



ANNUAL REPORT
OF
CHANDNI
MACHINES LIMITED
2019 -2020

CHANDNI MACHINES LIMITED
ANNUAL REPORT 2019 ~ 2020

Board and committees as on 31st March, 2020

THE BOARD OF DIRECTORS

Jayesh Ramniklal Mehta
[Chairman & Managing Director]

Amita Jayesh Mehta
[Non-Executive Director]

Bharat Keshavlal Shah
[Executive Director]

Rameshchand Garg
[Non-Executive Independent Director]

Vasant Gaurishankar Joshi
[Non-Executive Independent Director]

Bharat Sugnomal Bhatia
[Non-Executive Independent Director]

CHIEF FINANCIAL OFFICER

Bharat Keshavlal Shah

COMPANY SECRETARY & COMPLIANCE OFFICER

Ekta Kheria [Resigned w.e.f 14-12-2019]

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 Anjana Manseta & Co.

STATUTORY AUDITOR

M/s Ambavat Jain & Associates, LLP, Chartered Accountant

BANKERS

HDFC Bank Limited

CORPORATE WEBSITE

www.cml.net.in

BOARD COMMITTEES

Audit Committee

Mr. Jayesh Ramniklal Mehta
Mr. Bharat Sugnomal Bhatia
Mr. Vasant Gaurishankar Joshi {Chairman}

Nomination & Remuneration Committee

Mr. Vasant Gaurishankar Joshi
Mr. Bharat Sugnomal Bhatia {Chairman}
Mr. Rameshchand Garg

Stakeholder Relationship Committee

Mr. Bharat Sugnomal Bhatia
Mr. Rameshchand Garg {Chairman}
Mr. Vasant Gaurishankar Joshi

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NOTICE TO SHAREHOLDERS

Notice is hereby given that 4th Annual General Meeting of the Members of Chandni Machines Limited will be held on Tuesday, 29th September, 2020, at 04:00 P.M. through Video Conferencing (VC) or other Audio Visual Means (OAVM) as per the relaxation given by Ministry of Corporate Affairs vide General Circular No. 20/ 2020 dated May 5, 2020 for transacting the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2020 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. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification or re-enactment thereof for the time being in force and subject to such approvals, permissions and sanctions, consents and /or permissions required under the Foreign Exchange Management Act, 1999, the Securities and Exchange Board of India (“SEBI”) regulations including Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (‘SEBI ICDR Regulations’), Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (SEBI Listing Regulations) or any other applicable law or regulations of such other appropriate Authorities, Institutions or Bodies, as the case may be, and subject also to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, sanctions, permissions and agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to issue, offer and allot from time to time in one or more tranches and in consultation with the Lead Managers and/or Underwriters and/or other Advisors, Convertible Bonds, Fully Convertible Debentures (FCDs), Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs) and/or Securities convertible into Equity Shares at the option of the Company or the holders thereof and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holder to convert or subscribe to Equity Shares and/or Bonds or Foreign Currency Convertible Bonds or Securities through Global Depository Receipts, American Depository Receipt and/ or Non-convertible Debentures (hereinafter collectively referred to as “the Securities”) to such Indian or Foreign Institutional Investors/Foreign Mutual Funds/Overseas Corporate Bodies/Foreigners/other Foreign parties/ Indian Financial Institutions/Alternative Investment Funds/Qualified Institutional Buyers/ Companies/individuals/other persons or investors, whether or not they are members of the Company and/or by any one or more or a combination of the above modes/methods or otherwise by offering the Securities in the international market comprising one or more countries or domestic market or in any other approved manner through Prospectus and/or Offering Letter or Circular and/or on private placement basis as maybe deemed appropriate by the Board such offer, issue and allotment to be made at such time or times at such issue price, face value, premium amount on issue/conversion of securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listing on one or more stock exchange in India and/or abroad and in such manner and on such terms and conditions as the Board may think fit, for an aggregate amount (inclusive of such premium as may be fixed on the securities) not exceeding Rs 50 Crores (Rupees Fifty Crores only), of incremental funds for the Company with power to the Board to settle details as to the form and terms of issue of the

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Securities, and all other terms, conditions and matters connected therewith or difficulties arising there from;

RESOLVED FURTHER THAT pursuant to the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the provisions of the SEBI(Issue of Capital And Disclosure Requirements) Regulations,2009 (“SEBI ICDR Regulations”) and the provisions of Foreign Exchange Management Act, 2000 & Regulations thereunder, the Board of Directors may at their absolute discretion, issue, offer and allot equity shares or non-convertible debt instruments along with warrants and convertible securities other than warrants (“Eligible Securities”) up to an amount of Rs. 50 Crores (Rupees Fifty Crores only) inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations)pursuant to a qualified institutional placements (“QIP”), as provided under Chapter VI of the SEBI ICDR Regulations;

RESOLVED FURTHER THAT in case of QIP Issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be –

- i) In case of allotment of Equity Shares, the date of meeting in which the Board decides to open the proposed issue.
- ii) In case of allotment of convertible Eligible Securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board;

RESOLVED FURTHER THAT in the event that the Non-Convertible Debentures (NCDs) with or without warrants with a right exercisable by the warrant holder to exchange with Equity Shares of the Company are issued, the relevant date for determining the price of equity shares of the Company, to be issued upon exchange of the warrants, shall be the date of the Meeting in which the Board decides to open the issue of NCDs in accordance with the SEBI ICDR Regulations as mentioned above;

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of additional equity shares as may be required in pursuance of the above issue and that the additional equity shares so allotted shall rank in all respects pari passu with the existing equity shares of the Company save that such additional equity shares shall carry the right to receive dividend as may be provided under the terms of the issue/ offer and/or in the offer documents;

RESOLVED FURTHER THAT the Company may apply for listing of the new Equity Shares as may be issued with the BSE Limited and National Stock Exchange of India Limited or any other Stock Exchange(s);

RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board or a Committee thereof or any of the Whole-time Directors of the Company, be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities/parties involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary or desirable including, if necessary, for creation of such mortgage and/or charges on all or any of the Company's immovable and/or movable assets in both present and future in respect of the securities on the whole or in part of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 and to execute such documents or writing as may consider necessary or proper and incidental to this resolution and to settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of the Securities as it may deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution including for issue of any related securities as a condition of the issue of the said securities as also for securing the said Securities;

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RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions the Board be and is hereby authorized to do all such acts, deeds, execute such documents, appoint such intermediaries, bankers, consultants in order to give effect to the aforesaid resolutions and is also empowered to delegate all or any of the powers herein conferred to any Committee of Directors and/or any Whole-time Director(s) and/or any Officer(s) 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: 05th September, 2020
Place: Mumbai

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NOTES:

- 1) In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars”) permitted to hold the Annual General Meeting (“AGM”) for the calendar year 2020 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 4thAGM of the Company is being held through VC / OAVM. The deemed venue for the 4th AGM shall be the Registered Office of the Company.
- 2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 4th AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 4th AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 4th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 3) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting before AGM as well as the e-voting on the date of the AGM will be provided by CDSL.
- 4) The Board has appointed Mr. Ashutosh Somani, Partner at **S P K G & Co. LLP, Mumbai** as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- 5) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing’s body resolution/authorization etc., authorizing their representative to attend the 4th AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Company on Email ID shaileshsankav@cml.net.in
- 6) Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive) for the purpose of 4th AGM of the Company.
- 7) A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of regulation 36 (3) of the SEBI Listing Regulations and as per the provisions of the Act.
- 8) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 4th AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2019-2020 will also be available on the Company’s website www.cml.net.in, websites of the Stock Exchanges i.e. BSE Limited and on the website of the CDSL www.evotingindia.com
- 9) Members attending the 4th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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- 10) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd September, 2020 being Cut-off Date.
- 11) Since the 4th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 12) 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 electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 29th September, 2020. Members seeking to inspect such documents can send an email to shaileshsankav@cml.net.in

CDSL e-Voting System – For Remote e-voting and e-voting during Annual General Meeting (“AGM”):

- 1) As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
- 2) The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 3) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- 4) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cml.net.in. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
- 5) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

1. The voting period begins on 26th September, 2020 at 09.00 A.M and ends on 28th September, 2020 at 5.00 P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the AGM.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on “Shareholders” module.
5. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Or

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

6. Next enter the Image Verification as displayed and Click on Login.
7. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
8. If you are a first time user follow the steps given below:

For Members holding shares in Dematerialized Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both 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 no. 5.

9. After entering these details appropriately, click on “SUBMIT” tab.
10. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
11. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
13. 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.

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14. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
15. 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.
16. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- b) For Demat shareholders please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

Instructions for shareholders attending the AGM through VC/OAVM are as under:

- a) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- f) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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Instructions for shareholders for E-voting during the AGM are as under:-

- a) The procedure for e-Voting on the AGM is same as the instructions mentioned above for Remote e-voting.
- b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

20. Note for Non – Individual Shareholders and Custodians:

- ✦ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- ✦ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- ✦ 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.
- ✦ 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.
- ✦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ✦ Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote to the Company at the email address viz; shaileshsankav@cml.net.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

21. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.cml.net.in 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 shares of the Company are listed.

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

ITEM NO. 3

The Company in order to enhance its presence both in the Indian & global markets and also to expand existing business lines in the Engineering or any other business or trade and/or to take over any potential target so as to capture emerging business opportunities for growth, has to strengthen its financial position and net worth by augmenting long term resources substantially from time to time, it is thought prudent for the Company to have enabling approvals to raise full or a part of the funding requirements for the said purposes.

In this reference, taking into account the significant liquidity, low interest rates, consistent performance of your Company, positive outlook for the Engineering Industry and particularly, for your Company, the Board recommends raising of resources from domestic and/or international capital markets in one or more tranches, by issue of appropriate instruments as stated in the Special Resolution. The issue of Securities will be in accordance with the appropriate guidelines for the same and the price of the securities shall be fixed at the time of actual offer depending upon the then prevailing market conditions in consultations with the Lead Managers/Advisors and other such intermediaries and as per the applicable regulations.

