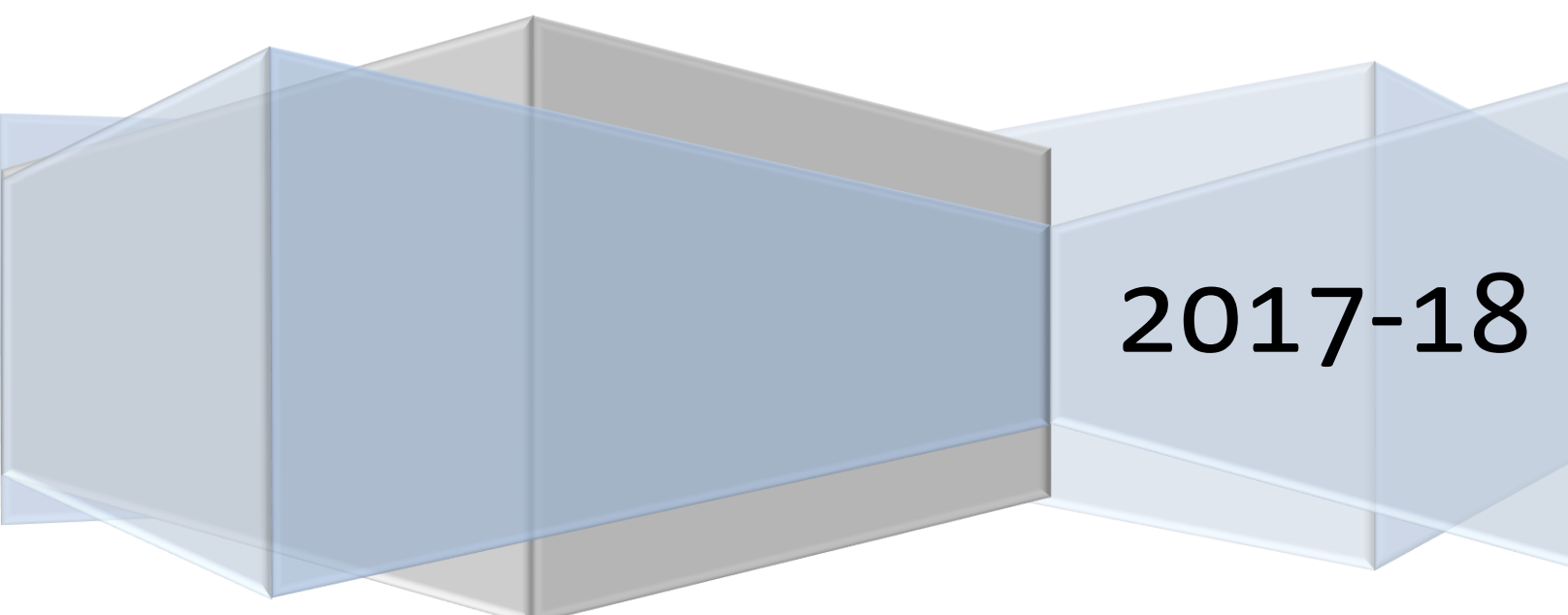


# CHANDNI MACHINES LIMITED

## ANNUAL REPORT



2017-18

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# Chandni Machines Limited

Regd. Office: 110.T.V.Industrial Estate, 52 S. K. AhireMarg, Worli, Mumbai – 400 030.India

TeleFaxNo :022-24950328 Email :- [jrgroup@jrmehta.com](mailto:jrgroup@jrmehta.com), [sales@cteil.com](mailto:sales@cteil.com)

**CIN : U74999MH2016PLC279940**

## **NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 2<sup>ND</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF CHANDNI MACHINES LIMITED (FORMERLY KNOWN AS CHANDNI MACHINES PRIVATE LIMITED) WILL BE HELD ON SHORTER NOTICE ON SATURDAY, 18<sup>TH</sup> OF AUGUST, 2018 AT THE REGISTERED OFFICE OF THE COMPANY AT 03.00 P.M. AT 110, T.V. INDUSTRIAL ESTATE, 52, S.K.AHIRE MARG, WORLI, MUMBAI – 400030, MAHARASHTRA, INDIA.**

### **AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31<sup>st</sup>, 2018 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

**By Order of the Board of Directors**

**For Chandni Machines Limited  
(formerly known as Chandni Machines Private Limited)**

**Sd/-**

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

**Date: 16.08.2018**

**Place: Mumbai**

# Chandni Machines Limited

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## Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
3. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Route-map to the venue of the Meeting is provided at the end of the Notice.

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## **Annexure to the Notice of 2<sup>nd</sup> Annual General Meeting:**

### **Details of Mrs.AmitaJayesh Mehta, Director seeking re-appointment as set out in Item No. 2 of this Notice as per clause 1.2.5 of Secretarial Standards - II :**

<b>Name</b>	<b>Mrs. Amita Jayesh Mehta</b>
<b>Date of Birth</b>	01.11.1963
<b>Qualification</b>	Commerce Graduate
<b>Nationality</b>	Indian
<b>Experience</b>	Mrs. Amita J Mehta deals with the sourcing of materials.
<b>Terms and Conditions of appointment or re-appointment along with the details of remuneration sought to be paid</b>	Eligible for retire by rotation and re-appointment thereof, no remuneration is proposed to be paid
<b>Date of first appointment on the Board</b>	12/04/2016
<b>Designation</b>	Non-Executive Director
<b>DIN</b>	00193075
<b>Shareholding in the Company</b>	NIL
<b>Relationship with other Directors, Managers and other Key Managerial Persons of the Company</b>	Wife of Mr. Jayesh Ramniklal Mehta, Director of The Company
<b>The number of meetings of the Board attended during the year</b>	Mrs. Amita J Mehta attended all the 5 Board Meetings conducted during the year.
<b>Directorship in other Companies</b>	1. Chandni Textiles Engineering Industries Limited 2. J.R. Texmachtrade Private Limited 3. Kareshma Dentals Private Limited
<b>Member of Committees in other public limited companies</b>	NIL
<b>Membership/Chairmanship of Committees of the other Board</b>	NIL

