on acquisition or construction of the assets

and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises the cost of plant and equipment that are not yet ready for their intended use on the reporting date.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment other than freehold, is provided on 'Straight Line Method' based on useful life as prescribed under Schedule II of the Companies Act 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss

k) Intangible Assets

Intangible Assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably.

Intangible assets are amortized on straight line basis over their estimated useful lives. An intangible asset is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

l) Investment Properties

Investment properties consist of commercial offices not required presently for own use or administrative purposes and which are leased to others to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The Company, based on technical assessment made by management, depreciates the building over estimated useful lives of 60 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in notes. Fair value is determined based on ready reckoner rate prescribed by the Government of Maharashtra for the purpose of levy of stamp duty.

m) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- Cash and Cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits with banks and are short-term balances (with an original maturity of three months or less from the date of acquisition).

- Debt Instruments

The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL as well as interest income is recognised in the Statement of Profit and Loss.

Equity Instruments

The Company subsequently measures all equity investments (other than the investment in subsidiaries which are measured at cost) at fair value. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Derecognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

p) Employee Benefits

(i) Short-term obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees'

services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity Fund -

The Company makes annual contributions to gratuity funds administered by the Life Insurance Corporation of India. The gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or assets as of the reporting date. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

Provident Fund -

The Company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q) Tax expenses

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax

is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

(ii) Deferred Tax

Deferred Income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate Financial Statements.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and Deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other Comprehensive Income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax is accounted for in accordance with tax laws which give rise to future economic benefits in the form of tax credit against which future income tax liability is adjusted and is recognized as deferred tax asset in the balance sheet.

r) Earnings per share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

s) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

t) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present legal or statutory obligation or constructive obligation as a result of past events and where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the Financial Statements. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

3.1 Property, Plant and Equipment

| Particulars | G R O S S C A R R Y I N G A M O U N T | | | | D E P R E C I A T I O N / A M O R T I S A T I O N | | | | N E T C A R R Y I N G A M O U N T | |
|----------------------|---------------------------------------|-------------------|----------------------------|---------------------|---|------------------|--------------------------------|--------------------|-----------------------------------|---------------------|
| | As at 01/04/2018 | Additions | Deductions/ Adjustments | As at 31/03/2019 | Upto 31/03/2018 | For the year | Deductions/ Adjustments (*) | Upto 31/03/2019 | As at 31/03/2019 | As at 31/03/2018 |
| Freehold Land | 960,000 | - | - | 960,000 | - | - | - | - | 960,000 | 960,000 |
| Buildings | 11,483,172 | - | - | 11,483,172 | 1,644,407 | 323,142 | - | 1,967,549 | 9,515,623 | 9,838,765 |
| Plant & Machinery | 49,725,610 | 21,053,275 | 889,225 | 69,889,660 | 7,832,946 | 3,837,523 | 121,251 | 11,549,218 | 58,340,442 | 41,892,664 |
| Furniture & Fixtures | 8,697,235 | 110,710 | - | 8,807,945 | 4,022,852 | 864,374 | 7,436 | 4,879,790 | 3,928,155 | 4,674,383 |
| Office Equipments | 1,472,627 | - | - | 1,472,627 | 871,589 | 191,796 | - | 1,063,385 | 409,242 | 601,038 |
| Computers | 777,249 | - | - | 777,249 | 684,928 | 44,079 | - | 729,007 | 48,242 | 92,321 |
| Vehicles | 5,779,028 | - | - | 5,779,028 | 1,259,859 | 683,997 | (17,367) | 1,961,223 | 3,817,805 | 4,519,169 |
| Air Conditioners | 837,160 | - | - | 837,160 | 391,352 | 85,782 | - | 477,134 | 360,026 | 445,808 |
| Electrical Fittings | 2,268,421 | - | - | 2,268,421 | 542,535 | 217,815 | 53,199 | 707,151 | 1,561,270 | 1,725,886 |
| Total | 82,000,502 | 21,163,985 | 889,225 | 102,275,262 | 17,250,468 | 6,248,508 | 164,519 | 23,334,457 | 78,940,805 | 64,750,034 |
| Total Previous Year | 91,538,344 | 1,731,729 | 6,493,772 | 86,776,302 | 15,691,657 | 5,774,380 | 2,185,729 | 19,280,308 | 67,495,994 | 75,846,687 |

- a. Capital work-in-progress capitalised during the year Rs.2,06,39,180/-
- b. During the year ended on 31 March 2019 and 31 March 2018, there is no impairment loss determined at each level of Cash Generating Units. The recoverable amount was based on value in use and was determined at the level of Cash Generating Units.
- c. * Adjustments include short/excess depreciation provided / written back for the earlier years.

3.2 Capital Work-in-Progress

| Particulars | As at 01/04/2018 | Additions | Capitalisation/ Deductions | As at 31-03-2019 |
|---------------------|---------------------|------------------|-------------------------------|---------------------|
| Plant & Machinery | 19,430,240 | 7,968,313 | 26,615,212 | 783,341 |
| Total | 19,430,240 | 7,968,313 | 26,615,212 | 783,341 |
| Total Previous Year | - | 25,831,195 | 6,400,955 | 19,430,240 |

3.3 Investment Properties

| Particulars | G R O S S B L O C K | | | | D E P R E C I A T I O N | | | | N E T B L O C K | |
|----------------------------|---------------------|-----------|----------------------------|---------------------|-------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
| | As at 01/04/2018 | Additions | Deductions/ Adjustments | As at 31/03/2019 | Upto 31/03/2018 | For the year | Deductions/ Adjustments | Upto 31/03/2019 | As at 31/03/2019 | As at 31/03/2018 |
| Office Premises | 4,775,800 | - | - | 4,775,800 | 2,029,840 | 71,175 | - | 2,101,015 | 2,674,785 | 2,745,960 |
| Total Previous Year | 4,775,800 | - | - | 4,775,800 | 1,958,665 | 71,175 | - | 2,029,840 | 2,745,960 | 2,817,135 |

Notes:

- a. Information regarding Income and expenditure of Investment properties

Rental income derived from Investment properties
 Direct operating expenses generating rental incomes
 Profit arising from investment properties before depreciation and indirect expenses
 Less: Depreciation
 Profit arising from investment properties before indirect expenses

| | Year ended 31-03-2019 | Year ended 31-03-2018 |
|---|--------------------------|--------------------------|
| Rental income derived from Investment properties | 2,196,250 | 1,925,000 |
| Direct operating expenses generating rental incomes | 169,819 | 172,950 |
| Profit arising from investment properties before depreciation and indirect expenses | 2,026,431 | 1,752,050 |
| Less: Depreciation | 71,175 | 71,175 |
| Profit arising from investment properties before indirect expenses | 1,955,256 | 1,680,875 |

b. The Company's investment properties consist of office premises which is leased to third party under operating lease for a period of five years with rentals payable yearly.

c. **Fair value**

Description of valuation techniques used and key inputs to valuation on investment properties:

| Particulars | Valuation technique (See Note below) | Fair Value Hierarchy (See Note below) | Fair Value | |
|-----------------|---|--|------------|------------|
| | | | 31-03-2019 | 31-03-2018 |
| Office Premises | Stamp Duty Reckoner rate | Level 2 | 49,366,000 | 47,391,400 |

The above valuation of the investment properties are in accordance with the Ready Reckoner rates prescribed by the Government of Maharashtra for the purpose of levying stamp duty. The management has referred to the publications and government website for Ready Reckoner rates. The adjustments related to floors, lifts and other factors are not considered for valuation of office Premises. Since the valuation is based on the published Ready Reckoner rates, the company has classified the same under Level 2.