Section 62 and of the Companies Act, 2013 provides inter alia that the Company in the first instance should offer all shares to be issued by the Company for subscription, pro-rata to the existing Equity Shareholders unless decided otherwise in a General Meeting by a Special Resolution and accordingly consent of the shareholders is being sought pursuant to provisions of the said section to issue and allot the said securities, to the members or other persons as may be decided by the Board of Directors.

The resolution also elaborates that in case of QIP Issue the relevant date for determination of the floor price of the Equity Shares to be issued shall be –

- i) In case of allotment of Equity Shares, the date of meeting in which the Board decides to open the proposed issue.
- ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.

The special resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under Chapter VI of the Securities and Exchange Board of India(Issue of Capital and Disclosure Requirement) Regulations, 2018,as amended (the “SEBI Regulations”) for raising capital. The pricing of the such Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Act deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 also states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year. Accordingly, consent of the members is sought for passing a Special Resolution as set out in the resolution.

The said Securities may be secured by way of first mortgage/ hypothecation of the Company's assets in favor of the security holders. As the documents to be executed between the security holders and the

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Company may contain, as per normal practice, the power to take over the management of the Company in certain events' of default, it is necessary for the Company to obtain shareholders' approval through a resolution under Section 180(1)(a) of the Act, before creation of the said mortgage or charge.

The proposed Special Resolution is intended to give authority to the Board of Directors for the issue of such securities in terms of the Resolution.

Your Directors recommend the passing of the Resolution in Item No. 3 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in this Resolution except that the Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of securities that may be subscribed by the companies/institutions of which they are Directors and/or Members.

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“ANNEXURE – I”

Details of Director seeking re-appointment at the Annual General Meeting (Pursuant to regulation 36(3) of the Listing Regulations) and SS-2 Secretarial Standard on General Meetings seeking re-appointment at ensuing 4th Annual General Meeting.

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 2019 – 2020	Mrs. Mehta attended all the 5 Board Meetings conducted during the year.
Directorships in other Listed Companies	Chandni Textiles Engineering Industries Limited
Membership /Chairmanship of Committees of other Board as on 31 st March, 2020	Nil
Total shares held by her in the Company with other Directors	5,51,925 (17.10%) equity shares of Re. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta.

By order of the Board

Jayesh R Mehta
(DIN No.:00193029)
Chairman & Managing Director

Date: 05th September, 2020
Place: Mumbai

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DIRECTORS' REPORT

To
The Members
Chandni Machines Limited,
(formerly known as Chandni Machines Limited)

Your Directors have pleasure in presenting the 4th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended on 31st March, 2020.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY

Financial performance of your Company for the financial year ended 31st March, 2020 is summarized below:

Particulars	(In Rupees)	
	March 31, 2020	March 31, 2019
Revenue from Operations	48,13,64,567	11,25,23,244
Other Income	26,72,195	47,27,738
Total Revenue	48,40,36,762	11,72,50,982
Profit before Depreciation, Interest and Tax (PBDIT)	11,95,311	14,48,541
Less: Depreciation	7,80,204	99,194
Less: Finance Cost	47,240	-
Profit Before Tax	3,67,867	13,49,347
Provision for Tax:		
Current Tax	65,262	2,85,104
Deferred tax	1,55,105	1,43,299
Profit/(Loss) After Tax	1,47,499	9,20,943
Balance brought forward from previous year	1,46,37,316	1,37,16,373
Balance carried to Balance sheet	1,47,84,815	1,46,37,316

2. REVIEW OF OPERATIONS

During the year under review, the **Revenue** of the company increased to 48,13,64,567/- as compared to 11,25,23,244/- in previous year. The **Profit before Tax** has decreased to 3,67,867/- as compared to 13,49,347/- in previous year. The **Net Profit** of the Company decreased from 9,20,943/- in previous year to 1,47,499/- in the current year.

3. DIVIDENDS

The Directors of your Company after considering holistically the relevant circumstances has decided that it would be prudent not to recommend any dividend for the year under review.

4. TRANSFER TO RESERVES

The Directors have decided to retain the entire amount of 1,47,84,815 /- in the retained earnings.

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5. SCHEME OF ARRANGEMENT - DEMERGER

The Directors of your company are pleased to inform you that the equity shares of your company got listed on The Bombay Stock Exchange Limited with effect from 05th April, 2019 pursuant to the Scheme.

6. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which financial statement relate and the date of the report.

7. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of Director	Designation	Appointment Date	Resignation Date
1.	Jayesh Ramniklal Mehta	Chairman & Managing Director	12.04.2016	-
2.	Amita Jayesh Mehta	Non- Executive Director	12.04.2016	-
3.	Vasant Gaurishankar Joshi	Non- Executive & Independent Director	20.09.2018	-
4.	Bharat Sugnomal Bhatia	Non- Executive & Independent Director	20.09.2018	-
5.	Rameshchand Garg	Non- Executive & Independent Director	20.09.2018	-
6.	Bharat Keshavlal Shah	Director & Chief Financial Officer	07.02.2018	-
7.	**Ekta Kheria	Company Secretary and Compliance Officer	20.08.2018	14.12.2019

As on 31st March, 2020, the following were the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013 and the rules made thereunder:

- Jayesh Ramniklal Mehta- Chairman & Managing Director
- Bharat Keshavlal Shah – Director & Chief Financial Officer
- **Ekta Kheria – Company Secretary & Compliance Officer

**** Ms. Ekta Kheria was resigned from the position of Company Secretary and Compliance Officer of the Company with effect from 14th December, 2019.**

Company is searching for a suitable candidate for the position of Company Secretary and Compliance Officer of the Company.

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 become eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment which has been annexed to this report as '**Annexure –I**'

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

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8. 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.

9. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 5 (Five) times during the financial year from 01st April, 2019 to 31st March, 2020. The dates on which meetings were held are 21st May, 2019, 14th August, 2019, 14th November, 2019, 09th January, 2020 and 14th February, 2020.

The gap between two Board Meetings didn't exceed 120 days as per Section 173 of the Companies Act, 2013.

10. ATTENDANCE OF DIRECTORS

Attendance of Directors at the Board Meetings held during the financial year ended 31st March, 2020 and at last AGM are as under:

Name of Director	Category	Number of Meetings		Attendance at the last AGM
		Held	Attended	Held on 27.09.2019
Mr. Jayesh Ramniklal Mehta	Managing Director	5	5	Yes
Mrs. Amita Jayesh Mehta	Non- Executive Director	5	5	Yes
Mr. Bharat Keshavlal Shah	Chief Financial Officer, Executive Director	5	5	Yes
Mr. Vasant Gaurishankar Joshi	Non-Executive, Independent	4	4	No
Mr. Bharat Sugnomal Bhatia	Non-Executive, Independent	4	4	Yes
Mr. Rameshchand Garg	Non-Executive, Independent	4	4	Yes

Attendance of directors at the committee meetings held during the financial year ended 31st March, 2020:

Name of Director	Audit Committee Meeting		Nomination & Remuneration Committee Meeting		Stakeholder Relationship Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr. Jayesh Ramniklal Mehta	4	4	NA	NA	NA	NA
Mr. Vasant Gaurishankar Joshi	4	4	1	1	4	4
Mr. Bharat Sugnomal Bhatia	4	4	1	1	4	4
Mr. Rameshchand Garg	NA	NA	1	1	4	4

NA- Not Applicable

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11. INDEPENDENT DIRECTORS' MEETING

In view of COVID-19 outbreak the Ministry of Corporate Affairs vide their Circular No. 11/2020 had granted relaxation for not holding separate meeting of Independent Directors. Hence, the Company could not convene Independent Director's separate meeting in terms of Schedule IV to the Companies Act, 2013.

12. COMMITTEES

Your company has duly constituted the following mandatory committees in terms of the provisions of the Companies Act, 2013 read with rules framed thereunder viz.

- **Audit Committee**

The composition of Audit Committee is in alignment with provision of section 177 of the Companies Act, 2013 read with the rules issued thereunder and Regulation 18 of the SEBI Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

The composition of Audit committee is as under:

Name of the Director	Designation	Position on the Committee
Vasant Gaurishankar Joshi	Non Executive Independent Director	Chairman
Bharat Sugnomal Bhatia	Non Executive Independent Director	Member
Jayesh Ramniklal Mehta	Managing Director	Member

During the year 4 meetings of Audit Committee was held on 21.05.2019, 14.08.2019, 14.11.2019 and 14.02.2020 respectively.

- **Nomination and Remuneration Committee**

The composition of Nomination & Remuneration Committee is as under:

Name of the Director	Designation	Position on the Committee
Bharat Sugnomal Bhatia	Non Executive Independent Director	Chairman
Vasant Gaurishankar Joshi	Non Executive Independent Director	Member
Rameshchand Garg	Non Executive Independent Director	Member

During the year 1 meeting of Nomination and Remuneration committee was held on 09.01.2020

- **Stakeholders' Relationship Committee**

The composition of Stakeholder Relationship Committee is as under:

Name of the Director	Designation	Position on the Committee
Bharat Sugnomal Bhatia	Non Executive Independent Director	Chairman
Vasant Gaurishankar Joshi	Non Executive Independent Director	Member
Rameshchand Garg	Non Executive Independent Director	Member

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During the year 4 meetings of Stakeholder Relationship Committee was held on 08.04.2019, 08.07.2019, 08.10.2019 and 08.01.2020 respectively.

13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Your company has in place a policy which formulates the criteria for determining qualifications, competencies, positive attributes and Independence for the appointment of a director (executive or non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and senior management and other employees. The Policy was adopted with effect from 20.11.2018.