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## PROXY FORM

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

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

I/We, being the member(s) of \_\_\_\_\_ No. Of Equity shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her;
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her;
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/ her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual general meeting of the company, to be held on the Saturday, 18th day of August, 2018 at 03:00 P.M. at 110, T.V. INDUSTRIAL ESTATE, 52, S.K.AHIRE MARG, WORLI, MUMBAI – 400030, MAHARASHTRA and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars of Resolution	For	Against
1.	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2018 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 _____ :		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2018

Signature of shareholder

Signature of Proxy holder(s)

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

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

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**CIN : U74999MH2016PLC279940**

## **ATTENDANCE SLIP**

### **2<sup>ND</sup> ANNUAL GENERAL MEETING ON 18<sup>TH</sup> AUGUST, 2018**

Folio No. / DP ID Client ID No.	
Name of First named Member/Proxy/ Authorised Representative	
Name of Joint Member(s), if any:	
No. of Shares held	
Signature of Shareholder/ Proxy/ Authorized Representative	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the 2<sup>ND</sup> Annual General Meeting of the Company being held on Saturday, 18<sup>th</sup> day of August, 2018 at 03:00 p.m. at 110, T.V. Industrial Estate, 52, S.K. AhireMarg, Worli, Mumbai – 400030, Maharashtra.

#### **Note(s):**

- 1. Only Member/Proxy holder can attend the Meeting**
- 2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.**
- 3. A Member/Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.**

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**CIN : U74999MH2016PLC279940**

## **ROUTE MAP TO REACH THE VENUE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING**

**VENUE OF THE AGM: 110, T.V. INDUSTRIAL ESTATE, 52, S.K.AHIRE MARG, WORLI, MUMBAI – 400030, MAHARASHTRA.**





# Chandni Machines Limited

(FORMERLY KNOWN AS CHANDNI MACHINES PRIVATE LIMITED)

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**CIN :U74999MH2016PLC279940**

## DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 2<sup>nd</sup> Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended on 31<sup>st</sup> March, 2018.

### 1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY

Financial performance of your Company for the financial year ended 31<sup>st</sup> March, 2018 is summarized below:

(In Rs.)

Particulars	Standalone	
	March 31, 2018	March 31, 2017
Revenue from Operations	19,74,87,177	NIL
Other Income	11,14,841	NIL
<b>Total Revenue</b>	<b>19,86,02,018</b>	<b>NIL</b>
<b>Profit before Depreciation, Interest and Tax (PBDIT)</b>	<b>1,11,04,779</b>	<b>NIL</b>
Less: Depreciation	(12,932)	NIL
Less: Finance Cost	(77,290)	NIL
<b>Profit Before Tax</b>	<b>1,10,14,557</b>	<b>NIL</b>
Provision for Tax :		
Current Tax	(30,50,000)	NIL
Deferred tax	2,49,600	NIL
<b>Profit/(Loss) After Tax</b>	<b>82,14,157</b>	<b>NIL</b>
<b>Add: Profit of Demerged undertaking from 01/07/2016 i.e. Appointed Date to 31/03/2017 transferred from CTEIL in pursuance to scheme of demerger</b>	55,02,216	NIL
<b>Balance carried to Balance sheet</b>	<b>1,37,16,373</b>	<b>NIL</b>

### 2. REVIEW OF OPERATIONS

During the year under review, the revenue of the company increased to Rs. 19,86,02,018/- as compared to previous year. The Profit before Tax has increased to Rs.1,10,14,557/- and Net Profit of the Company increased to Rs. 82,14,157/- as compared to previous year respectively.

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**CIN :U74999MH2016PLC279940**

### 3. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (Ind AS)

The Financial Statmeent for the year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

### 4. DIVIDENDS

Your Directors do not recommend any dividend for the Financial Year 2017-2018.

### 5. CONVERSION OF PRIVATE LIMITED COMPANY INTO PUBLIC LIMITED COMPANY

During the year under review and pursuant to the order received by Hon'ble National Company Law Tribunal (NCLT), Mumbai bench order dated 04th January, 2018, Chandni Machines Private Limited (CMPL) (hereinafter known as the "Company") has to list its Equity Shares on Bombay Stock Exchange Limited and therefore, it is necessary to get the company converted into Public Limited Company. The Company received its Certificate of Incorporation upon Conversion of Private Limited Company into Public Limited Company on 26th day of July, 2018.

### 6. SCHEME OF ARRANGEMENT -DEMERGER

The Board of Directors of the company, at their meeting held on 11th day of August, 2016 approved the Scheme of Arrangement, for the Demerger of Engineering Division of CTEIL ("Demerged Company") in the favour of CMPL ("Resulting Company"). Further, the National Company Law Tribunal (NCLT), Mumbai Bench directed that the meeting of the Equity Shareholders be convened to approve the Scheme of Arrangement. As per the directions received from NCLT, the meeting of Equity Shareholders was held and convened on 21st day of August, 2017 to approve the said Scheme of Arrangement.