3.4 **Intangible Assets**

| Particulars | G R O S S C A R R Y I N G A M O U N T | | | | A M O R T I S A T I O N | | | | N E T C A R R Y I N G A M O U N T | |
|---------------------|---------------------------------------|-----------|----------------------------|---------------------|-------------------------|-----------------|----------------------------|--------------------|-----------------------------------|---------------------|
| | As at 01/04/2018 | Additions | Deductions/ Adjustments | As at 31/03/2019 | Upto 31/03/2018 | For the year | Deductions/ Adjustments | Upto 31/03/2019 | As at 31/03/2019 | As at 31/03/2018 |
| Trademark | 10,000 | 27,000 | - | 37,000 | 3,699 | 3,901 | - | 7,600 | 29,400 | 6,301 |
| Total | 10,000 | 27,000 | - | 37,000 | 3,699 | 3,901 | - | 7,600 | 29,400 | 6,301 |
| Total Previous Year | 10,000 | - | - | 10,000 | 1,307 | 2,392 | - | 3,699 | 6,301 | 8,693 |

| Particulars | G R O S S C A R R Y I N G A M O U N T | | | | A M O R T I S A T I O N | | | | N E T C A R R Y I N G A M O U N T | |
|-------------|---------------------------------------|-----------|----------------------------|---------------------|-------------------------|-----------------|----------------------------|--------------------|-----------------------------------|---------------------|
| | As at 01/04/2018 | Additions | Deductions/ Adjustments | As at 31/12/2018 | Upto 31/03/2018 | For the year | Deductions/ Adjustments | Upto 31/12/2018 | As at 31/12/2018 | As at 31/03/2018 |
| Trademark | 10,000 | - | - | 10,000 | 5,530 | 1,220 | - | 6,750 | 3,250 | 4,470 |

Notes :-

1. During the year ended on 31 March 2018 and 31 March 2017, there is no impairment loss determined at each level of Cash Generating Units. The recoverable amount was based on value in use and was determined at the level of Cash Generating Units.

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31/03/2019 | | AS AT 31/03/2018 | |
|---|------------------|------------------|------------------|------------------|
| | Nos | ₹ | Nos | ₹ |
| 4 <u>NON- CURRENT FINANCIAL ASSETS -INVESTMENTS</u> | | | | |
| <u>Investments in Equity Instruments -</u> | | | | |
| (i) <u>Others (At Fair Value through Profit or Loss)</u> | | | | |
| <u>Quoted</u> | | | | |
| Aditya Birla Capital Ltd. of Rs.10/- each | 250 | 24,412 | 250 | 36,463 |
| Asahi India Glass of Re.1/- each | 250 | 65,398 | 250 | 83,113 |
| Balaji Telefilms of Rs.2/- each | 250 | 20,486 | 250 | 32,588 |
| Bharat Heavy Electricals Ltd of Rs.2/- each | 750 | 56,175 | 750 | 61,050 |
| Bhilwara Spinners Ltd. of Rs.10/- each | 3,000 | 34,680 | 3,000 | 24,900 |
| Diligent Media. of Rs.10/- each | 1,477 | 1,523 | 1,477 | 11,476 |
| Fortis HealthCare Ltd Ltd. of Rs.10/- each | 500 | 67,900 | 5,000 | 61,700 |
| Shree Rajasthan Syntex Ltd of Rs.10/- each | 32,200 | 328,440 | 32,200 | 460,460 |
| Garware Polyester Ltd. of Rs.10/- each. | 1,000 | 217,700 | 1,000 | 153,400 |
| Gujarat Gas Ltd. of Rs.2/- each. | 1,000 | 148,250 | 200 | 166,040 |
| HCL Infosystems Ltd. of Rs.2/- each. | 1,000 | 19,050 | 1,000 | 51,000 |
| Hinduстан Construction Co Ltd. of Re.1/- each. | 1,000 | 15,010 | 1,000 | 22,300 |
| Hudco Ltd. of Rs.10/- each. | 1,750 | 78,660 | 1,750 | 116,113 |
| IDFC Ltd. of Rs.10/- each. | 10,000 | 464,000 | 10,000 | 486,500 |
| IDFC First Bank Ltd. of Rs.10/- each. | 10,500 | 579,600 | 10,500 | 497,175 |
| India Bulls Ventures Ltd. of Rs.10/- each. | | - | 1,000 | 242,500 |
| Jaiprakash Associates Ltd. of Rs.2/- each. | 5,000 | 27,500 | 5,000 | 94,750 |
| Kirloskar Electric Ltd. of Rs.10/- each. | 1,000 | 18,000 | 1,000 | 28,250 |
| Liberty Shoes Ltd. of Rs.10/- each. | 500 | 75,725 | 500 | 95,800 |
| Man Infraconstruction Ltd. of Rs.10/- each. | 1,000 | 40,650 | 1,000 | 50,050 |
| McDowell Holdings Ltd. of Rs.10/- each. | 2,000 | 46,000 | 2,000 | 79,700 |
| Mercator Lines Ltd. of Re.1/- each. | 1,900 | 13,070 | 1,900 | 65,930 |
| Rohit Ferro Tech Ltd. of Rs. 10/- each. | 10,000 | 14,900 | 1,000 | 24,100 |
| Rural Electrification Co Ltd. of Rs.10 /- each. | 1,000 | 152,850 | 1,000 | 125,050 |
| Sintex Plastic Tech Co Ltd. of Re. 1/- each. | 250 | 4,987 | 250 | 14,400 |
| Bank of Baroda (Previously Vijaya Bank Ltd.) of Rs.2/- each. | 804 | 103,555 | 2,000 | 103,800 |
| | | 2,618,522 | | 3,188,608 |
| <u>Unquoted</u> | | | | |
| Rei Agro Ltd. of Re. 1/- each. | 20,000 | - | 20,000 | 4,800 |
| | | - | | 4,800 |
| | | 2,618,522 | | 3,193,408 |

Aggregate value of quoted investments (at fair value)