The above policy along with the criteria for selection is available at the website of the Company at <http://www.cml.net.in/pdf/9.%20Nomination%20&%20Remuneration%20policy.pdf>

14. FAMILIARIZATION PROGRAMME

The details of programs for familiarization of Independent Directors with the Company, their roles, responsibilities, in the Company and related matters are put up on the website of the Company at the link <http://www.cml.net.in/pdf/2.%20Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

15. BOARD EVALUATION

The Board of Directors have devised a policy for annual evaluation of the performance of the Board, its Committees and of individual directors (including Independent Directors) pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The performance of the Board is evaluated after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure. Effectiveness of Board processes, information and functioning etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The Board and the Nomination & Remuneration Committee review the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. The performances of the Committees are evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as the composition of Committees, effectiveness of Committee Meetings etc.

16. PARTICULARS OF EMPLOYEES

The statement of particulars of appointment and remuneration of managerial personnel pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the "**Annexure – 2**"

Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of the remuneration during the financial year 2019-20, which in aggregate was in excess of 1.02 crores per year or 8.5 lakhs per month or in excess of remuneration drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

17. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

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- a. that in the preparation of the annual financial statements for the financial year ended 31st March, 2020; the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended as on that date;
- c. that proper and sufficient care has been taken 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. that the annual financial statements for the financial year ended 31st March, 2020 have been prepared on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. that the proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INTERNAL FINANCIAL CONTROLS

The details of internal financial control and their adequacy are included in Management Discussion and Analysis, which forms part of this report.

19. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

20. LOAN FROM DIRECTOR

During the year under review, your Company has received loan of amount 51,50,000/- from Mr. Jayesh Ramniklal Mehta, Managing Director of the Company along with a declaration in writing to the effect that the amount given by him is not from the funds acquired by him by borrowing or accepting loans from others.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loans or guarantees or made any investments governed under the provisions of Section 186 of the Companies Act, 2013.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The disclosure of Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is given in "Annexure – 3" of this Report.

The details of transactions with Related Parties are also provided in the Company's Financial Statements in accordance with the Accounting Standards.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website and can be seen at the link:

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<http://www.cml.net.in/pdf/5.%20Related%20Party%20Transaction%20Policy.pdf>

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your company does not own any manufacturing facility, the particulars relating to conservation of energy and technology absorption stipulated in section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of Companies (Accounts) Rules, 2014 are not applicable.

During the year under review your company has following Foreign Exchange Earnings and Outgo:

Particulars	F.Y. 2019-2020	F.Y. 2018-2019
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	33,43,649-	7,85,21,937/-

24. RISK MANAGEMENT

The Company has developed and implemented a Risk Management Policy. The policy identifies the threat of such events as "Risks", which if occurred will adversely affect value to shareholders, ability of Company to achieve objectives, ability to implement business strategies, the manner in which the company operates.

The framework defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified risk, the Audit Committee reviews the identified Risks and its mitigation measures annually.

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Your Company is committed to highest standards of ethics, moral and legal conduct of its business. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a comprehensive Vigil Mechanism/ Whistle Blower Policy in compliance with the applicable provision of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015. The Vigil Mechanism/ Whistle Blower Policy is available on the Company's website link: <http://cml.net.in/pdf/policies/Whistle%20Blower%20Policy.pdf>

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS /TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

27. STATUTORY AUDITOR AND STATUTORY AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Ambavat Jain & Associates LLP, Chartered Accountant (Firm Registration No.: 109681W) were appointed as the Statutory Auditors of the Company in the 1st Annual General Meeting of the Company held on 29th September, 2017 for term of five consecutive years to hold office till the conclusion of the 6th Annual General Meeting of the Company.

The Auditors' Report on Standalone Financial Statements for the financial year 2019-2020, issued by M/s. Ambavat Jain & Associates LLP, Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

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28. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Anjana Manseta & Co., Practicing Company Secretaries were appointed as the Secretarial Auditor of the Company to issue the Secretarial Audit Report for the year ended 31st March, 2020. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed to this report (**Annexure- 4**).

M/s Anjana Manseta & Co, 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
<i>We have noticed that, there was a resignation of company secretary on 14 December 2019. And as per section 203 of companies Act 2013, company must appoint another company secretary within a period of 6 months. However, based on the information provided by company officers, company was in process of appointing the new company secretary to fill the vacancy but Considering the outbreak of the pandemic and lockdown norms, company could not complete the appointment process of new company secretary.</i>	The company was in the process of appointing Company Secretary because of the prevailing pandemic COVID-19 in India and more particularly at our office situated at Worli which came under Red Zone containment restricted area we were shut most of the times. Hence, company is in the process of appointing Company Secretary at the earliest.

29. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

Your Directors state that the applicable Secretarial Standards have been followed during the financial year 2019-2020.

30. EXTRACT OF ANNUAL RETURN

The extract of Annual Return of the Company as on 31st March, 2020 in Form MGT-9 in accordance with section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is annexed herewith as "**Annexure- 5**". Also as required under amended Section 134(3) (a) of the Act, amended through Companies Amendment Act,2017, effective from 31st July, 2018, the Company will place its Annual Return as on 31st March ,2020 on its website viz. www.cml.net.in , within the prescribed time.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

32. CORPORATE GOVERNANCE

Pursuant to the Regulation 15(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions shall not apply to listed entities having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

33. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of Sexual Harassment at the Workplace, in line with the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

34. INSIDER TRADING CODE

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') which are in force. The Fair Disclosure Code is available on the website of the Company at <http://www.cml.net.in/pdf/policies/Policy%20on%20Code%20of%20Fair%20Disclosure.pdf>

35. ACKNOWLEDGEMENT

Your directors would like to express their appreciation for the assistance and co-operation received from the Company's customers, vendors, bankers, auditors, investors, Government authorities and stock exchange during the year under review. Your directors place on record their appreciation of the contributions made by employee at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

By order of the Board

**Jayesh R Mehta
(DIN No.:00193029)
Chairman & Managing Director**

**Date: 05th September, 2020
Place: Mumbai**

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“Annexure – 2”

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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	2.79 :1
		Mrs. Amita Jayesh Mehta	0.10:1
		Mr. Vasant Gaurishankar Joshi	0.20:1
		Mr. Bharat Sugnomal Bhatia	0.20:1
		Mr. Rameshchand Garg	0.10:1
		Mr. Bharat Keshavlal Shah	0.10:1
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 2020
		Mr. Jayesh R Mehta	NIL
		Mrs. Amita Jayesh Mehta	100%
		Mr. Vasant Gaurishankar Joshi	100%
		Mr. Bharat Sugnomal Bhatia	100%
		Mr. Rameshchand Garg	100%
		Mr. Bharat Keshavlal Shah	100%
		Ms. Ekta Kheria	24.44%
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	07 employees	

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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

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“Annexure – 3”

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, 2020, 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 Textiles Engineering Industries Limited	Sale of Machinery	12-08-2019 and 22-11-2019	54,600	N.A.
	Sale of Services	22-05-2019	50,000	
	Rent/Compensation Received	01-04-2019 to 31-03-2020	5,40,000	
	Rent/Compensation Paid	01-04-2019 to 31-03-2020	8,40,000	
Mr. Jayesh Ramniklal Mehta	Remuneration paid to Managing Director	01-04-2019 to 31-03-2020	5,40,000	
Ms. Ekta Kheria	Salary & Bonus	01-04-2019 to 31-03-2020	2,09,651	
Jayesh Ramniklal Mehta	Loan from Director	N.A.	51,50,000/-	

**FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

(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 MACHINES LIMITED
(CIN – L74999MH2016PLC279940)
110, T.V. Industrial Estate, 52 S. K. Ahire Marg,
Worli, Mumbai,
Maharashtra,
India – 400030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHANDNI MACHINES 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 **CHANDNI MACHINES LIMITED** 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, 2020 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 **CHANDNI MACHINES LIMITED** (“the Company”) for the financial year ended on 31st March 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 3. 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];**
 4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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5. 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]** ;
 6. 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]** ;
 7. 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]** ;
 8. 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].**
- vi. 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:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (Applicable to the extent notified and enforced during the period of audit).
- ii. The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.
- iii. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

In respect of other laws specifically applicable to the Company, I have relied on the information/record produced by the Company during the course of my audit and the reporting is limited to that extent.

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.

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I further report that:-

Based on review of compliance mechanism established by the Company and on the basis of the information provided by the 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:-

We have noticed that, there was a resignation of company secretary on 14 December 2019. And as per section 203 of companies Act 2013, company must appoint another company secretary within a period of 6 months. However, based on the information provided by company officers, company was in process of appointing the new company secretary to fill the vacancy but Considering the outbreak of the pandemic and lockdown norms, company could not complete the appointment process of new company secretary.

I further report that,

During the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii. Redemption / buy-back of securities.
- iii. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations.

Place: Mumbai

Date : 31 August 2020

For Anjana Manseta & Co.
Company secretaries

Anjana Manseta
(Proprietor)

FCS No. : 10078

CP No. : 10668

UDIN: F010078B000639520

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.