Pursuant to the Scheme of Arrangement between Chandni Textiles Engineering Industries Limited (CTEIL) ("**Demerged Company**") and Chandni Machines Private Limited (CPML) ("**Resulting Company**") and their respective shareholders and creditors under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 and other applicable provisions if any of the Companies Act, 2013 ("the Scheme") as sanctioned by the Hon'ble National Company Law Tribunal (**NCLT**) bench at Mumbai on 04th day of January, 2018, the Demerged Undertaking i.e the Engineering Division of CTEIL ("Demerged Company") has been transferred and vested in the Resulting company (CPML) as a going concern basis with effect from 01st day of July, 2016 i.e. the Appointed date under the scheme. Further, Chandni Machines Private Limited on 24<sup>th</sup> day of January, 2018 filed the certified copy of the order ('Scheme of Arrangement') in e-form INC-28 vide SRN No. G74490277 being the effective date for the Scheme of Arrangement.

In the accounts of the Company for the Financial Year 2017-2018 accounting effect has been given for the demerger. All the assets and liabilities pursuant to the Scheme of Arrangement have been transferred to the Resulting Company i.e. Chandni Machines Limited (CML) at their respective book values on the appointed date.

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**CIN :U74999MH2016PLC279940**

## 7. ALLOTMENT OF SHARES

Pursuant to the Scheme of Arrangement between CTEIL (“Demerged Company”) and CMPL (“Resulting Company”) as approved by the Hon’ble NCLT, Mumbai bench, CMPL will issue and allot 1 (one) fully paid up Equity share of Rs.10/- each to the shareholders of CTEIL (“Demerged Company”) for every 5 (Five) fully paid up Equity shares of Rs. 10/- each held by the shareholders as on record date as fixed by Demerged Company.

The existing Equity Shares Capital for an amount of Rs. 1, 00, 000/- divided into 10,000 Equity Shares of Rs. 10/- each will be cancelled and shareholders holding 10,000 Equity Shares in the Resulting Company will not be issued and allotted any new shares upon such cancellation. After allotment of the Equity Shares, Chandni Machines Limited will cease to be the wholly – owned subsidiary company of Chandni Textiles Engineering Industries Limited (“Demerged Company”).

## 8. MATERIAL CHANGES AND COMMITMENTS

Chandni Machines Private Limited (Resulting Company) was 100% wholly owned subsidiary company of Chandni Textiles Engineering Industries Limited (Demerged Company).Pursuant to the certified copy of order as received by Hon’ble National Company Law Tribunal relating to the Scheme of Arrangement (Demerger), the business and activities as carried on by Engineering Division of Demerged Company will be transferred into Resulting Company.

## 9. INCREASE IN THE AUTHORISED SHARE CAPITAL

During the year under review and pursuant to section 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 the company increased its authorized Share Capital from Rs. 3,00,00,000 /- (Rupees Three Crore only) divided into 30,00,000 (Thirty lakhs) Equity shares of Rs. 10/- (Rupees ten) each to Rs. 3,25,00,000 /- (Rupees Three Crore Twenty Five lakhs only) divided into 32,50,000 (Thirty Two lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees ten) each by creation of additional Rs. 25,00,000/- (Rupees Twenty Five lakhs) divided into 2,50,000 (Two lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees ten) each ranking pari-passu in all respect in Extra-Ordinary General Meeting held on shorter notice with the consent of all the shareholders of the company on 21<sup>st</sup> day of February, 2018.

## 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the company, Mrs. Amita Jayesh Mehta, Director retires by rotation at the ensuing Annual General Meeting and become eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment.

Mr. Bharat Keshavlal Shah was appointed as an Additional Director in the company in their Board Meeting held on 07<sup>th</sup> day of February, 2018. Later on, he was regularized as an Executive Director of the company with the shareholder’s approval in the Extra-Ordinary General Meeting of the Company held on 21<sup>st</sup>day of February, 2018.

# Chandni Machines Limited

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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.

## 11. BOARD MEETINGS

**Number of meetings of the Board of Directors:** During the year under review, five Board meetings were conducted. The details of which as mentioned below:

Date of Meeting	No. of Directors Present
30.05.2017	2
14.08.2017	2
01.11.2017	2
24.01.2018	2
07.02.2018	2

## 12. 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:

- that in the preparation of the annual financial statements for the financial year ended 31<sup>st</sup> March, 2018; the applicable **accounting standards** had been followed along with proper explanation relating to material departures;
- 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 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended on that date;
- 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;
- that the **annual financial statements** for the financial year ended 31<sup>st</sup> March, 2018 have been prepared on a going concern basis; and
- that the **proper systems** to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 13. DEPOSITS

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 as on 31<sup>st</sup> March, 2018.

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**CIN :U74999MH2016PLC279940**

## 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with Related Parties as defined under the Companies Act, 2013, were in the ordinary course of business and on an arm's length basis. 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 – A** of this Report.

Disclosure of transactions with related parties as required under the applicable Accounting Standards has been made in the Notes forming part of the Financial Statements.

## 16. 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. 2017-2018	F.Y. 2016-2017
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	3,04,38,443/-	NIL

## 17. 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.

## 18. AUDITOR AND AUDITOR'S REPORT

The present Auditors of the Company M/s. Ambavat Jain & Associates LLP, Chartered Accountants (Firm Registration No.109681W) were appointed for a term of 5 years, pursuant to the resolution passed by the members at the First Annual General Meeting held on 29<sup>th</sup> September, 2017.Pursuant to Section 139(1) of Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 and as per Section 40 of the Companies (Amendment) Act, 2017, relating to ratification of appointment of Auditors every year has been omitted. Accordingly, the term of office of present Auditors viz., M/s Ambavat Jain & Associates, LLP (Firm's Registration No.: 109681W) will be continued without ratification.

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There are no qualifications, reservations or adverse remarks made by the statutory auditors in their audit report for the financial year ending on 31<sup>st</sup> March, 2018.

## 19. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure B”.

## 20. NUMBER OF COMPLAINTS RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2017-2018.

## 21. ACKNOWLEDGEMENT

The Board expresses its deep sense of gratitude to its stakeholders, Shareholders, Bankers and other Business Constituents for their continued support to your company's performance and growth. The Board places on record its appreciation of the dedicated services and contributions made by its employees for the overall performance of the Company during the year under review.