2,618,522

3,193,408

Aggregate market value of quoted investments

2,618,522

3,188,608

Aggregate value of unquoted investments

-

4,800

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ |
|---|--------------------------|--------------------------|
| 5 <u>OTHER NON-CURRENT FINANCIAL ASSETS</u> (Unsecured considered good) | | |
| Security Deposits at amortised costs | 1,453,825 | 6,401,961 |
| Bank Deposits with more than 12 months maturity | 1,612,138 | 1,395,464 |
| | 3,065,963 | 7,797,425 |
| 6 <u>OTHER NON-CURRENT ASSETS</u> (Unsecured considered good) | | |
| Capital Advances | - | 3,801,089 |
| Deposit with Government Authorities | 29,599 | 29,599 |
| Security Deposits Utility | 1,539,212 | 256,662 |
| Expenditure pending capitalisation | - | 135,414 |
| Others | 2,348,339 | 1,878,334 |
| | 3,917,150 | 6,101,098 |
| 7 <u>INCOME TAX ASSETS (net)</u> | | |
| Advance Tax / TDS less provisions | 1,562,506 | 927,461 |
| | 1,562,506 | 927,461 |
| 8 <u>INVENTORIES</u> (As taken, valued and certified by the management) | | |
| Raw Materials | 7,060,205 | 8,801,252 |
| Stock-in-trade | 38,698 | 38,698 |
| Finished Goods | 4,149,676 | 5,532,079 |
| Spares | 112,000 | 334,270 |
| | 11,360,579 | 14,706,299 |
| 9 <u>TRADE RECEIVABLES</u> | | |
| Trade Receivables considered good - Unsecured | 62,033,154 | 337,613,042 |
| Trade Receivables which have significant increase in Credit Risk | 1,670,794 | - |
| Less : Allowance for credit loss | 1,670,794 | - |
| | 62,033,154 | 337,613,042 |
| 10 <u>CASH & CASH EQUIVALENTS</u> | | |
| Balances with banks | | |
| -in current accounts | 1,255,680 | 3,057,190 |
| Cash on hand | 428,085 | 596,141 |
| Bank deposits with less than 3 months maturity | 12,626,564 | 1,288,681 |
| | 14,310,329 | 4,942,012 |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ | | |
|--|--------------------------|--------------------------|---------------------|----------|
| 11 OTHER BANK BALANCES | | | | |
| Bank deposits with maturity of more than 3 months but less than 12 months | 31,246,040 | 35,056,824 | | |
| | 31,246,040 | 35,056,824 | | |
| 11.1 Fixed deposits to the extent of Rs.3,04,00,000/- (2018- Rs.Nil) are pledged to the banks against overdraft/letter of credit. | | | | |
| 12 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good) | | | | |
| Security Deposits at amortised cost | 3,225,191 | 388,000 | | |
| Employees Advances | 30,000 | 40,000 | | |
| Interest Accrued on Fixed Deposits | 681,384 | 645,271 | | |
| | 3,936,575 | 1,073,271 | | |
| 13 OTHER CURRENT ASSETS : | | | | |
| Unsecured, Considered Good | | | | |
| Balances with Govt. Authorities (Other than income-tax) | 2,764,899 | 4,553,662 | | |
| Advances to vendors | 20,681,387 | 18,083,538 | | |
| Prepaid Expenses | 233,227 | 393,836 | | |
| Others | 6,026,213 | 5,647,294 | | |
| | 29,705,726 | 28,678,330 | | |
| 14 EQUITY SHARE CAPITAL | | | | |
| 14.1 AUTHORISED : | | | | |
| 2,00,00,000 (2,00,00,000) Equity Shares of Rs. 10/- (Rs.10/-) each | 200,000,000 | 200,000,000 | | |
| | 200,000,000 | 200,000,000 | | |
| 14.2 ISSUED, SUBSCRIBED AND FULLY PAID | | | | |
| 1,61,37,263 (1,61,37,263,) Equity Shares of Rs.10/- (Rs.10/-) each | 161,372,630 | 161,372,630 | | |
| | 161,372,630 | 161,372,630 | | |
| 14.3 The reconciliation of the number of shares outstanding is set out below : | | | | |
| Equity Shares of Rs.10/- each at the beginning of the year | 16,137,263 | 16,137,263 | | |
| Equity Shares of Rs.10/- each at the end of the year | 16,137,263 | 16,137,263 | | |
| 14.4 The Company has only one class of equity share. These shares rank pari passu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation. | | | | |
| 14.5 The details of Shareholders holding more than 5% shares | | | | |
| Name of the Shareholder | No of Shares | % | No of Shares | % |
| J.R. Mehta | 4,192,091 | 25.98 | 4,192,091 | 25.98 |
| A.J. Mehta | 2,759,626 | 17.10 | 2,759,626 | 17.10 |
| Sykes and Ray Equities (Mumbai) Pvt Ltd | 1,846,310 | 11.44 | 1,880,043 | 11.65 |
| International Financial Services Ltd | 1,417,635 | 8.78 | 1,233,071 | 7.64 |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ | |
|--|--------------------------|--------------------------|-----------|
| 15 OTHER EQUITY | | | |
| i. Reserves & Surplus | | | |
| a) Securities Premium | | | |
| Opening Balance | 18,831,403 | 55,740,000 | |
| Less : Utilised against the value of net assets transferred to CMPL in pursuance to the scheme of Demerger | - | 36,277,271 | |
| Less : Investment in share of CMPL cancelled in pursuance to scheme of demerger | - | 99,990 | |
| Less : Tax effect of unused losses due to Demerger | - | 531,336 | |
| Closing Balance | 18,831,403 | 18,831,403 | |
| b) Retained Earnings | | | |
| Opening Balance | 13,988,421 | 5,308,931 | |
| Add : Profit for the year | 1,751,626 | 14,181,706 | |
| Less : Profit of demerged undertaking from appointed date i.e. 01/07/16 to 31/03/17 transferred to CMPL | - | (5,502,216) | |
| Closing Balance | 15,740,047 | 13,988,421 | |
| ii. Other Comprehensive Income | | | |
| Opening Balance | - | - | |
| Add/(Less) : Items that will not be reclassified to profit & loss (net of tax) | (28,740) | - | |
| Closing Balance | (28,740) | - | |
| | 34,542,709 | 32,819,824 | |
| 16 NON-CURRENT BORROWINGS | | | |
| Secured : | | | |
| Term Loans : | | | |
| From HDFC Bank Ltd | 1,154,264 | 1,964,252 | |
| | 1,154,264 | 1,964,252 | |
| 16.1 Non-current borrowings and current maturities of non-current borrowings include : | | | |
| Term Loans from HDFC Bank Ltd to the extent of Rs.19,64,253/- (2018-Rs.27,02,007/-) secured by way of hypothecation of vehicles at the rate of interest of 9.50% p.a. repayable in 60 equated monthly instalments. | | | |
| 16.2 Repayment Schedule and Interest rate of Term Loans from banks are set out below : | | | |
| Rate of Interest | 0-1 Year | 1-2 Years | 2-3 Years |
| 9.5% | 809,989 | 889,295 | 264,969 |
| 17 OTHER NON- CURRENT FINANCIAL LIABILITIES | | | |
| Rental Deposits measured at amortised costs | 152,201 | 142,945 | |
| | 152,201 | 142,945 | |
| 18 DEFERRED TAX LIABILITIES (NET) | | | |
| Deferred tax Liabilities : | | | |
| Timing difference on account of depreciation | 4,941,836 | 3,784,441 | |
| Financial Assets & liabilities at amortised cost | 8,018 | 10,517 | |
| | 4,949,854 | 3,794,958 | |
| Deferred Tax Assets : | | | |
| Expenses allowable on payment basis under Tax Laws | 187,579 | 192,415 | |
| Unabsorbed Depreciation | 184,750 | - | |
| Doubtful debts | 434,406 | - | |
| Financial Assets & liabilities at amortised cost | 346,926 | 61,954 | |
| Mat credit entitlement | 3,643,962 | 2,983,255 | |
| | 4,797,624 | 3,237,624 | |
| Net Deferred Tax Liability | 152,231 | 557,334 | |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ |
|--|--------------------------|--------------------------|
| 19 | | |
| <u>SHORT TERM BORROWINGS</u> | | |
| <u>Secured Overdraft :</u> | | |
| From HDFC Bank Ltd | 21,902,015 | - |
| (Secured by way of pledge of fixed deposits at the interest rate of 8.80% p.a.) | | |
| | 21,902,015 | - |
| 20 | | |
| <u>TRADE PAYABLES</u> | | |
| Total outstanding dues of micro enterprises & small enterprises | 36,180 | - |
| Total outstanding dues of creditors other than micro enterprises & small enterprises | 22,530,536 | 295,911,330 |
| | 22,530,536 | 295,911,330 |
| (Refer note no.39 for additional information under The MSME Act 2006) | | |
| 21 | | |
| <u>OTHER CURRENT FINANCIAL LIABILITIES</u> | | |
| <u>measured at amortised costs</u> | | |
| Current Maturities of non-current borrowings (Refer Note No. 16.1) | 809,989 | 737,754 |
| Interest accrued but not due on borrowings | 11,886 | 16,349 |
| Creditors for capital goods | 393,746 | 3,365,540 |
| | 1,215,621 | 4,119,643 |
| 22 | | |
| <u>OTHER CURRENT LIABILITIES</u> | | |
| Advances received from customers | 2,817,430 | 26,838,198 |
| Statutory Dues payable | 309,058 | 256,293 |
| | 3,126,488 | 27,094,491 |
| 23 | | |
| <u>CURRENT TAX LIABILITIES</u> | | |
| for Income Tax | 0 | 3,039,256 |
| | 0 | 3,039,256 |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ |
|---|--------------------------|--------------------------|
| | 2018-19 Rs. | 2017-18 Rs. |
| 24 <u>REVENUE FROM OPERATIONS</u> | | |
| Sales of Products | 87,852,408 | 490,434,932 |
| Sales of Services | 20,794,705 | - |
| | 108,647,114 | 490,434,932 |
| 24.1 <u>PARTICULARS OF SALE OF PRODUCTS</u> | | |
| Textile Goods | 86,033,323 | 467,122,789 |
| Plastic Moulded Goods | 1,819,086 | 23,312,143 |
| | 87,852,408 | 490,434,932 |
| 24.2 <u>PARTICULARS OF SALE OF SERVICES</u> | | |
| Jobwork services | 20,794,705 | - |
| | 20,794,705 | - |
| 25 <u>OTHER INCOME:</u> | | |
| Interest Income : | | |
| on Bank Fixed Deposits | 2,927,034 | 3,737,164 |
| on Others | - | 1,259,195 |
| Interest on financial assets on unwinding | 186,389 | 116,325 |
| Rent Income | 2,196,250 | 1,925,000 |
| Profit on sale of Property, Plant & Equipment & Capital Work-in-progress (Net) | 314,384 | 2,850,931 |
| Profit on sale of FVTPL Investments | 74,076 | 764,095 |
| Foreign Exchange gains - (Net) | 14,112 | 41,875 |
| Dividend on FVTPL Investments | 37,606 | 45,035 |
| Miscellaneous Income | 299,667 | 41,668 |
| Sundry Balances Written off | 11,406 | - |
| | 6,060,924 | 10,781,288 |
| 26 <u>COST OF MATERIALS CONSUMED</u> | | |
| Opening Stock | 8,801,252 | 7,599,885 |
| Add :- Purchases | 39,613,590 | 47,255,000 |
| Less :- Closing Stock | 7,060,205 | 8,801,252 |
| | 41,354,637 | 46,053,633 |
| 26.1 <u>PARTICULARS OF MATERIAL CONSUMED</u> | | |
| <u>Indigeneous Materials</u> | | |
| Yarn | 39,315,963 | 29,087,464 |
| PP | 2,038,675 | 16,966,169 |
| Total Indigeneous | 41,354,637 | 46,053,633 |
| <u>Imported</u> | - | - |
| | 41,354,637 | 46,053,633 |
| 27 <u>PARTICULARS OF PURCHASES OF STOCK-IN-TRADE</u> | | |
| Textile Fabrics | - | 379,842,563 |
| | - | 379,842,563 |
| 28 <u>CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE</u> | | |