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Annexure A

To,
The Members,
CHANDNI MACHINES LIMITED
(CIN – L74999MH2016PLC279940)
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.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance.
3. About the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 31 August 2020

Anjana Manseta & Co.
Company secretaries

Anjana Manseta
(Proprietor)
FCS No.: 10078
CP No.: 10668

UDIN: F010078B000639520

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“ANNEXURE- 5”

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L74999MH2016PLC279940
ii.	Registration Date	12 th April, 2016
iii.	Name of the Company	Chandni Machines Limited (Formerly known as Chandni Machines Private Limited)
iv.	Category of the Company Sub-Category of the Company	Public Limited Company Indian Non- Government Company
v.	Address of the Registered office and contact details	110, T. V. Industrial Estate, 52, S. K. Ahire Marg, Worli, Mumbai-400030 Tele No.: 022-24950328 Email: jrgroup@jrmehta.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Purva Sharegistry (India) Private Limited Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J. R. Boricha Marg, Sitaram Mill Compound, Lower Parel (E), Mumbai-400011 Tele No.: 022-23016761 / 23018261 Fax No.: 022- 23012518 Email: support@purvashare.com Website: www.purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Retail trade	4774	100

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	NIL	NIL	NIL	NIL	NIL

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

(i) Category-wise Share Holding

Category of Shareholders	No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
iv. Promoter									
1) Indian									
a) Individual/HUF	1416243	-	1416243	43.88	1416243	-	1416243	43.88	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	84442	-	84442	2.62	84442	-	84442	2.62	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	1500685	-	1500685	46.50	1500685	-	1500685	46.50	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
h) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Banks / FI	-	-	-	-	-	-	-	-	-
j) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
TOTAL (A) = (A)(1) + (A)(2)	1500685	-	1500685	46.50	1500685	-	1500685	46.50	-
v. Public Shareholding									
8. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	80	80	0.00	-	80	80	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-

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g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	80	80	0.00	-	80	80	0.00	0.00
2. Non Institutions									
a) Bodies Corp.									
(i) Indian Companies	642435	4520	646955	20.05	10022	4520	14542	0.45	-19.59
LLPs	2500	-	2500	0.08	2500	-	2500	0.08	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	433132	39836	472968	14.65	469564	38776	508340	15.75	1.10
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	544629	0	544629	16.87	1153863	0	1153863	35.75	18.88
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Clearing Members	26318	0	26318	0.82	2784	0	2784	0.09	-0.73
Non- Residential Indian	450	-	450	0.01	450	-	450	0.01	-
Hindu Undivided Family	32848	0	32848	1.02	44189	0	44189	1.37	0.35
Sub-total(B)(2)	1682312	44356	1726668	53.50	1683372	43296	1726668	53.50	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1682312	44436	1726748	53.50	1683372	43376	1726748	53.50	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3182997	44436	3227433	100	3184057	43376	3227433	100	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	

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1	Jayesh Ramniklal Mehta	838418	25.98	-	838418	25.98	-	-
2	Amita Jayesh Mehta	551925	17.10	-	551925	17.10	-	-
3	Prerna Jayesh Mehta	13400	0.42	-	13400	0.42	-	-
4	Chandni Jayesh Mehta	12500	0.39	-	12500	0.39	-	-
5	J.R.Texmachtrade Private Limited	84442	2.62	-	84442	2.62	-	-
Total		1500685	46.50	0.00	1500685	46.50	0.00	-

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

Sr. no		Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jayesh Ramniklal Mehta				
	At the beginning of the year	838418	25.98	838418	25.98
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2020	838418	25.98	838418	25.98
2.	Amita Jayesh Mehta				
	At the beginning of the year	551925	17.10	551925	17.10
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2020	551925	17.10	551925	17.10
3.	Prerna Jayesh Mehta				
	At the beginning of the year	13400	0.42	13400	0.42
	Change in shareholding during the year	0	0	0	0

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	At the end of the year as on 31/03/2020	13400	0.42	13400	0.42
4.	Chandni Jayesh Mehta				
	At the beginning of the year	12500	0.39	12500	0.39
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2020	12500	0.39	12500	0.39
5.	J.R. Texmachtrade Private Limited				
	At the beginning of the year	84442	2.62	84442	2.62
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2020	84442	2.62	84442	2.62

(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 Shares	No. of Shares	% of Shares
1.	Sykes and Ray Equities (Mumbai) Private Limited				
	At the beginning of the year	382072	11.84	0	0
	Decrease – Transfer on 12/04/2019	10810	0.33	371262	11.50
	Decrease – Transfer on 19/04/2019	1000	0.03	370262	11.47
	Decrease – Transfer on 02/08/2019	1000	0.03	369262	11.44
	Decrease – Transfer on 16/08/2019	109898	3.41	259364	8.04
	Decrease – Transfer on 27/09/2019	259364	8.04	0	0
	At the end of the year as on 31/03/2020	0	0	0	0
2.	International Financial Services Limited				
	At the beginning of the year	247467	7.67	0	0.00

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	Decrease – Transfer on 20/09/2019	126853	3.93	120614	3.74
	Decrease – Transfer on 28/02/2020	120614	3.74	0	0
	At the end of the year as on 31/03/2020	0	0	0	0
3.	Mahavirsingh N Chauhan				
	At the beginning of the year	122758	3.80	0	0.00
	No change	0	0	0	0
	At the end of the year as on 31/03/2020	0	0	122758	3.80
4.	Hetal Chetan Mehta				
	At the beginning of the year	90102	2.79	0	0.00
	Increase – Transfer on 16/08/2019	109898	3.41	200000	6.20
	Increase – Transfer on 25/10/2019	10000	0.31	210000	6.51
	At the end of the year as on 31/03/2020	0	0	210000	6.51
5.	Ketal M. Brahmhatt				
	At the beginning of the year	42350	1.31	0	0.00
	Decrease – Transfer on 12/04/2019	34000	1.05	8350	0.26
	Decrease – Transfer on 04/10/2019	5	0	8345	0.26
	Decrease – Transfer on 28/02/2020	500	0.02	7845	0.24
	At the end of the year as on 31/03/2020	0	0	7845	0.24
6.	Minal Manish Ajmera				
	At the beginning of the year	40000	1.24	0	0.00
	Decrease – Transfer on 28/02/2020	40000	1.24	0	0
	At the end of the year as on 31/03/2020	0	0	0	0

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7. Avani Jasmin Ajmera				
At the beginning of the year	40000	1.24	0	0.00
Decrease – Transfer on 17/05/2019	10236	0.32	29764	0.92
Decrease – Transfer on 24/05/2019	3760	0.12	26004	0.81
Decrease – Transfer on 28/02/2020	26004	0.81	0	0
At the end of the year as on 31/03/2020	0	0	0	0
8. Nishita Alpesh Ajmera				
At the beginning of the year	40000	1.24	0	0.00
Decrease – Transfer on 26/04/2019	10000	0.31	30000	0.93
Decrease – Transfer on 10/05/2019	22275	0.69	7725	0.24
Decrease – Transfer on 17/05/2019	7725	0.24	0	0
At the end of the year as on 31/03/2020	0	0	0	0
9. Ashwini Jiten Ajmera				
At the beginning of the year	40000	1.24	0	0.00
Decrease – Transfer on 10/05/2019	37088	1.15	2912	0.09
Decrease – Transfer on 17/05/2019	2912	0.09	0	0
At the end of the year as on 31/03/2020	0	0	0	0
10 Reena Ashish Ajmera				
At the beginning of the year	40000	1.24	0	0.00
Decrease – Transfer on 28/02/2020	40000	1.24	0	0
At the end of the year as on 31/03/2020	0	0	0	0

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(v) Shareholding of Directors and Key Managerial Personnel:

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 Shares	No. of Shares	% of Shares
1.	Jayesh Ramniklal Mehta- Managing Director				
	At the beginning of the year	838418	25.98	838418	25.98
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	838418	25.98	838418	25.98
2.	Amita Jayesh Mehta – Non- Executive Director				
	At the beginning of the year	551925	17.10	551925	17.10
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	551925	17.10	551925	17.10
3.	Bharat Keshavlal Shah- Chief Financial Officer & Executive Director				
	At the beginning of the year	20	0.00	20	0.00
	Changes During the Year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	20	0.00	20	0.00
4.	Vasant Gaurishankar Joshi- Non- Executive Independent Director				
	At the beginning of the year	2	0.00	2	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	2	0.00	2	0.00
5.	Bharat Sugnomal Bhatia- Non- Executive Independent Director				

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	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	0	0.00	0	0.00
6.	Rameshchand Garg - Non- Executive Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	0	0.00	0	0.00
7.	**Ekta Kheria- Company Secretary & Compliance Officer				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2020	0	0.00	0	0.00

**** Ekta Kheria resigned from the position of Company Secretary and Compliance Officer w.e.f 14.12.2019.**

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	58,50,000	NIL	58,50,000
ii) Interest due but not paid	NIL	0	NIL	0
iii) Interest accrued but not due	NIL	0	NIL	0
Total (i+ii+iii)	NIL	58,50,000	NIL	58,50,000
Change in Indebtedness				

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during the financial year				
- Addition	NIL	0	NIL	0
- Reduction	NIL	(7,00,000)	NIL	(7,00,000)
Net Change	NIL	(7,00,000)	NIL	(7,00,000)
Indebtedness at the end of the Financial Year				
i) Principal Amount	NIL	51,50,000	NIL	51,50,000
ii) Interest due but not paid	NIL	0	NIL	0
iii) Interest accrued but not due	NIL	0	NIL	0
Total (i+ii+iii)	NIL	51,50,000	NIL	51,50,000

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name Of MD / WTD / Manager	Total Amount (Rs.)
1.		Jayesh Ramniklal Mehta- Managing Director	
2.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,40,000	5,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
3.	Stock Option	NIL	NIL
4.	Sweat Equity	NIL	NIL
5.	Commission - as% of profit- others, specify...	NIL	NIL
6.	Others, please specify	NIL	NIL

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Total(A)	5,40,000	5,40,000
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B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Mrs. Amita Jayesh Mehta	Mr. Bharat Keshavlal Shah	Mr. Rameshchand Garg	Mr. Bharat Bhatia	Mr. Vasant Gaurishankar Joshi	Total Amount
I	Independent Directors						
1	Fee for attending Board/Committee meetings/AGM	-	20,000	20,000	40,000	40,000	-
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
	Total (I)	-	20,000	20,000	40,000	40,000	-
II	Other Non-Executive Directors						
1	Fee for attending Board/Committee meetings/AGM	20,000	-	-	-	-	-
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
	Total (II)	20,000	-	-	-	-	-
	Total (B) = (I + II)	20,000	20,000	20,000	40,000	40,000	-

C. Remuneration to Key-Managerial Personnel Other Than MD/Manager /WTD :

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Bharat Keshavlal Shah (CFO)	**Ms. Ekta Kheria (Company Secretary & Compliance Officer)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	2,09,651	2,09,651
	(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 ...	-	-	-

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5.	Others, please specify – (Bonus)	-	-	-
	TOTAL	-	2,09,651	2,09,651

**** Ekta Kheria resigned from the position of Company Secretary and Compliance Officer w.e.f 14.12.2019.**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31st, 2020.