**For & on behalf of the Board of Directors  
For Chandni Machines Limited**  
*(formerly known as Chandni Machines Private Limited)*

**Place: Mumbai  
Date: 16.08.2018**

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

# Chandni Machines Limited

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**CIN : U74999MH2016PLC279940**

## ANNEXURE-A

### 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 31<sup>st</sup> March, 2018, 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 – Holding Company.	Sale of Machinery	N.A.	`23,60,000 /-	N.A.
	Rent paid for premises in 1. Daman 2. Mumbai 3. Nashik	33 months starting from 15.01.2018 for each of the premises.	1. Total area of 1910 sq. mtrs. at a monthly rental of Rs. 5,500 /- (Daman) 2. Total area of 270 sq. ft. at a monthly rental of Rs. 2,500 /- (Mumbai) 3. Total area of 2500 sq. ft. at a monthly rental of Rs. 5,000 /- (Nashik)	

**For & on behalf of the Board of Directors  
For Chandni Machines limited  
(formerly known as Chandni Machines Private Limited)**

**Place: Mumbai  
Date: 16.08.2018**

**Sd/-  
Jayesh R Mehta  
DIN: 00193029  
Director**

# Chandni Machines Limited

(FORMERLY KNOWN AS CHANDNI MACHINES PRIVATE LIMITED)

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TeleFax No :022-24950328 Email :- [jrgroup@jrmehta.com](mailto:jrgroup@jrmehta.com), [sales@cteil.com](mailto:sales@cteil.com)

**CIN : U74999MH2016PLC279940**

## ANNEXURE-B

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

*[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:

<b>i.</b>	CIN	U74999MH2016PLC279940
<b>ii.</b>	Registration Date	12 <sup>th</sup> April, 2016
<b>iii.</b>	Name of the Company	Chandni Machines Limited (Formerly known as Chandni Machines Private Limited)
<b>iv.</b>	Category of the Company Sub-Category of the Company	Public Limited Company Indian Non- Government Company
<b>v.</b>	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: <a href="mailto:jrgroup@jrmehta.com">jrgroup@jrmehta.com</a>
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	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: <a href="mailto:busicomp@gmail.com">busicomp@gmail.com</a> Website: <a href="http://www.purvashare.com">www.purvashare.com</a>



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## 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

## 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	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	-	1	1	0.01	-	1	1	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	9999	9999	99.99	-	9999	9999	99.99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1):</b>	-	10000	10000	100	-	10000	10000	100	-
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-

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g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A) = (A)(1) + (A)(2)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
(i) Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-

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c) Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-	<b>10000</b>	<b>10000</b>	<b>100</b>	-

## 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	
1.	Jayesh Ramniklal Mehta	1	0.01	-	1	0.01	-	-
2.	Chandni Textiles Engineering Industries Limited	9999	99.99	-	9999	99.99	-	-
	<b>Total</b>	<b>10000</b>	<b>100</b>	<b>0.00</b>	<b>10000</b>	<b>100</b>	<b>0.00</b>	-

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Jayesh Ramniklal Mehta</b>				
	At the beginning of the year	1	0.01	1	0.01
	Changes During the Year	-	0.00	-	0.00
	At the End of the year	1	0.01	1	0.01
<b>2.</b>	<b>Chandni Textiles Engineering Industries limited</b>				
	At the beginning of the year	9999	99.99	9999	99.99
	Changes During the Year	-	0.00	-	0.00
	At the End of the year	9999	99.99	9999	99.99

### iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S.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
	At the beginning of the year	NIL	0.00	NIL	0.00
	Changes During the Year	NIL	0.00	NIL	0.00
	At the End of the year	NIL	0.00	NIL	0.00

### v. Shareholding of Directors and Key Managerial Personnel:

S.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
<b>1.</b>	<b>Jayesh Ramniklal Mehta- Executive Director</b>				
	At the beginning of the year	1	0.01	1	0.01
	Changes During the Year	-	0.00	-	0.00
	At the End of the year	1	0.01	1	0.01

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<b>2.</b>	<b>Amita Jayesh Mehta – Non-Executive Director</b>				
	At the beginning of the year	-	0.00	-	0.00
	Changes During the Year	-	0.00	-	0.00
	At the End of the year	-	0.00	-	0.00
<b>3.</b>	<b>Bharat Keshavlal Shah-Executive Director</b>				
	At the beginning of the year	-	0.00	-	0.00
	Changes During the Year	-	0.00	-	0.00
	At the End of the year	-	0.00	-	0.00

## V. INDEBTEDNESS

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

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

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**CIN : U74999MH2016PLC279940**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name Of MD / WTD / Manager	Total Amount (Rs.)
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(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
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit- others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>NIL</b>	<b>NIL</b>

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name Of Directors	Total Amount
1.	<u>Independent Directors</u>		
	· Fee for attending board committee meetings	NIL	NIL
	· Commission	NIL	NIL

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	· Others, please specify	NIL	NIL
	<b>Total (1)</b>	NIL	NIL
<b>2.</b>	<u>Other Non-Executive Directors</u>		
	· Fee for attending board committee meetings	NIL	NIL
	· Commission	NIL	NIL
	· Others, please specify	NIL	NIL
	<b>Total (2)</b>	NIL	NIL
	<b>Total (B)=(1+2)</b>	NIL	NIL

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

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

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## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers In Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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  
Director

Date: 16.08.2018

Place: Mumbai



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Chandni Machines Limited (Formerly known as Chandni Machines Private Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the Standalone Ind AS Financial Statements**

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

**Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the

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Tel: +91 22 43153000 Fax: +91 22 43153015



accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the another auditor and on which they have expressed unmodified opinions in their report for the year March 31, 2017 dated 14-08-2017.