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Notes forming part of the Financial Statements

| | AS AT 31-03-2019 ₹ | AS AT 31-03-2018 ₹ |
|--|--------------------------|--------------------------|
| Opening Stock : | | |
| Stock-in-trade | 38,698 | 38,698 |
| Finished Goods | 5,532,079 | 7,700,506 |
| | 5,570,777 | 7,739,204 |
| Closing Stock : | | |
| Stock-in-trade | 38,698 | 38,698 |
| Finished Goods | 4,149,676 | 5,532,079 |
| | 4,188,374 | 5,570,777 |
| | 1,382,403 | 2,168,427 |
| 29 <u>MANUFACTURING EXPENSES</u> | | |
| Stores, Spares and Packing Materials | 4,876,748 | 1,893,466 |
| Central Excise Duty | - | 813,489 |
| Labour & Processing Charges | 1,696,502 | 3,609,336 |
| Power & Fuel | 8,780,694 | 5,186,171 |
| Transportation Charges | 577,317 | 515,140 |
| Other Manufacturing Expenses | 2,155,592 | 1,315,928 |
| | 18,086,854 | 13,333,530 |
| 30 <u>EMPLOYEE BENEFITS EXPENSES</u> | | |
| Salaries, Wages, Bonus etc. | 29,175,512 | 18,174,332 |
| Contribution to Provident Fund and other funds | 809,862 | 657,418 |
| Employees Welfare Expenses | 347,576 | 304,756 |
| | 30,332,950 | 19,136,506 |
| 31 <u>FINANCE COSTS</u> | | |
| Interest Expenses | 1,493,143 | 368,401 |
| | 1,493,143 | 368,401 |
| 32 <u>ADMINISTRATIVE & OTHER EXPENSES</u> | | |
| Bank Charges | 5,034 | 12,972 |
| Clearing, Forwarding & Freight | 595,185 | 400,019 |
| Commission & Brokerage | - | 2,736,021 |
| Travelling & Conveyance | 1,180,023 | 550,071 |
| Telephone, Postage & Telegram | 424,223 | 328,190 |
| Electricity Charges | 84,780 | 65,415 |
| Sampling, Sales Promotion & Advertisement | 217,301 | 296,800 |
| Insurance | 255,716 | 262,664 |
| Legal & Professional Charges | 580,487 | 232,135 |
| Rent | 5,303,644 | 4,384,537 |
| Rates & taxes | 173,819 | 172,950 |
| Repairs - Others | 477,400 | 589,446 |
| General Expenses | 1,989,227 | 1,664,736 |
| Sales-tax & Service-tax | 30,301 | 624,422 |
| Payment to Auditors : | | |
| - As Auditor | 130,000 | 155,000 |
| - For Taxation matters | - | 45,000 |
| - For Other matters | 100,500 | 107,000 |
| | 317 | 33,060 |
| Securities Transaction Tax | 317 | 33,060 |
| Changes in FV of Equity Instruments through P&L | 332,385 | 719,778 |
| Allowance for credit loss | 1,670,794 | - |
| Baddebts / Sundry Balances Written off | - | 1,150,465 |
| Demerger Expenses Written off | 198,184 | 197,983 |
| | 13,749,319 | 14,728,660 |