**For and on Behalf of Board of Directors
For Chandni Machines Limited**
(formerly known as Chandni Machines Private Limited)

**Sd/-
Jayesh Ramniklal Mehta
(DIN:00193029)
Managing Director**

**Date: 05th September,2020
Place: Mumbai**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian machine tools sector has been witnessing a slowdown and FY 2019-20 was a challenging year for the Company in terms of Sales as well as Profit. The Indian auto mobile sector and allied industries witnessed several headwinds in the financial year 2019-20 due to slowdown in the economy and regulatory changes. The global injection moulding machines market is expected to rise with an impressive CAGR and generate the highest revenue by 2026.

With the advent of BS6 from April 2020, the industry was praying for a change in sentiment and fortunes. But much to everybody's dismay, a totally unforeseen event in the form of a pandemic COVID-19 has disrupted the entire world and our country was no exception. Due to on-going COVID-19 Pandemic, a lockdown was imposed by the Central Government in March 2020 and the Company has to shut down its manufacturing operations and partially resumed operations subsequently on second week of May, 2020 with minimum workforce as per the guidelines issued by the Ministry of Health and Family Welfare. The Company has taken necessary steps to build in all the safety and precautionary measures across all its facilities and plants. The Impact of COVID-19 shall be felt in the Financial Year 2020-21 as it is expected to further drag the slowness in the auto industry and the revival is bound to slow.

OPPORTUNITY AND THREAT

The growth opportunity for the machine tool Industry is in proportion with growth of other industries. During the last few years, the phenomenal growth in industry has largely contributed to the growth of machine tool industry and opportunities lie in further growth in Industry as several multinational manufacturers are shifting a part of their supply chain & sourcing base to India. Besides Auto component manufacturers, a host of Engineering, Medical, Defense and Power sector based industries are also contemplating about moving their supply chain to India. This provides a huge opportunity for Indian manufacturers and this would provide a corresponding opportunity to Machine Tool Manufacturers. The main threat to which the Industry is exposed to is volatility of commodity prices affecting input costs structure. Volatility and seasonality have a significant impact on capacity utilizations in the Industry which would result in stiff price competition in lean periods. However, the Company strives to create sustainable profitable growth by continuing focus on technology developments/ up gradation and quality of its products to its diversified customer base which will lead the Company towards a competitive edge in the market.

OUTLOOK

The long term outlook for the industry is optimistic based upon the market innovation and cutting age technology for sustaining growth. Your Company believes that the competition in the emerging markets will be based on cost efficiency, high productivity and maintaining stringent quality parameters etc. Due to rising energy costs combined with an increased corporate interest in sustainability, companies are now focused on being more energy efficient. Several Corporates are expanding their activities to benefit from growth of economy. However, the pressure to get high tech equipment at reasonable costs persists to remain cost competitive globally. Such high tech equipments are available at reasonable costs. This is a much better alternative than brand new equipments which are prohibitively expensive.

From a geographical standpoint, Asia Pacific is anticipated to drive the global injection moulding machines market through the forecast years. The growth is attributable to the presence of a large number of firms manufacturing injection moulding machines. Several large-sized firms are planning to acquire mid-scale and small-sized firms to expand their product portfolio and improve quality. This will further help large-sized companies to strengthen their footprint across the countries in Asia Pacific, thereby impacting the injection moulding machines market size. Following Asia Pacific, North America is expected to hold a considerable position in the global injection moulding machines market share.

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RISKS AND CONCERN

The Company's growth is linked to growth of the which is cyclical in nature. This cyclical nature might affect the demand ultimately has an effect on the order book of the Company. However the Company is focusing towards export orders and business to counter the risk. Our margin and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs which can significantly impact the profitability. Careful monitoring of the above cost can be very encouraging.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditors conduct audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan chalked out in consultation with the Audit Committee. They report their observations/ recommendations to the Audit Committee of the Board of Directors, which comprises two non-executive Independent Directors. The Audit Committee reviews the Audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, wherever necessary.

DISCUSSION ON FINANCIAL PERFORMANCE

- 1. Share Capital:** As on March 31, 2020, the paid-up share capital of the Company stood at Rs. 3,22,74,330/- consisting of 32,27,433 equity shares of Rs. 10/- each.
- 2. Reserves and Surplus:** During the year, the total reserves and surplus of the Company is Rs. 1,88,87,756/- as compared to Rs. 1,87,40,258/- in the year 2018-19.
- 3. Results:** The profit before tax decreased from INR 13,49,347/- as in the year 2018-2019 to INR 3,67,867/- in the year 2019-2020. The Profit for the period decreased from INR 9,20,943/- as in the year 2018-2019 to INR 1,47,499/- in the year 2019 – 2020.

HUMAN RESOURCE:

Employees are the main resource for the Company. The Company has done its best to retain the best employees and create a favorable work environment that encourages the young credible employees to perform innovatively and train them in a sophisticated manner with implementation of new technologies. During the year under review all employees worked innovatively and supported productivity in an encouraging manner and high technological changes have been initiated in the process of production resulting in to cost effective quality production.

KEY FINANCIAL RATIO

PARTICULARS	2019-2020	2018-2019
Debtor's turnover ratio	4.90	2.84
Interest Coverage Ratio	9942.05	-
Current Ratio	1.15	1.30
Debt-Equity Ratio	0.16	0.18
Operating Profit (%)	0.07%	1.19%
Net Profit (%)	0.03%	0.08%
Return on Net Worth	0.28%	1.80%

CAUTIONARY STATEMENT:

Statements in the Management Discussion and analysis Report containing the objectives, expectations or predictions of the Company may be forward-looking within the meaning of Securities law and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volume and selling prices of finished goods, input availability and cost, government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Chandni Machines Limited
(Formerly known as Chandni Machines Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Chandni Machines Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 31st March 2020, 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

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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 116 – Leases	
<p>As described in Note 2(j) to the standalone financial statements, the Company has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting during the current year.</p> <p>The application of this accounting standard is complex and is an area of focus in our audit as the Company has various number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p> <p>Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Refer Note nos. 2, 4, 16, 20 and 40 to the standalone financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include the following:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of the processes and internal controls relating to implementation of the new lease standard. • Based on our evaluation of the contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the Company. • Evaluated the reasonableness of the discount rates used in computing the lease liabilities. • For new leases, tested the lease accounting and estimates/ judgments used by the Company. • Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and mathematical accuracy of the relevant disclosures.
External confirmations request perpetrated pursuant to SA 505	
<p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers. Postal facilities were not available in the near-end of the financial year. To combat this, we had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are few confirmations not received till the date of the</p>	<p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue and purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of</p>

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<p>audit report.</p> <p>In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.</p>	<p>transactions in totality considering the frequency and regularity of transactions.</p> <p>We performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.</p>
<p>Allowance for credit losses in respect of advances to foreign vendors</p>	
<p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company had given advances to foreign vendors against import of engineering goods. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where these foreign vendors are located. In calculating expected credit losses in respect of these advances, the Company also considered the relevant credit information for its vendors to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified allowance for credit losses as a key audit matter because of the significant judgement involved in calculating the expected credit losses. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses.</p>	<p>Our audit procedures related to the allowance for credit losses for the advances to the foreign vendors and contract assets included the following, among others:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, (2) completeness and accuracy of information used in the estimation of probability of default, and (3) computation of the allowance for credit losses. • For a sample of foreign vendors we tested the input data used in estimating the probability of default by comparing them to external and internal sources of information. • We evaluated the incorporation of the applicable assumptions into the estimate of expected credit losses and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We evaluated the qualitative adjustment to the historical loss rates, including assessing the basis for the adjustments and the reasonableness of the significant assumptions.
<p>Measurement and valuation of inventory</p>	

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<p>As at 31st March 2020, the Company has inventory amounting to Rs. 5, 65, 51,403/-. (Refer Note no. 8) This was determined a key audit matter, as the measurement and valuation of the inventory at the year-end involves significant judgement and estimate.</p> <p>The Company uses internal and external experts, to perform volumetric assessments, basis which the quantity for these inventories is estimated.</p>	<p>Our audit procedures relating to the measurement of inventory quantities of coal included the following:</p> <p>Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory;</p> <p>Evaluation of competency and capabilities of management's experts;</p> <p>Physically observing inventory measurement and count procedures carried out by management using experts, to ensure its appropriateness and completeness;</p> <p>Obtaining and inspecting, inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities.</p> <p>Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities.</p>
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Emphasis of Matter paragraph

We draw attention to note no. 44 forming part of the standalone financial statements, which describes the management's assessment of uncertainties related to COVID-19 and its consequential financial impact on its assets as at 31st March 2020 and operations of the Company. Our opinion is not modified in respect of this matter.

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.

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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.

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- 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

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- (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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls 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 has disclosed the impact of pending litigations as on its financial position in its standalone financial statements as mentioned in Note no. 43;
 - 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 Accountants
ICAI Firm Registration No: 109681W

Ashish J Jain
Partner
Membership No.111829

Place: Mumbai
Date: 31 July 2020
ICAI UDIN No: 20111829AAAADM1379

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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. 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] As informed to us, the Company has neither given any loans nor made any investment or provided guarantee or security during the year. Accordingly, clause 3(iv) of the Order is not applicable.
- [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, which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not obtained any loans or borrowings from any banks, financial institutions, government or debenture holders during the year. Accordingly, clause 3(viii) of the order is not applicable.
- [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.