Our opinion is not qualified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's 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.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 37 to the standalone Ind AS financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - There has been no amount required to be transferred to the Investor Education and Protection Fund by the company.

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

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



**Place: Mumbai**  
**Date: 16 August 2018**

**CHANDNI MACHINES LIMITED**  
**(Formerly known as Chandni Machines Private Limited)**

**Annexure - A to the Auditors' Report**

*(Referred to in paragraph 1 under 'Report on other Legal & Regulatory Requirments' 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) As informed to us, the company did not hold any immovabe property during the year.
- [ii] As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- [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 investments or provided guarantee or security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. 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, goods & service tax which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not obtained any loans or borrowings from any bank, financial institutions, government or debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable.

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Regd. Office: 40, Morarji Velji Bldg, 1<sup>st</sup> flr, 9/15, Dr. M.B. Velkar Street, Kalbadevi, Mumbai - 400002.  
Tel: +91 22 43153000 Fax: +91 22 43153015



- [ix] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- [x] According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
- [xi] According to the information and explanations give to us, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- [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**  
**Firm Registration No.: 109681W**

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



**Place: Mumbai**  
**Date: 16 August 2018**

**CHANDNI MACHINES LIMITED**  
**(Formerly known as Chandni Machines Private Limited)**

**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 (Formerly known as Chandni Machines Private Limited) ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

Registered with Limited Liability under The Limited Liability Partnership Act, 2008 with Registration No. AAA - 7120

5B, Ground Floor, Onlooker Building, 14, Sir. P. M. Road, Fort, Mumbai - 400001. India  
Regd. Office: 40, Morarji Velji Bldg, 1<sup>st</sup> flr, 9/15, Dr. M.B. Velkar Street, Kalbadevi, Mumbai - 400002.

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### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

Considering the size of the company and nature of its business, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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**  
**Firm Registration No.: 109681W**

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



**Place: Mumbai**  
**Date: 16 August 2018**

**CHANDNI MACHINES LIMITED**  
(Formerly knowns as Chandni Machines Private Ltd)  
**Balance Sheet as at 31st March, 2018**

	Particulars	Note No.	AS AT 31-03-18 Rs.	AS AT 31-03-17 Rs.
<b>I</b>	<b>ASSETS</b>			
(1)	<b>NON-CURRENT ASSETS</b>			
(a)	Property, Plant and Equipment	3	94,553	-
(b)	Financial Assets			
(i)	Other Financial Assets	4	-	-
(c)	Deferred tax assets (Net)	5	249,600	-
(d)	Other non-current assets	6	585,355	456,682
(2)	<b>CURRENT ASSETS</b>			
(a)	Inventories	7	40,400,886	-
(b)	Financial Assets			
(i)	Trade receivables	8	60,030,401	-
(ii)	Cash and cash equivalents	9	10,515,192	100,000
(iii)	Other financial assets	10	8,550	-
(c)	Other current assets	11	12,669,188	-
	<b>Total Assets</b>		<b>124,553,726</b>	<b>556,682</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
(a)	Equity Share capital	12	32,274,526	100,000
(b)	Other Equity	13	17,819,118	-
(2)	<b>LIABILITIES</b>			
	<b>CURRENT LIABILITIES</b>			
(a)	Financial Liabilities			
(i)	Trade payables	14	30,425,418	5,000
(b)	Other Current Liabilities	15	41,583,664	451,682
(c)	Current tax liabilities	16	2,451,000	-
	<b>Total Equity and Liabilities</b>		<b>124,553,726</b>	<b>556,682</b>

**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

Ashish J. Jain  
Partner  
Membership No. 111829

Place :MUMBAI  
Date : 16-08-2018



J.R. Mehta  
Director

A.J. Mehta  
Director





**CHANDNI MACHINES LIMITED**

(Formerly knowns as Chandni Machines Private Ltd)

**Statement of Profit and Loss for the year ended 31st March, 2018**

Particulars		Note No.	2017-18 Rs.	2016-17 Rs.
<b>Income</b>				
I	Revenue From Operation	17	197,487,177	-
II	Other Income	18	1,114,841	-
III	<b>Total Income (I + II)</b>		<b>198,602,018</b>	-
<b>Expenses</b>				
IV	a) Purchases of Stock-in-Trade	19	189,604,496	-
	b) Change in inventories of Stock-in-Trade	20	(8,626,078)	-
	c) Employee benefits expense	21	2,100,766	-
	d) Finance costs	22	77,290	-
	e) Depreciation	1	12,932	-
	f) Other expenses	23	4,418,055	-
	<b>Total Expenses (IV)</b>		<b>187,587,461</b>	-
V	<b>Profit before tax (III - IV)</b>		<b>11,014,557</b>	-
VI	<b>Tax expenses :</b>	24		
	(i) Current tax		3,050,000	-
	(ii) Deferred tax		(249,600)	-
			<b>2,800,400</b>	-
VII	<b>Profit for the year (V - VI)</b>		<b>8,214,157</b>	-
VIII	<b>Other Comprehensive Income</b>		-	-
IX	<b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>8,214,157</b>	-
X	<b>Earnings per equity share</b>	25		
	(a) Basic		13.88	-
	(b) Diluted		13.88	-