| | <u>2018-19</u> | <u>2017-18</u> |
|---|------------------|------------------|
| | <u>Rs.</u> | <u>Rs.</u> |
| 33 TAX EXPENSE | | |
| (a) Income tax | | |
| Tax on profits for the year | 331,872 | 4,049,897 |
| Tax for prior periods | 302,812 | 11,000 |
| Recognised in Other Comprehensive Income | (10,098) | - |
| Total income tax | <u>624,586</u> | <u>4,060,897</u> |
| (b) Deferred tax | | |
| Decrease / (Increase) in deferred tax assets | 494,190 | 1,182,296 |
| (Decrease) / Increase in deferred tax liabilities | (899,292) | 382,828 |
| Total deferred tax expense/(benefit) | <u>(405,103)</u> | <u>1,565,124</u> |
| Total tax expense | <u>219,483</u> | <u>5,626,021</u> |
| (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate : | | |
| Profit before income tax expenses | 1,981,207 | 19,807,727 |
| Tax at the rate of 26% (2018 - 25.75%) | 515,114 | 5,100,490 |
| Tax effect of amounts which are not deductible : | | |
| Fair value changes in the value of equity instrument | 332,385 | 86,420 |
| Expenses related to exempted income | 317 | 82 |
| Donations | 66,690 | 17,339 |
| Other expenses not deductible | 52,822 | 13,734 |
| Loss on Sale of Vehicle | - | - |
| | <u>117,575</u> | <u>187,653</u> |
| Tax effect of amounts which are not taxable : | | |
| Dividend | (37,606) | (9,778) |
| Profit on sale of securities | (46,749) | (12,038) |
| Profit on sale of Property, Plant & Equipment | (185,416) | (47,745) |
| | <u>(69,560)</u> | <u>(11,596)</u> |
| Difference in tax on capital gain on securities | - | (87,751) |
| Tax effect on Adjustment related to Rental Income : | (518,092) | (134,704) |
| Tax effect on adjustment due to change in tax rates/unused losses | - | (8,038) |
| Tax for prior periods | - | (302,812) |
| Tax expense as per Income Tax | <u>117,575</u> | <u>5,626,021</u> |

34 Earnings per Share :- Basic and Diluted

| | | | |
|---|------|------------|------------|
| a) Profit after tax | Rs. | 1,751,626 | 14,181,706 |
| b) Weighted Average Number of Equity shares outstanding | Nos. | 16,137,263 | 16,137,263 |
| c) The nominal value per Equity Share | Rs. | 10 | 10 |
| d) Earnings per Share -Basic & Diluted | Rs. | 0.11 | 0.88 |

35. FAIR VALUE MEASUREMENTS

(a) Financial instruments by category

| | As at 31/03/2019 | | As at 31/03/2018 | |
|------------------------------|------------------|--------------------|------------------|--------------------|
| | FVPL | Amortised cost | FVPL | Amortised cost |
| Financial Assets | | | | |
| Investment | | | | |
| Equity instrument | 2,618,522 | | 3,193,408 | |
| Trade receivables | | 62,033,154 | | 337,613,042 |
| Bank Deposits | | 1,612,138 | | 1,395,464 |
| Cash & Cash Equivalents | | 14,310,329 | | 4,942,012 |
| Other Bank balances | | 31,246,040 | | 35,056,824 |
| Security Deposits | | 4,679,016 | | 6,789,961 |
| Other Receivables | | 711,384 | | 685,271 |
| Total Financial Assets | <u>2,618,522</u> | <u>114,592,062</u> | <u>3,193,408</u> | <u>386,482,574</u> |
| Financial Liabilities | | | | |
| Borrowings | | 23,866,267 | | 2,702,007 |
| Security Deposits | | 152,201 | | 142,945 |
| Trade payables | | 22,530,536 | | 295,911,330 |
| Capital creditors | | 393,746 | | 3,365,540 |
| Others | | 11,886 | | 16,349 |
| Total Financial Liability | <u>-</u> | <u>46,954,636</u> | <u>-</u> | <u>302,138,171</u> |

(b) Financial Assets and Liabilities measured at fair value - recurring fair value measurements

| | As at 31/03/2019 | | | As at 31/03/2018 | | |
|-------------------------------|------------------|----------|----------|------------------|--------------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Financial instrument at FVTPL | 2,618,522 | - | - | 3,188,608 | 4,800 | - |
| Total Financial Assets | <u>2,618,522</u> | <u>-</u> | <u>-</u> | <u>3,188,608</u> | <u>4,800</u> | <u>-</u> |

(c) Fair value hierarchy

(i) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31.03.2019:

| | Fair value measurement using | | | | Total |
|---|------------------------------|--|--|--|------------|
| | Date of valuation | Quoted price in active market level(1) | Significant observable inputs level(2) | Significant unobservable inputs level(3) | |
| <u>Financial Assets</u> | | | | | |
| Equity instruments measured at FVTPL | 31-03-2019 | 2,618,522 | - | - | 2,618,522 |
| <u>Financial Assets at amortised cost</u> | | | | | |
| Trade Receivables | 31-03-2019 | | 62,033,154 | | 62,033,154 |
| Bank Deposits | 31-03-2019 | | 1,612,138 | | 1,612,138 |
| Other Bank Balances | 31-03-2019 | | 31,246,040 | | 31,246,040 |
| Security Deposits | 31-03-2019 | | 4,679,016 | | 4,679,016 |
| Other Receivables | 31-03-2019 | | 711,384 | | 711,384 |
| <u>Financial Liabilities at amortised cost</u> | | | | | |
| Trade payable | 31-03-2019 | | 22,530,536 | | 22,530,536 |
| <u>Other Financial liabilities</u> | | | | | |
| Borrowings | 31-03-2019 | | 23,866,267 | | 23,866,267 |
| Deposits against rental agreement | 31-03-2019 | | 152,201 | | 152,201 |
| Other interest accrued | 31-03-2019 | | 11,886 | | 11,886 |
| Creditors for capital expenditure | 31-03-2019 | | 393,746 | | 393,746 |