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- [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 give 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 Firm Registration No: 109681W

Ashish J Jain
Partner
Membership No.111829

Place: Mumbai
Date: 31 July 2020
ICAI UDIN No: 20111829AAAADM1379

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 Machines Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS 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

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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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ambavat Jain & Associates LLP
Chartered Accountants
ICAI Firm Registration No: 109681W

Ashish J Jain
Partner
Membership No.111829

Place: Mumbai
Date: 31 July 2020
ICAI UDIN No: 20111829AAAADM1379

CHANDNI MACHINES LIMITED
(Formerly knowns as Chandni Machines Private Ltd)
Balance Sheet as at 31st March, 2020

	Particulars	Note No.	AS AT 31-03-2020 Rs.	AS AT 31-03-2019 Rs.
I	ASSETS			
(1)	NON-CURRENT ASSETS			
(a)	Property, Plant and Equipment	3	24,334,815	23,963,575
(b)	Right of use assets	4	2,640,343	-
(c)	Financial Assets			
(i)	Other Financial Assets	5	310,815	-
(d)	Other non-current assets	6	1,037,524	1,380,743
(e)	Income-tax Assets (net)	7	240,075	57,479
(2)	CURRENT ASSETS			
(a)	Inventories	8	56,551,403	55,230,111
(b)	Financial Assets			
(i)	Trade receivables	9	98,334,644	39,631,285
(ii)	Cash and cash equivalents	10	4,087,273	751,603
(iii)	Bank balances other than (ii) above	11	18,211,638	-
(iv)	Other financial assets	12	2,050,000	11,340
(c)	Other current assets	13	7,868,516	13,743,047
	Total Assets		215,667,046	134,769,183
II	EQUITY AND LIABILITIES			
(1)	EQUITY			
(a)	Equity Share capital	14	32,274,330	32,274,330
(b)	Other Equity	15	18,887,756	18,740,258
(2)	LIABILITIES			
(A)	NON -CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Lease liabilities	16	1,721,160	-
(b)	Deferred tax liabilities (Net)	17	48,806	(106,300)
(B)	CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Borrowings	18	5,150,000	5,850,000
(ii)	Trade payables	19		
(a)	total outstanding dues of micro enterprises & small enterprises		-	75,600
(b)	total outstanding dues of creditors other than micro enterprises & small enterprises			
			104,975,349	6,413,598
(iii)	Lease liabilities	20	929,488	-
(b)	Other Current Liabilities	21	51,680,157	71,521,699
	Total Equity and Liabilities		215,667,046	134,769,183

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
Firm Registration No. 109681W

On behalf of the Board

J.R. Mehta
Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

Bharat Shah
Chief Financial Office

Place :MUMBAI
Date : 31-07-2020

Place :MUMBAI
Date : 31-07-2020

CHANDNI MACHINES LIMITED

(Formerly knowns as Chandni Machines Private Ltd)

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars		Note No.	31-03-2020 Rs.	2018-19 Rs.
Income				
I	Revenue From Operation	22	481,364,567	112,523,244
II	Other Income	23	2,672,195	4,727,738
III	Total Income (I + II)		484,036,762	117,250,982
Expenses				
IV	a) Purchases of Stock-in-Trade	24	465,463,130	115,118,985
	b) Change in inventories of Stock-in-Trade	25	(1,321,292)	(14,892,225)
	c) Employee benefits expense	26	4,278,176	3,245,346
	d) Finance costs	27	47,240	-
	e) Depreciation	3 & 4	780,204	99,194
	f) Other expenses	28	14,421,436	12,330,335
	Total Expenses (IV)		483,668,895	115,901,636
V	Profit before tax (III - IV)		367,867	1,349,347
VI	Tax expenses :	29		
	(i) Current tax		65,262	285,104
	(ii) Deferred tax		155,105	143,299
			220,367	428,403
VII	Profit for the period (V - VI)		147,499	920,943
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the period(VII+VIII)		147,499	920,943
X	Earnings per equity share	30		
	(a) Basic		0.05	0.29
	(b) Diluted		0.05	0.29

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
Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829
Place :MUMBAI
Date : 31-07-2020

Bharat Shah
Chief Financial Officer
Place :MUMBAI
Date : 31-07-2020

CHANDNI MACHINES LIMITED
(Formerly knowns as Chandni Machines Private Ltd)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

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.

Particulars	2019-20	2018-19
	Rupees	Rupees
Cash flow from operating activities		
Profit before Tax	367,867	1,349,347
Adjustment for :		
Depreciation	780,204	99,194
Preliminary Expenses W/off	90,336	90,336
Demerger Expenses Written off	252,884	252,882
Interest Expense	47,240	-
Cash operaing profit before working capital changes	1,538,531	1,791,759
Adjustment for :		
(Increase)/Decrease in trade receivables	(58,703,359)	20,399,116
(Increase)/Decrease in Inventories	(1,321,292)	(14,829,225)
(Increase)/Decrease in Other Financial Assets	(20,250,298)	(2,790)
(Increase)/Decrease in Other Current Assets	5,874,530	(1,073,858)
(Increase)/Decrease in Other Non-Current Financial Assets	(310,815)	-
Increase/ (Decrease) in trade payables	98,486,151	(23,936,220)
Increase/ (Decrease) in Other Non -Current Lialities	(19,841,541)	29,938,035
Cash generated from operating activities	5,471,907	12,286,817
Income taxes paid (net of refund)	(247,858)	(2,793,583)
Net Cash generated from operating activities	5,224,049	9,493,233
Cash flow from Investing activities		
Purchase of Property, Plant and Equipments	(848,108)	(23,968,216)
Payment for Right of Use Assets	(6,400)	-
Payment for Demerger Expenses	-	(1,138,606)
Net cash generated/(used) from investing activities	(854,508)	(25,106,822)
Cash flow from Financing activities		
Short term borrowings received	(700,000)	5,850,000
Payment of Lease liabilities	(333,871)	-
		-
Net cash generated/(used) from financing activities	(1,033,871)	5,850,000
Net Increase/(decrease) in cash and cash equivalents	3,335,670	(9,763,589)
Cash and cash equivalents at the beginning of the year	751,603	10,515,192
Cash and cash equivalents at end of the year	4,087,273	751,603

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
Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

] Bharat Shah
Chief Financial Officer

Place : MUMBAI
Date : 31-07-2020

Place : MUMBAI
Date : 31-07-2020

CHANDNI MACHINES LIMITED.
(Formerly known as Chandni Machines Private Ltd)
STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total Equity
		Reserves and Surplus		Items of Other Comprehensive Income		
		Capital Reserve	Retained Earnings			
	A				B	(A+B)
As at 31 March 2018	32,274,526	4,102,745	13,716,373	-	17,819,118	50,093,644
Less/Add : Upon rounding off fractions to nearest integer	(196)	196			196	-
Profit for the year			920,943		920,943	920,943
Other Comprehensive income				-		
Total comprehensive income for the year			920,943	-	920,943	920,943
As at 31 March 2019	32,274,330	4,102,941	14,637,317	-	18,740,258	51,014,588
Profit for the year			147,499		147,499	147,499
Other Comprehensive income				-		
Total comprehensive income for the year	-	-	147,499	-	147,499	147,499
As at 31st March, 2020	32,274,330	4,102,941	14,784,816	-	18,887,757	51,162,087

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

Ashish J. Jain
Partner
Membership No. 111829

Place : MUMBAI
Date : 31-07-2020

On behalf of the Board

J.R. Mehta
Director

A.J. Mehta
Director

Bharat Shah
Chief Financial Officer

Place : MUMBAI
Date : 31-07-2020

CHANDNI MACHINES LIMITED

(Formerly known as Chandni Machines Private Ltd.)

NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ChandniMachinesLtd. is a public company limited by shares, domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 110 T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030, India. Its shares are listed on BSE Ltd in India. The Company is primarily engaged in trading of engineering goods. The financial statements are approved by the company's board of directors on 31st July, 2020.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these separate Financial Statements of ChandniMachinesLtd. 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 otherwise stated in the financial statements.

(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 un-observable 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.

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. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Engineering Services

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

Interest Income

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

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) 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.

g) 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.

h) Inventories

Inventories are valued at the lower of cost and net realizable value.

- Costs 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.

i) Property, Plant and Equipment

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.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment, 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.

j) Lease

As a Lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets ("ROU") are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in 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.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 6.75%

k) **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 and demand deposits with banks.

- 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.

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.

l) 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.

m) 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.

n) 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:

(iii) 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.

o) 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.

p) 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.

q) 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.

r) Segment Reporting

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets including goodwill.

s) 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 MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

3 Property, Plant and Equipment

Particulars	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 01/04/2019	Additions	Deductions/ Adjustments	As at 31/03/2020	Upto 31/03/2019	For the year	Deductions/ Adjustments	Upto 31/03/2020	As at 31/03/2020	As at 31/03/2019
Office Premises	23,708,750	421,010		24,129,760	53,443	382,855		436,298	23,693,462	23,655,307
Furniture & Fixtures	11,250	225,167	-	236,417	1,726	7,658	-	9,384	227,033	9,524
Office Equipments	212,454	201,930	-	414,385	26,782	58,724	-	85,506	328,879	185,672
Computer	49,200	-	-	49,200	5,799	15,608	-	21,407	27,793	43,401
Vehicles	50,356	-	-	50,356	15,583	4,718	-	20,301	30,055	34,773
Air Conditioners	23,500	-	-	23,500	14,741	2,333	-	17,074	6,426	8,759
Electrical Fittings	51,967	-	-	51,967	25,828	4,972	-	30,800	21,167	26,139
Total	24,107,477	848,107	-	24,955,585	143,902	476,868	-	620,770	24,334,815	23,963,575
Total Previous Year	139,261	23,968,216	-	24,107,477	44,708	99,194	-	143,902	23,963,575	94,553

4 Right of use assets

Particulars	Building	
	31-03-2020	31-03-2019
Balance at the beginning	-	-
Additions	2,943,679	-
Deletion	-	-
Depreciation	303,336	-
Balance at the year end	2,640,343	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

CHANDNI MACHINES LTD.