**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

Ashish J. Jain  
Partner  
Membership No. 111829



On behalf of the Board

J.R. Mehta  
Director

A.J. Mehta  
Director



Place :MUMBAI  
Date : 16-08-2018

**CHANDNI MACHINES LIMITED**  
(Formerly knowns as Chandni Machines Private Ltd)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	2017-18	2016-17
	Rupees	Rupees
<b>Cash flow from operating activities</b>		
<b>Profit before Tax</b>	<b>11,014,557</b>	-
Adjustment for :		
Depreciation and Amortisation Expense	12,932	-
Preoperative Expenses written off	5,000	-
Preliminary Expenses W/off	90,336	-
Demerger Expenses Writtenoff	25,161	-
Interest Expense	77,290	-
<b>Cash operaing profit before working capital changes</b>	<b>11,225,277</b>	-
Adjustment for :		
(Increase)/Decrease in trade receivables	(60,030,401)	-
(Increase)/Decrease in Inventories	(40,400,886)	-
(Increase)/Decrease in Other Financial Assets	(8,550)	-
(Increase)/Decrease in Other Current Assets	(12,669,188)	-
(Increase)/Decrease in Other non-current assts	(123,365)	-
Increase/(Decrease) in trade payables	30,420,418	5,000
Increase/(Decrease) in Other non -current Lialities	41,131,982	-
Increase/(Decrease) in Other current Lialities	-	451,682
<b>Cash generated from operating activities</b>	<b>(30,454,713)</b>	<b>456,682</b>
<b>Income tax paid (net of refund)</b>	<b>(599,000)</b>	-
<b>Net Cash generated from operating activities</b>	<b>(31,053,713)</b>	<b>456,682</b>
<b>Cash flow from Investing activities</b>		
Purchase of Property, Plant and Equipments	(107,485)	-
Payment for Demerger Expenses	(125,806)	-
Payment for Preliminary Expenses/Preoperative expenses	-	(456,682)
<b>Net cash generated/(used) from investing activities</b>	<b>(233,291)</b>	<b>(456,682)</b>



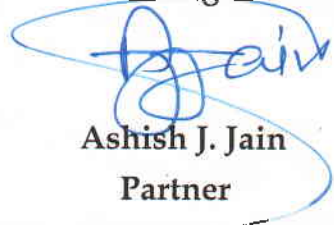
<b>Cash flow from Financing activities</b>		
Issue of Equity Share Capital	-	100,000
Interest paid	(77,290)	-
<b>Net cash generated/(used) from financing activities</b>	<b>(77,290)</b>	<b>100,000</b>
<b>Net cash inflow on account of Demerger of Engineering</b>		
	<b>41,779,486</b>	<b>-</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>10,415,192</b>	<b>100,000</b>
<b>Cash and cash equivalents at the beginning of the year</b>		
	100,000	-
<b>Cash and cash equivalents at end of the year</b>	<b>10,515,192</b>	<b>100,000</b>

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



On behalf of the Board



J.R. Mehta  
Director



A.J. Mehta  
Director



Place : MUMBAI

Date : 16-08-2018

**CHANDNI MACHINES LIMITED.**  
(Formerly knowns 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	B		
		Capital Reserve	Retained Earnings				
A					(A+B)		
As at 1 April 2016	-	-	-	-	-	-	
Equity Capital Raised during the year	100,000	-	-	-	-	100,000	
Total Comprehensive Income	-	-	-	-	-	-	
As at 31 March 2017	100,000	-	-	-	-	100,000	
Profit of demerged undertaking from 1-7-2016 i.e. appointed date to 31-3-2017 transferred from CTEIL in pursuance to scheme of demerger	-	-	5,502,216	-	5,502,216	5,502,216	
Equity shares cancelled in pursuance to scheme of demerger	(100,000)	-	-	-	-	(100,000)	
Equity share capital issued in pursuance to the scheme of demerger, pending allotment (Refer Note No. 24)	32,274,526	-	-	-	4,102,745	36,377,271	
Excess of assets taken over in pursuance to the scheme of demerger (Refer Note No. 24)	-	4,102,745	-	-	-	8,214,157	
Profit for the year	-	-	8,214,157	-	8,214,157	8,214,157	
Other Comprehensive income	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	8,214,157	-	8,214,157	8,214,157	
As at 31 March 2018	32,274,526	4,102,745	13,716,373	-	17,819,118	50,093,644	



## CHANDNI MACHINES LIMITED

(Formerly known as Chandni Machines Private Ltd.)

### NOTES ON THE FINANCIAL STATEMENTS

#### 1. GENERAL INFORMATION

Chandni Machines Pvt. Ltd. is a company limited by shares, incorporated and domiciled in India having its Registered Office at 110 T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030. The Company is primarily engaged in trading of engineering goods .

#### 2. Significant Accounting Policies

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

##### a) Basis of preparation

##### (i) Compliance with Ind AS

These Financial Statement have been prepared in accordance with the Companies (Indian Accounting Standards)Rules, 2015 as a going concern on an accrual basis.The Financial Statements up to year ended 31 March 2017 were prepared earlier in accordance with the AccountingStandards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first Financial Statements of the Company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards". Previous periods have been restated to comply with Ind AS requirements.

##### (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.

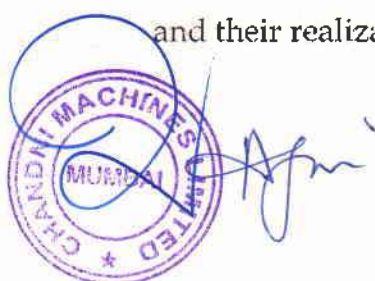
A liability is current when:

- 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**

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.

**Sale of goods**

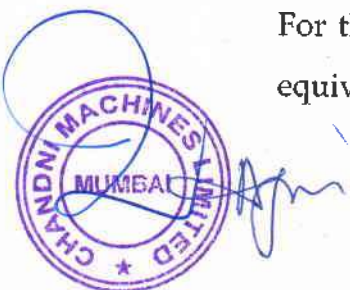
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**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.