(ii) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31.03.2018:

| | Fair value measurement using | | | | Total |
|---|------------------------------|--|--|--|-------------|
| | Date of valuation | Quoted price in active market level(1) | Significant observable inputs level(2) | Significant unobservable inputs level(3) | |
| <u>Financial Assets</u> | | | | | |
| Equity instruments measured at FVTPL | 31-03-2018 | 3,188,608 | - | 4,800 | 3,193,408 |
| <u>Financial Assets at amortised cost</u> | | | | | |
| Trade Receivables | 31-03-2018 | | 337,613,042 | | 337,613,042 |
| Bank Deposits | 31-03-2018 | | 1,395,464 | | 1,395,464 |
| Other Bank Balances | 31-03-2018 | | 35,056,824 | | 35,056,824 |
| Security Deposits | 31-03-2018 | | 6,789,961 | | 6,789,961 |
| Other Receivables | 31-03-2018 | | 685,271 | | 685,271 |
| <u>Financial Liabilities at amortised cost</u> | | | | | |
| Trade payable | 31-03-2018 | | 295,911,330 | | 295,911,330 |
| <u>Other Financial liabilities</u> | | | | | |
| Borrowings | 31-03-2018 | | 2,702,006 | | 2,702,006 |
| Deposits against rental agreement | 31-03-2018 | | 142,945 | | 142,945 |
| Other interest accrued | 31-03-2018 | | 16,349 | | 16,349 |
| Creditors for capital expenditure | 31-03-2018 | | 3,365,540 | | 3,365,540 |

Level 1: Level 1 hierarchy includes Financial Instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(d) Reconciliation of the financial assets measured at fair value using significant unobservable inputs (level 3)

Unquoted securities

| | Rupees |
|--|---------------|
| As at 01/04/2016 | - |
| Add: Acquisitions | 99,990 |
| As at 31/03/2017 | <u>99,990</u> |
| As at 01/04/2017 | 99,990 |
| Less: Cancelled on demerger of Engineering division Refer Note No.) | 99,990 |
| As at 31/03/2018 | <u>-</u> |

36. **Financial Risk Management**

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

The Company's risk management is carried out by chief financial officer under policies approved by the Board of Directors. Company's chief financial officer identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk.

(A) Market risk

(i) Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets or liabilities denominated in a currency that is not the Company's functional currency (INR). This is closely monitored by the Management to decide on the requirement of hedging. The position of unhedged foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

| Currency | Asset (Receivable) | Liability (Payable) | Net Receivable/ (Payable) |
|-----------------------------------|-----------------------|------------------------|------------------------------|
| <u>31-03-2019</u> | | | |
| US Dollar (USD) | - | - | - |
| Exposure to foreign currency risk | - | - | - |
| <u>31-03-2018</u> | | | |
| US Dollar (USD) | 78,089 | - | 78,089 |
| Exposure to foreign currency risk | 78,089 | - | 78,089 |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

| | Impact on profit Increase/(Decrease) | |
|-------------------------|--------------------------------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| USD sensitivity | - | 3,904 |
| INR/USD Increases by 5% | - | (3,904) |
| INR/USD Decreases by 5% | | |

Holding all other variables constant

(ii) Interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period depends on the mixed of fixed rate and floating rate of the borrowings and the expected movement of market interest rate. The Company has only fixed rate of borrowings and therefore it is not exposed to interest rate risk.

(iii) Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company in listed securities and classified in the balance sheet as at fair value through profit or loss.

| | <u>Impact on profit Increase/(Decrease)</u> | |
|----------------------------------|---|-----------------------|
| | <u>March 31, 2019</u> | <u>March 31, 2018</u> |
| Price sensitivity | | |
| Investment value Increases by 5% | 130,926 | 159,670 |
| Investment value Decreases by 5% | (130,926) | (159,670) |

(B) Credit risk

Credit risk arises when a counter party defaults on contractual obligations resulting in financial loss to the Company. Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. In order to mitigate the risk of financial loss from defaulters, the Company has an ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore, is not exposed to any credit risk. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

(C) Liquidity risk

The Company has sufficient cash and cash equivalent and other liquid current financial assets which can be easily realised in cash or cash equivalent in short time. Therefore there is no significant liquidity risk.

(i) Maturities of Financial Liabilities

The tables below analyse the Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative Financial Liabilities.

Contractual maturities of Financial Liabilities:

| | <u>Not later than 1 year</u> | <u>Between 1 to 3 years</u> | <u>Later than 3 years</u> | <u>Total</u> |
|-----------------------------------|----------------------------------|---------------------------------|-------------------------------|--------------------|
| 31-Mar-19 | | | | |
| Non-derivatives | | | | |
| Borrowings | 22,712,003 | 1,154,264 | - | 23,866,267 |
| Trade Payables | 22,530,536 | - | - | 22,530,536 |
| Security Deposits | 152,201 | - | - | 152,201 |
| Liability for Capital Expenditure | 393,746 | - | - | 393,746 |
| Other Financial Liabilities | 11,886 | - | - | 11,886 |
| | <u>45,800,372</u> | <u>1,154,264</u> | <u>-</u> | <u>46,954,636</u> |
| 31-Mar-18 | | | | |
| Non-derivatives | | | | |
| Borrowings | 737,754 | 1,699,283 | 264,970 | 2,702,007 |
| Trade Payables | 295,911,330 | - | - | 295,911,330 |
| Security Deposits | 142,945 | - | - | 142,945 |
| Liability for Capital Expenditure | 3,365,540 | - | - | 3,365,540 |
| Other Financial Liabilities | 16,349 | - | - | 16,349 |
| | <u>300,173,918</u> | <u>1,699,283</u> | <u>264,970</u> | <u>302,138,171</u> |

37.Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, Securities Premium and retained earnings attributable to the equity shareholders of the company. The primary objective of the Company's capital management is to maximise the shareholders value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company's policy is to keep debt equity ratio at the minimum and infuse capital if and when it is required through issue of new shares and/or better operational results and efficient working capital management.

In order to achieve the aforesaid objectives, the Company has financed capex through internal accruals for new expansion projects in last two to three years. However, modernization, upgradation and continued marginal expansions have been to remain competitive and improve product quality through efficient machinery. There is constant endeavour to avoid debt as much as feasible and practical by improving operational and working capital management.