(Formerly known as Chandni Machines Private Ltd)

Notes forming part of the Financial Statements

	AT AT 31-03-2020	AT AT 31-03-2019
5		
<u>OTHER NON-CURRENT FINANCIAL ASSETS</u> (Unsecured considered good)		
Security Deposits - Considered good	310,815	-
Security Deposits - Considered doubtful	75,000	75,000
Less : Allowance for doubtful deposits	(75,000)	(75,000)
	310,815	-
6		
<u>OTHER NON-CURRENT ASSETS</u> (Unsecured considered good)		
Deposit with Government Authorities	123,365	123,365
Others	914,159	1,257,378
	1,037,524	1,380,743
7		
<u>INCOME TAX ASSETS (net)</u>		
Advance Tax / TDS less provisions	240,075	57,479
	240,075	57,479
8		
<u>INVENTORIES</u> (As taken, valued and certified by the management)		
Stock-in-trade	56,551,403	55,230,111
	56,551,403	55,230,111
9		
<u>TRADE RECEIVABLES</u>		
Trade Receivables considered good - Unsecured	98,334,644	39,631,285
	98,334,644	39,631,285
10		
<u>CASH & CASH EQUIVALENTS</u>		
Balances with banks		
-in current accounts	3,095,952	102,308
Cash on hand	991,321	649,295
	4,087,273	751,603
11		
<u>OTHER BANK BALANCES</u>		
Bank deposits with maturity of more than 3 months but less than 12 months	18,211,638	-
	18,211,638	-
12		
<u>OTHER CURRENT FINANCIAL ASSETS</u> (Unsecured, considered good)		
Advances to Others	2,050,000	-
Security Deposits	-	11,340
	2,050,000	11,340

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13 OTHER CURRENT ASSETS :

Unsecured, Considered Good

Balances with Govt. Authorities	1,877,494	5,234,005
Claims & Other Receivables	3,133,966	576,212
Advances to vendors	880,076	7,396,473
Prepaid Expenses	66,536	536,356

5,958,072 **13,743,047**

Unsecured, Considered Doubtful

Advances to vendors/others	4,658,098	837,211
Less :- Allowance for doubtful advances	2,747,655	837,211

1,910,444 **-**

7,868,516 **13,743,047**

14 EQUITY SHARE CAPITAL

(a) AUTHORISED :

32,50,000 (32,50,000) Equity Shares of Rs. 10/-each	32,500,000	32,500,000
---	------------	------------

32,500,000 **32,500,000**

(b) ISSUED, SUBSCRIBED AND FULLY PAID

32,27,433 (32,27,433) Equity Shares of Rs.10/- each	32,274,330	32,274,330
Fractional Entitlements due to scheme of demerger	-	196
Less : transferrd to capital reserve on allotment of shares	-	(196)

32,274,330 **32,274,330**

(c) The reconciliation of the number of shares outstanding is set out below :

Equity Shares of Rs.10/- each at the beginning of the year	3,227,433	10,000
Cancelled pursuant to scheme of demerger	-	(10,000)
Allotted during the year as per scheme of demerger	-	3,227,433
Equity Shares of Rs.10/- each at the end of the year	3,227,433	3,227,433

(d) The Company has only one class of equity shares. 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.

(e) The details of Shareholders holding more than 5% shares

<u>Name of the Shareholder</u>	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>
Mr. Jayesh R. Mehta	838,418	25.98	838,418	25.98
Mrs. Amita J. Mehta	551,925	17.10	551,925	17.10
Mr. Chetan K. Mehta	386,195	11.97	-	-
Mrs. Hetal C. Mehta	210,000	6.51	-	-
Sykes and Ray Equities (Mumbai) Pvt Ltd	-	-	382,072	11.84
International Financial Services Ltd	-	-	247,467	7.67

15 OTHER EQUITY

Reserves & Surplus

a) Capital Reserve

Opening Balance	4,102,941	4,102,745
Add : Upon rounding off fractions to nearest integer	-	196

4,102,941 **4,102,941**

b) Retained Earnings

Opening Balance	14,637,317	13,716,373
Add : Profit for the year	147,499	920,943

14,784,815 **14,637,317**

18,887,756 **18,740,258**

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16 NON-CURRENT FINANCIAL LIABILITIES

Lease Liabilities	1,721,160	-
	1,721,160	-

(a) *The following is the movement in lease liabilities during the year ended March 31, 2020*

Balance as at April 1, 2019	-	-
Additions	2,937,279	-
Finance cost accrued during the period	47,240	-
Payment of lease liabilities	333,871	-
Balance as at March 31, 2020	2,650,648	-

(b) *Maturity analysis of lease liabilities*

Contractual undiscounted cash flows		
Less than one year	1,080,000	-
One to five years	1,826,129	-
More than five years	-	-
Total undiscounted lease liabilities at 31 March 2020	2,906,129	-

Lease liabilities included in the Statement of Financial position at 31 March 2020	2,650,648	-
Current	929,488	-
Non-Current	1,721,160	-

(c) *The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

17 DEFERRED TAX LIABILITIES/(ASSETS) (NET)

Deferred tax Liabilities :

Timing difference on account of depreciation	696,987	297,863
	696,987	297,863

Deferred Tax Assets :

Expenses allowable on payment basis under Tax Laws	-	30,766
Mat credit entitlement	-	136,222
Allowances for doubtful advances / deposits	645,823	237,175
Others	2,358	-
	648,181	404,163

Net Deferred Tax Liabilities/(Assets)	48,806	(106,300)
---------------------------------------	---------------	------------------

18 CURRENT BORROWINGS

Unsecured :

From Director	5,150,000	5,850,000
	5,150,000	5,850,000

19 TRADE PAYABLES

Outstanding dues to micro enterprises & small enterprises	-	75,600
Outstanding dues of creditors other than micro enterprises & small enterprises	104,975,349	6,413,598
	104,975,349	6,489,198

(Refer note No. 35 for additional information under the MSMED Act, 2006)

20 OTHER CURRENT FINANCIAL LIABILITIES

Lease Liabilities (Refer note No. 16)	929,488	-
	929,488	-

21 OTHER CURRENT LIABILITIES

Advances received from customers	51,367,190	36,203,049
Statutory Dues payable	312,967	135,656
Bank- As per books	-	1,551,535
Others	-	33,631,458
	51,680,157	71,521,699

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	2019-20	2018-19
22 <u>REVENUE FROM OPERATIONS</u>		
Sales of Products	481,299,567	110,874,840
Sales of Services	65,000	1,648,404
	481,364,567	112,523,244
22.1 <u>PARTICULARS OF SALE OF PRODUCTS</u>		
Engineering Goods	480,943,567	110,874,840
Others	356,000	-
	481,299,567	110,874,840
22.2 <u>PARTICULARS OF SALE OF SERVICES</u>		
Engineering Services	65,000	1,648,404
	65,000	1,648,404
23 <u>OTHER INCOME :</u>		
Interest Income :		
on Bank Fixed Deposits	704,849	191,161
on Others	1,223,656	2,902,455
on Unwinding	4,382	-
Foreign Exchange gains - (Net)	199,308	1,491,355
Sundry Balances W/off	-	138,392
Miscellaneous Income	540,000	4,375
	2,672,195	4,727,738
24 <u>PURCHASES OF STOCK-IN-TRADE</u>		
Engineering Goods	465,171,130	115,118,985
Textile Goods	-	50,547
Others	292,000	-
	465,463,130	115,118,985
25 <u>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</u>		
Opening Stock		
Stock-in-trade	55,230,111	40,337,886
Less : Closing Stock :		
Stock-in-trade	56,551,403	55,230,111
	(1,321,292)	(14,892,225)
26 <u>EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, Wages, Bonus etc.	4,133,192	3,184,366
Contribution to Provident Fund and other funds	45,264	26,514
Employees Welfare Expenses	99,720	34,466
	4,278,176	3,245,346

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	2019-20	2018-19
27 <u>FINANCE COSTS</u>		
Interest on lease liabilities	47,240	-
	47,240	-
28 <u>OTHER EXPENSES</u>		
Stores & Spares	-	167,304
Bank Charges	8,319	10,792
Clearing, Fowarding & Freight	283,000	20,116
Commission on sales	5,007,875	7,530,000
Security Service charges	231,000	264,000
Exhibition Expenses	-	118,399
Travelling & Conveyance	1,102,088	1,676,474
Telephone, Postage & Telegram	61,301	40,099
Electricity Charges	117,193	-
Sales Promotion & Advertisement	351,687	310,150
Insurance	44,732	74,146
Legal & Professional Charges	263,250	550,450
Rent	1,084,772	151,625
Rates & taxes	72,284	-
Repairs - Others	268,318	232,229
General Expenses	1,571,862	669,622
Sales-tax & Service-tax	-	1,711
Payment to Auditors :		
- As Auditor	200,500	170,000
Business Loss / Sundry Balance W/off	1,499,591	-
Allowance for doubtful advances/deposits	1,910,444	-
Preliminary Expenses written off	90,336	90,336
Demerger Expenses written off	252,884	252,882
	14,421,436	12,330,335

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	2019-20	2018-19
29 TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	133,866	259,614
Tax for prior year	-	25,490
Total income tax	133,866	285,104
(b) Deferred tax		
Decrease / (Increase) in deferred tax assets	(244,018)	(152,761)
(Decrease) / Increase in deferred tax liabilities	(399,124)	296,060
Total deferred tax expense/(benefit)	(643,142)	143,299
Total tax expense	(509,276)	428,403
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Profit before income tax expenses	367,867	1,349,347
Tax at the rate of 22.88% / 26%	84,168	350,830
Tax effect of expenses which are not deductible :	3,569	52,083
Tax effect on adjustment due to change in tax rates	(3,591)	-
Reversal of Mat Credits	136,222	-
Tax of prior year	-	25,490
Tax expense as per Income Tax	220,368	428,403

Note The Company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the year ended 31 March 2020 and re-measured its deferred tax assets and deferred tax liabilities on basis of the rates prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit and Loss.