***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.



## I) 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.

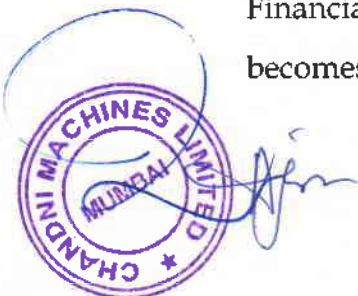
*Derecognition*

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*

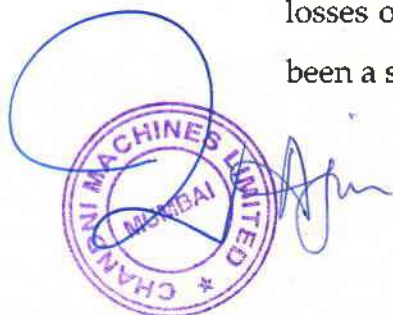
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through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



j) **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.

k) **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.

l) **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.

**m) 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.

**n) 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.

**o) 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.

**p) 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.**

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Notes forming part of the Financial Statements

**3 Property, Plant and Equipment**

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT			
	As at 01/04/2017	Additions/Transfer from CTEIL on demerger	Deductions/ Adjustments	As at 31/03/2018	Upto 31/03/2017	Transfer from CTEIL on demerger	For the year	Deductions/ Adjustments	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Furniture & Fixtures	-	11,250	-	11,250	-	-	391	-	391	10,859	-
Office Equipments	-	2,188	-	2,188	-	-	171	-	171	2,017	-
Vehicles	-	50,356	-	50,356	-	6,172	4,705	-	10,877	39,479	-
Air-Conditioners	-	23,500	-	23,500	-	9,631	2,553	-	12,186	11,314	-
Electrical Fittings	-	51,967	-	51,967	-	15,973	5,110	-	21,083	30,884	-
<b>Total</b>	-	<b>139,261</b>	-	<b>139,261</b>	-	<b>31,776</b>	<b>12,932</b>	-	<b>44,708</b>	<b>94,553</b>	-




**CHANDNI MACHINES LTD.**  
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Notes forming part of the Financial Statements

	AT AT 31-03-18	AT AT 31-03-17
<b>4 OTHER NON-CURRENT FINANCIAL ASSETS</b> (Unsecured considered good)		
Security Deposits at amortised costs	75,000	-
Less : Allowance for doubtful deposits	(75,000)	-
	<u>-</u>	<u>-</u>
<b>5 DEFERRED TAX ASSETS (NET)</b>		
<u>Deferred Tax Assets :</u>		
Expenses allowable on payment basis under Tax Laws	14,228	-
Allowances for doubtful advances / deposits	237,175	-
	<u>251,403</u>	<u>-</u>
<u>Deferred tax Liabilities :</u>		
Timing difference on account of depreciation	(1,803)	-
	<u>(1,803)</u>	<u>-</u>
Net Deferred Tax Assets	<u>249,600</u>	<u>-</u>
<b>6 OTHER NON-CURRENT ASSETS</b> (Unsecured considered good)		
Deposit with Government Authorities	123,365	-
Others	461,990	456,682
	<u>585,355</u>	<u>456,682</u>
<b>7 INVENTORIES</b> (As taken, valued and certified by the management)		
Stock-in-trade	40,337,886	-
Spares & Stores	63,000	-
	<u>40,400,886</u>	<u>-</u>
<b>8 TRADE RECEIVABLES</b>		
Unsecured, Considered Good	60,030,401	-
	<u>60,030,401</u>	<u>-</u>
<b>9 CASH &amp; CASH EQUIVALENTS</b>		
Balances with banks		
-in current accounts	10,247,134	-
Cash on hand	268,058	100,000
	<u>10,515,192</u>	<u>100,000</u>
<b>10 OTHER CURRENT FINANCIAL ASSETS</b> (Unsecured, considered good)		
Security Deposits at amortised cost	8,550	-
	<u>8,550</u>	<u>-</u>



# CHANDNI MACHINES LTD.

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Notes forming part of the Financial Statements

AT AT  
31-03-18

AT AT  
31-03-17

**11 OTHER CURRENT ASSETS :**

**Unsecured, Considered Good**

Balances with Govt. Authorities	2,258,868	-
Advances to vendors	10,232,436	-
Prepaid Expenses	177,884	-
	<b>12,669,188</b>	-

**Unsecured, Considered Doubtful**

Advances to vendors/others	837,211	-
Less :- Allowance for doubtful advances	837,211	-
	<b>12,669,188</b>	-

**12 EQUITY SHARE CAPITAL**

**12.1 AUTHORISED :**

32,50,000 (30,00,000) Equity Shares of Rs. 10/-each	32,500,000	30,000,000
	<b>32,500,000</b>	<b>30,000,000</b>

**12.2 ISSUED, SUBSCRIBED AND FULLY PAID**

10,000 (10,000) Equity Shares of Rs.10/- each	100,000	100,000
Less : Equity Shares cancelled in pursuance to scheme of demerger	(100,000)	-
Add : Equity shares issued in pursuance to scheme of demerger, pending allotment (Refer Note No.29)	32,274,526	-
	<b>32,274,526</b>	<b>100,000</b>

**12.3 The reconciliation of the number of shares outstanding is set out below :**

Equity Shares of Rs.10/- each at the beginning of the year / issued during the period	10,000	10,000
Equity Shares of Rs.10/- each at the end of the year	Pending Allotment	10,000

**12.4** 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.

**12.5** 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>
Chandni Textiles Engineering Industries Ltd	-	-	9,999	99%

**13 OTHER EQUITY**

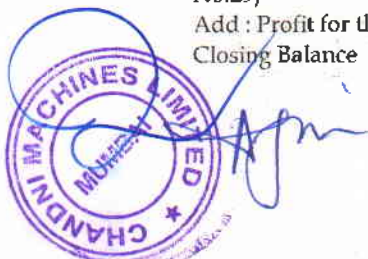
**Reserves & Surplus**

**a) Capital Reserve**

Opening Balance	-	-
Add : Excess of assets taken over in pursuance to the scheme of Demerger (Refer Note No. 29)	4,102,745	-
Closing Balance	<b>4,102,745</b>	-