Debt-to-equity ratio are as follows:

| | 31-03-2019 | 31-03-2018 |
|-------------------|-------------|-------------|
| Debt (A) | 23,866,267 | 2,702,007 |
| Equity (B) | 195,915,339 | 194,192,454 |
| Debt/Equity (A/B) | 0.12 | 0.01 |

(a) Non-cancellable operating leases**As a Lessee**

The Company has entered into operating lease arrangements primarily for office premises, factory premises and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. During the year, the company has recognised lease rent expense of Rs.52,99,269/- (2018 Rs.43,84,537/-) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

| | <u>31-Mar-19</u> | <u>31-Mar-18</u> |
|--|-------------------------|-------------------------|
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | |
| Within one year | 3,530,310 | 4,349,368 |
| Later than one year but not later than five years | 4,275,038 | 4,300,498 |

As a Lessor

The Company gives office premises not required for immediate use on operating lease arrangements. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving notice. The future minimum lease payments recoverable by the company are as under :-

| | <u>31-Mar-19</u> | <u>31-Mar-18</u> |
|---|-------------------------|-------------------------|
| Minimum lease payments in relation to non-cancellable operating leases are receivable as follows: | | |
| Within one year | 2,306,068 | 2,196,250 |
| Later than one year but not later than five years | 5,176,502 | 7,482,576 |

(b) Finance lease**As a Lessee**

The Company acquired motor vehicles under finance lease. Generally, tenure of finance lease of vehicles varies between 3 to 5 years. After completion of the lease term, vehicles are transferred in the name of company.

The year wise break-up of the outstanding lease obligations in respect of these assets are as under:

| | <u>31-Mar-19</u> | <u>31-Mar-18</u> |
|---|-------------------------|-------------------------|
| Assets taken on lease | | |
| Total Minimum lease payments at the year end | 2,190,618 | 3,150,606 |
| Present value of Minimum lease payments | 1,964,273 | 2,702,007 |
| Not later than one year | | |
| Minimum lease payments | 959,988 | 959,988 |
| Present Value | 809,989 | 737,754 |
| Later than one year but not later than five years | | |
| Minimum lease payments | 1,230,630 | 2,190,618 |
| Present Value | 1,154,284 | 1,964,252 |

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39. Additional information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 in respect of amount outstanding to Micro and Small Enterprises based on the information available with the Company are given below :-

| | 31-3-2019 | 31-3-2018 |
|---|------------------|------------------|
| i) Principal amount remaining unpaid on | 36,180 | Nil |
| ii) Interest due thereon as on | Nil | Nil |
| iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year. | Nil | Nil |
| iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| v) Interest accrued and remaining unpaid as at | Nil | Nil |
| vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises. | Nil | Nil |

40. VALUE OF STORES, SPARES & PACKING MATERIALS CONSUMED :

| | <u>2018-19</u> | | <u>2017-18</u> | |
|------------|------------------|---------------|------------------|---------------|
| | <u>Rs.</u> | <u>%</u> | <u>Rs.</u> | <u>%</u> |
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 48,76,748 | 100.00 | 18,93,466 | 100.00 |
| | ----- | ----- | ----- | ----- |
| | 48,76,748 | 100.00 | 18,93,466 | 100.00 |
| | ===== | ===== | ===== | ===== |

41. VALUE OF IMPORTS ON CIF BASIS

| | <u>2017-18</u> | <u>2017-18</u> |
|--------------------------|----------------|----------------|
| | <u>(Rs.)</u> | <u>(Rs.)</u> |
| Plant & Machinery (CWIP) | Nil | 78,65,130 |
| Moulds | Nil | 13,22,658 |
| Moulds (CWIP) | Nil | 11,68,200 |

42. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

| | | |
|--------------------|----------|-----|
| Foreign Travelling | 1,06,095 | Nil |
|--------------------|----------|-----|

43. Disclosures as per IND AS-19, "Employee Benefits" are given below :

(i) Short Term Employee Benefits

- I. The Company has provided for bonus amounting to Rs. 9,44,598/- (Previous year Rs. 8,14,115/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit and Loss for the year.
- II. During the year the company has recognized Leave Salary amounting to Rs.3,75,868/- (Previous year Rs.5,52,638/-) in the Statement of Profit and Loss on payment basis.
- III. During the year the company has made contribution to Employees State Insurance Scheme amounting to Rs.1,78,680/- (Previous year Rs.1,56,975/-) which has been recognized in the Statement of Profit and Loss.

(ii) Long Term Employee Benefits

The Company has classified the various Long Term Employee Benefits as under:-

I. Defined Contribution Plans

- a) Contribution to Provident Fund
- b) Contribution to Pension Scheme

During the year, the Company has recognized the following amounts as expenses in the Statement of Profit and Loss -

| | 2018-19 Rs. | 2017-18 Rs. |
|----------------------------------|------------------------|------------------------|
| - Contribution to Provident Fund | 2,21,439 | 1,54,605 |
| - Contribution to Pension Scheme | 3,58,122 | 2,99,322 |

II. Defined Benefit Plan

The Employees Gratuity Fund Scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Valuation in respect of gratuity have been carried out by an independent actuary as at the Balance Sheet date, based on the following assumptions:-

| 1. | Assumption | 31-03-2019 | 31-03-2018 |
|-----------|--|------------|------------|
| | Discount Rate | 7.5 % | 7.5 % |
| | Salary Escalation | 5 % | 5 % |
| 2. | Changes in the Present Value of Obligation | | |
| | Present value of obligations as at beginning of year. | | |
| | Interest cost | 2,92,046 | 2,72,270 |
| | Current Service Cost | 21,903 | 21,782 |
| | Benefits Paid | 12,703 | 12,835 |
| | Actuarial (gain)/ loss on obligations | NIL | (23,802) |
| | Present Value of Obligations as at Year end | 38,838 | 8,961 |
| | | 3,65,490 | 2,92,046 |
| 3. | Changes in the Fair Value of Plan Assets | | |
| | Fair value of plan assets at beginning of year | 7,28,204 | 6,99,517 |
| | Expected return on plan assets | 56,801 | 52,200 |
| | Contributions | 543 | 289 |
| | Benefits Paid | NIL | (23,802) |
| | Actuarial gain/(loss) on Plan assets | NIL | NIL |
| | Fair Value of Plan Assets at Year end | 7,85,548 | 7,28,204 |
| 4. | Fair value of Plan Assets | | |
| | Fair value of plan assets at beginning of year | 7,28,204 | 6,99,517 |
| | Actual return on plan assets | 56,801 | 52,200 |
| | Contributions | 543 | 289 |
| | Benefits Paid | NIL | (23,802) |
| | Fair value of plan assets at the end of year | 7,85,548 | 7,28,204 |
| | Funded status | 4,20,058 | 4,36,158 |
| | Excess of Actual over estimated return on plan assets | | |
| | Actual rate of return = Estimated rate of return as ARD falls on 31st March) | | |
| 5. | Actuarial Gain/Loss recognized | | |
| | Actuarial (gain)/ loss on obligations | (38,838) | (8,961) |
| | Actuarial (gain)/ loss for the year - plan assets | NIL | NIL |
| | Total (gain)/ loss for the year | 38,838 | 8,961 |
| | Actuarial (gain)/ loss recognized in the year | 38,838 | 8,961 |
| 6. | Amounts Recognized in the Balance Sheet | | |
| | Present value of obligations as at the end of year | 3,65,490 | 2,92,046 |
| | Fair value of plan assets as at the end of the year | 7,85,548 | 7,28,204 |
| | Funded status | 4,20,058 | 4,36,158 |
| | Net asset/(liability) recognized in balance sheet | 4,20,058 | 4,36,158 |
| 7. | Expenses Recognised in the Profit and Loss Account | | |
| | Current Service cost | 12,703 | 12,835 |
| | Interest Cost | 21,903 | 21,782 |
| | Expected return on plan assets | (56,801) | (52,200) |
| | Net Actuarial (gain)/ loss recognized in the year | | |
| | Expenses recognised in statement of Profit and loss Account | 38,838 | 8,961 |
| | | 16,643 | (8,622) |