30 Earnings per Share :- Basic and Diluted

a) Profit after tax	Rs.	147,499	920,943
b) Weighted Average Number of Equity shares outstanding	Nos.	3,227,433	3,227,433
c) The nominal value per Equity Share	Rs.	10	10
d) Earnings per Share -Basic & Diluted	Rs.	0.05	0.29

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Notes forming part of the Financial Statements

31 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at 31/03/2020		As at 31/03/2019	
	FVPL	Amortised cost	FVPL	Amortised cost
<u>Financial Assets</u>				
Trade receivables	-	98,334,644	-	39,631,285
Cash & Cash Equivalents	-	4,087,273	-	751,603
Other Bank Balances	-	18,211,638	-	-
Security Deposit	-	310,815	-	11,340
Advances to Others	-	2,050,000	-	-
Total Financial Assets	-	122,994,370	-	40,394,228
<u>Financial Liability</u>				
Borrowings	-	5,150,000	-	5,850,000
Trade payables	-	104,975,349	-	6,489,198
Lease Liability	-	2,650,648	-	-
Total Financial Liability	-	112,775,997	-	12,339,198

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Notes forming part of the Financial Statements

32. FAIR VALUE HIERARCHY

(i) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31.03.2020:

	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 at amortised cost</u>					
Trade Receivables	31-03-2020		98,334,644		98,334,644
Bank Balances	31-03-2020		3,095,952		3,095,952
Other Bank Balances	31-03-2020		18,211,638		18,211,638
Security Deposits	31-03-2020		310,815		310,815
Advances to Others	31-03-2020		2,050,000		2,050,000
<u>Financial Liabilities at amortised cost</u>					
Borrowings	31-03-2020		5,150,000		5,150,000
Trade payable	31-03-2020		104,975,349		104,975,349
Lease Liabilities	31-03-2020		2,650,648		2,650,648

(ii) 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 at amortised cost</u>					
Trade Receivables	31-03-2019		39,631,285		39,631,285
Bank Balances	31-03-2019		102,308		102,308
Security Deposits	31-03-2019		11,340		11,340
<u>Financial Liabilities at amortised cost</u>					
Borrowings	31-03-2019		5,850,000		5,850,000
Trade payable	31-03-2019		6,489,198		6,489,198

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. Fair value of mutual funds is determined based on the closing NAV.

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, security deposits included in level 3.

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Notes forming part of the Financial Statements

33 Financial Risk Management

The Company's activities expose it to market risk (including currency risk, interest rate risk and other price risk), liquidity risk, credit risk and other risks..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. The 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. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include borrowings, trade payables, trade receivables, loans and non-derivative financial instruments.

(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	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	Asset (Receivable)	Asset (Receivable)	Liability (Payable)	Liability (Payable)	Net Receivable/ (Payable)	Net Receivable/ (Payable)
US Dollar (USD)	610,742	389,485	-	-	610,742	389,485
Great Britain Pound (GBP)	2,313,608	2,241,846	-	-	2,313,608	2,241,846
Euro	1,085,038	4,138,873	-	-	1,085,038	4,138,873
Exposure to foreign currency risk	4,009,388	6,770,204	-	-	4,009,388	6,770,204

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, 2020	March 31, 2019
USD sensitivity		
INR/USD Increases by 5%	30,537	19,474
INR/USD Decreases by 5%	(30,537)	(19,474)
EURO sensitivity		
INR/EURO Increases by 5%	54,252	206,944
INR/EURO Decreases by 5%	(54,252)	(206,944)
GBP sensitivity		
INR/GBP Increases by 5%	115,680	112,092
INR/GBP Decreases by 5%	(115,680)	(112,092)

Holding all other variables constant.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest free borrowings and hence is not exposed to interest rate risk.

(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.

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.

	Not later than 1 year	Between 1 to 5 years	Later than 5 years	Total
31-Mar-20				
Non-derivatives				
Borrowings	5,150,000	-	-	5,150,000
Trade Payables	104,975,349	-	-	104,975,349
Lease Liabilities	929,488	1,721,160	-	2,650,648
	<u>111,054,837</u>	<u>1,721,160</u>	<u>-</u>	<u>112,775,997</u>
31-Mar-19				
Non-derivatives				
Borrowings	5,850,000	-	-	5,850,000
Trade Payables	6,489,198	-	-	6,489,198
	<u>12,339,198</u>	<u>-</u>	<u>-</u>	<u>12,339,198</u>

(D) **Risk due to outbreak of COVID 19 pandemic**

The outbreak of COVID 19 pandemic globally and in India has severely impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of nationwide lockdown. Most of the operations have resumed post lifting of lockdown. The Company has considered external and internal information in assessing the impact of COVID 19 on various elements of its financial statements, including recoverability of its assets as at the Balance Sheet date.

34 Capital management

For the purpose of the Company's capital management, equity includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder 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 below one 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 not sanctioned any major capex since inception. However, modernization, upgradation and continued marginal expansions have been to remain competitive and improve product quality through efficient machinery. There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Debt-to-equity ratio are as follows:

	31-03-2020	31-03-2019
Debt (A)	5,150,000	5,850,000
Equity (B)	51,162,086	51,014,588
Debt/Equity (A/B)	0.10	0.11

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35. 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 :-

	31-03-2020	31-3-2019
i) Principal amount remaining unpaid on	Nil	75,600
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

36. VALUE OF STORES& SPARES CONSUMED :

	<u>2019-20</u>		<u>2018-19</u>	
	<u>Rs.</u>	<u>%</u>	<u>Rs.</u>	<u>%</u>
Imported	0	0	0	0
Indigenous	0	0	1,67,304	100
	-----	-----	-----	-----
	0	0	1,67,304	100
	=====	=====	=====	=====

37. VALUE OF IMPORTS ON CIF BASIS

	<u>2019-20</u>	<u>2018-19</u>
	<u>(Rs.)</u>	<u>(Rs.)</u>
Engineering Goods	29,09,299	7,67,64,460
Textiles Goods	0	47,433

38. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Foreign Travelling	4,34,350	17,10,044
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39. **Employee Benefits:**

I Defined Benefits Plans

The Company has provided for bonus amounting to Rs. 2,00,343/- (Previous year Rs. 1,27,941/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit & Loss for the year.

II. Defined Contribution Plans

a) Employers' Contribution to Provident Fund/Pension Scheme

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

	2019-20 Rs.	2018-19 Rs.
- Employers' Contribution to Provident Fund/ Pension Scheme	37,692	19,692

40. **Lease**

Amounts recognized in the Statement of Profit & Loss

	2019-20 Rs.	2018-19 Rs.
(i) Rental expense for small value or short-term operating leases	8,40,000	1,51,625
(ii) Interest on Lease Liabilities	47,240	Nil
(iii) Depreciation on Right of Use Assets	3,03,336	Nil
(iv) Rental income from operating leases	5,40,000	4,375

41. **Segment Reporting**

The Company is primarily engaged in the business of trading in engineering goods and related items, which as per Indian Accounting Standard-108 on 'Operating Segments' is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

42. **Disclosure of Related parties as per the requirement Ind AS 24**

a) Companies / Enterprises in which Key Management Personnel having significant influence and with whom transactions have taken place during the year and/or where balances exist:

i) Chandni Textiles Engineering Industries Limited

b) **Key Management Personnel:**

i) Mr. Jayesh R. Mehta - Managing Director

ii) Mrs. Amita J. Mehta - Director

- iii) Mr. Bharat K. Shah – Director and Chief Financial Officer
iv) Ms. Ekta Kheria – Company Secretary & Compliance Officer (till 14-12-2019)

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

<u>Nature of Transactions</u>	<u>Key-management Personnel</u>		<u>Companies/Enterprises in which Key Management personnel have significant influence</u>	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
<u>Sale of goods</u>				
Chandni Textile Engineering Industries Ltd.	-	-	54,600	33,06,360
<u>Sale of Services</u>				
Chandni Textile Engineering Industries Ltd.			50,000	-
<u>Purchases</u>				
Chandni Textile Engineering Industries Ltd.	-	-	-	72,03,900
<u>Rent / Compensation Paid</u>				
Chandni Textile Engineering Industries Ltd.	-	-	8,40,000	1,51,625
<u>Rent Received</u>				
Chandni Textile Engineering Industries Ltd.			5,40,000	4,375
<u>Director Remuneration</u>				
Mr.J.R.Mehta	5,40,000	5,39,500		
<u>Directors Sitting Fees</u>				
Mrs. Amita J. Mehta	20,000	-		
<u>Salary & Bonus</u>				
Ms. Ekta Kheria	2,09,651	1,58,411		
<u>Unsecured Loans taken</u>				
Mr. J.R Mehta	Nil	58,50,000		
<u>Unsecured Loans repaid</u>				
Mr. J.R Mehta	7,00,000	Nil		
<u>Outstanding at the year end:-</u>				
<u>i. Trade Payable</u>				
Mr.J.R.Mehta	4,17,832	33,889		
Chandni Textile Engineering Industries Ltd.			53,342	Nil

ii. Other Payable				
Chandni Textile Engineering Industries Ltd.			Nil	3,36,31,458
ii. Trade Receivable				
Chandni Textile Engineering Industries Ltd.	-	-	-	-
iii. Unsecured Loan				
Mr. J.R. Mehta	51,50,000	58,50,000		

43. Contingent liability
(a) Claims against the Company not acknowledged as debts represent suits filed by parties and disputed by the Company Rs.22,58,385/- (Previous Year Rs.22,58,385/-)

44. The outbreak of coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has assessed the impact of COVID-19 on all aspects of its business. The management has considered internal and external sources of information up to the date of approval of these standalone financial statements and exercised due care, in concluding on significant accounting judgements and estimates, in assessing the recoverability of receivables, inventories, impairment of assets, liquidity, financial position and operations of the Company, while preparing the financial statements as of and for the year ended 31 March 2020.

Considering the uncertainties involved in estimating the impact of COVID-19 pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes to future economic conditions which are subject to uncertainties that COVID-19 pandemic might pose on economic recovery.

45. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them comparable with the current period's figures.

As per our report of even date
For Ambavat Jain & Associates LLP.
Chartered Accountants
ICAI FRN No: 109681W

On Behalf of the Board

Ashish J.Jain
Partner
Membership No. 111829

J.R. Mehta A.J. Mehta
Managing Director Director

PLACE: MUMBAI
DATE:31-07-2020

Bharat K. Shah
Chief Financial Officer