44. Segment Reporting

The Company has disclosed and reported Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organizational structure and internal reporting system. Accordingly the company has identified Engineering Division and Textile Division as the main business segments as per the IND AS on

“Operating Segments” (IND AS-108) issued by The Institute of Chartered Accountants of India.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The income & expenses, which are not directly relatable to the business segment, are shown as unallocated corporate costs net of unallocable income. Similarly Assets and Liabilities that cannot be allocated between segments are shown as unallocated corporate assets and liabilities respectively.

| | | Year ended | Year ended |
|----|---|---------------------|---------------------|
| | | 31-3-2019 | 31-3-2018 |
| 1 | Segment Revenue | | |
| a. | Textile Division | 8,60,33,323 | 46,71,22,789 |
| b. | Plastic Division | 2,26,13,791 | 2,33,12,143 |
| c. | Others | Nil | Nil |
| | Total | 10,86,47,114 | 49,04,34,932 |
| | Less : Inter Segment Revenue | - | - |
| | Net Sales/ Income from Operations | 10,86,47,114 | 49,04,34,932 |
| 2 | Segment Results | | |
| | Profit/ (loss) before tax and Interest | | |
| a. | Textile Division | 21,40,186 | 2,77,99,501 |
| b. | Plastic Division | 70,08,693 | (33,98,232) |
| | Total | 91,48,879 | 2,44,01,269 |
| | Less : (i) Interest | 14,93,143 | 3,68,401 |
| | (ii) Other un-allocable expenditure net off un-allocable income | 56,74,529 | 42,25,141 |
| | Total Profit Before Tax | 19,81,207 | 1,98,07,727 |
| 3 | Capital Employed | | |
| | (Segment Assets - Segment Liabilities) | | |
| a. | Textile Division | 8,62,60,374 | 9,64,71,296 |
| b. | Plastic Division | 7,03,04,374 | 1,69,38,543 |
| | Add / (Less):- Un-allocable Assets less Liabilities | 3,93,50,591 | 8,07,82,615 |
| | Total Capital Employed in the Company | 19,59,15,339 | 19,41,92,454 |

The Company is operating only in India and does not have any revenue from customers located outside India and hence there is no separate reportable Geographical segment.

45. **Disclosure of Related parties & related party transactions**

a) **Others (Enterprises over which, individual having indirect significant influence over the company, has significant influence) and with whom transactions have taken place during the year and/or where balances exist**

i) Chandni Machines Limited

b) **Key Management Personnel:**

i) Mr. Jayesh R.Mehta – Managing Director

ii) Mrs. Amita J.Mehta – Director

iii) Mr. Shailesh P.Sankav – Chief Financial Officer

iv) Mr. Khushboo Shah – Company Secretary & Compliance Officer

c) **Other related parties:**

i) Mr. Jayesh R.Mehta – Managing Director

ii) Mrs. Amita J.Mehta – Director

iii) Mr. Shailesh P.Sankav – Chief Financial Officer

iv) Mr. Khushboo Shah – Company Secretary & Compliance Officer

d) **Transactions during the year and Balance outstanding at the year end with related parties.**

| Nature of Transactions | Key-management Personnel | | Non- Executive Directors | | Companies/ Enterprises in which Key Management personnel have significant influence | |
|---|--------------------------|------------|--------------------------|------------|---|------------|
| | 31-03-2019 | 31-03-2018 | 31-03-2019 | 31-03-2018 | 31-03-2019 | 31-03-2018 |
| <u>Sales</u> | | | | | | |
| Chandni Machines Ltd. | - | - | | | 72,03,900 | |
| <u>Purchases</u> | | | | | | |
| Chandni Machines Ltd. | - | - | | | 33,06,360 | 23,60,000 |
| <u>Compensation Paid</u> | | | | | | |
| Chandni Machines Ltd. | - | - | | | 4,375 | |
| <u>Compensation Received</u> | | | | | | |
| Chandni Machines Ltd. | | | | | 1,51,625 | 32,500 |
| <u>Director Remuneration</u> | | | | | | |
| Mr.J.R.Mehta | 12,00,000 | 12,00,000 | | | | |
| <u>Salary & Bonus</u> | | | | | | |
| Mr.Shailesh Sankav | 6,46,850 | 6,06,050 | | | | |
| Ms. Khushboo Shah | 3,37,500 | 83,700 | | | | |
| <u>Director Sitting Fees</u> | | | | | | |
| Mrs. A.J. Mehta | | | 30,000 | 25,000 | | |
| Dr. Bharat Bhatia | | | 50,000 | 45,000 | | |
| Mr. R.C. Garg | | | 50,000 | 45,000 | | |
| Mr. V.G. Joshi | | | 50,000 | 45,000 | | |
| <u>Outstanding at the year end:-</u> | | | | | | |
| <u>i. Trade Payable</u> | | | | | | |
| Mr.J.R.Mehta | 16,159 | 2,37,184 | | | | |
| Chandni Machines Ltd. | | | | | - | 23,60,000 |
| <u>ii. Trade Receivable</u> | | | | | | |
| Chandni Machines Ltd. | | | | | 2,80,81,394 | 16,225 |
| <u>ii.Other Receivable</u> | | | | | | |
| Chandni Machines Ltd. | | | | | 55,50,064 | 55,50,064 |

46. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them in compliance with disclosure requirement of Indian Accounting Standards.

As per our report of even date

For AMBAVAT JAIN & ASSOCIATES LLP.

Chartered accountants

Firm Registration No. 109681W

On Behalf of the Board

Ashish J. Jain

Partner

Membership No.111829

J. R. Mehta

Managing Director

A.J. Mehta

Director

PLACE : MUMBAI

DATE : 21-05-2019

**Shailesh Sankav
Chief Financial Officer**

**Khushboo Shah
Company Secretary**

BOOK POST

If undelivered please return to:

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

Registered Office:

110, T.V.INDUSTRIAL ESTATE, 52, S.K.AHIRE MARG, WORLI, MUMBAI - 400030