**b) Retained Earnings**

Opening Balance	-	-
Add : Profit of demerged undertaking transferred in pursuance to the scheme of demerger (Refer to Note No.29)	5,502,216	-
Add : Profit for the year	8,214,157	-
Closing Balance	<b>13,716,373</b>	-
	<b>17,819,118</b>	-



**CHANDNI MACHINES LTD.**  
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Notes forming part of the Financial Statements

	AT AT 31-03-18	AT AT 31-03-17
<b>14 TRADE PAYABLES</b>		
Trade payables	30,425,418	5,000
	<u>30,425,418</u>	<u>5,000</u>
<b>15 OTHER CURRENT LIABILITIES</b>		
Advances received from customers	20,439,013	-
Statutory Dues payable	37,005	-
Others	21,107,646	451,682
	<u>41,583,664</u>	<u>451,682</u>
<b>16 CURRENT TAX LIABILITIES</b>		
for Income Tax	2,451,000	-
	<u>2,451,000</u>	<u>-</u>
	<u>2017-18</u>	<u>2016-17</u>
<b>17 REVENUE FROM OPERATIONS</b>		
Sales of Products	193,837,177	-
Sales of Services	3,650,000	-
	<u>197,487,177</u>	<u>-</u>
<b>17.1 PARTICULARS OF SALE OF PRODUCTS</b>		
Engineering Goods	193,837,177	-
	<u>193,837,177</u>	<u>-</u>
<b>17.2 PARTICULARS OF SALE OF SERVICES</b>		
Repairs Services	3,650,000	-
	<u>3,650,000</u>	<u>-</u>
<b>18 OTHER INCOME :</b>		
Foreign Exchange gains - (Net)	434,115	-
Miscellaneous Income	680,726	-
	<u>1,114,841</u>	<u>-</u>
<b>19 PURCHASES OF STOCK-IN-TRADE</b>		
Engineering Goods	189,604,496	-
	<u>189,604,496</u>	<u>-</u>
<b>20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE</b>		
Opening Stock (Transferred from CTEIL on demerger)		
Stock-in-trade	31,711,808	-
Less : Closing Stock :		
Stock-in-trade	40,337,886	-
	<u>(8,626,078)</u>	<u>-</u>



**CHANDNI MACHINES LTD.**  
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	2017-18	2016-17
<b>21 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus etc.	2,034,308	-
Contribution to Provident Fund and other funds	33,223	-
Employees Welfare Expenses	33,234	-
	2,100,766	-
<b>22 FINANCE COSTS</b>		
Interest Expenses	77,290	-
	77,290	-
<b>23 OTHER EXPENSES</b>		
Stores & Spares	18,104	-
Bank Charges	4,829	-
Clearing, Fowarding & Freight	274,856	-
Commission & Brokerage	81,783	-
Security Service charges	271,450	-
Travelling & Conveyance	365,176	-
Telephone, Postage & Telegram	125,424	-
Electricity Charges	24,355	-
Sampling, Sales Promotion & Advertisement	335,197	-
Insurance	95,973	-
Legal & Professional Charges	55,465	-
Rent	463,788	-
Rates & taxes	4,000	-
Repairs - Others	422,817	-
General Expenses	192,910	-
Sales-tax & Service-tax	69,893	-
Payment to Auditors :		
- As Auditor	1,00,000	-
- For Other matters	5,900	-
Baddebts / Sundry Balances Written off	473,424	-
Allowance for doubtful advances/deposits	912,211	-
Preliminary Expenses W/off	90,336	-
Demerger Expenses w/off	25,161	-
Preoperative Expenses W/off	5,000	-
	4,418,055	-



**CHANDNI MACHINES LTD.**  
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**Notes forming part of the Financial Statements**

	2017-18 Rs.	2016-17 Rs.
<b>24 TAX EXPENSE</b>		
(a) <b>Income tax</b>		
Tax on profits for the year	3,050,000	-
<b>Total income tax</b>	<u>3,050,000</u>	<u>-</u>
(b) <b>Deferred tax</b>		
Decrease / (Increase) in deferred tax assets	(251,403)	-
(Decrease) / Increase in deferred tax liabilities	1,803	-
<b>Total deferred tax expense/(benefit)</b>	<u>(249,600)</u>	<u>-</u>
<b>Total tax expense</b>	<u>2,800,400</u>	<u>-</u>
(c) <b>Reconciliation of tax expense and the accounting profit multiplied by tax rate :</b>		
<b>Profit before income tax expenses</b>	<u>11,014,557</u>	
<b>Tax at the rate of 27.5525%</b>	3,034,786	-
<b>Tax effect of expenses which are not deductible :</b>	1,378	-
<b>Tax effect on setoff of unused losses transferred on demerger</b>	(473,800)	-
<b>Tax effect on adjustment due to change in tax rates and interest</b>	238,036	-
<b>Tax expense as per Income Tax</b>	<u>2,800,400</u>	<u>-</u>
 <b>25 Earnings per Share :- Basic and Diluted</b>		
a) Profit after tax	Rs. 8,214,157	-
b) Weighted Average Number of Equity shares outstanding	Nos. 591,786	-
c) The nominal value per Equity Share	Rs. 10	-
d) Earnings per Share -Basic & Diluted	Rs. 13.88	-



**CHANDNI MACHINES LTD.**  
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Notes forming part of the Financial Statements

**26 FAIR VALUE MEASUREMENTS**

**Financial instruments by category**

	As at 31/03/2018		As at 31/03/2017	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial Assets</b>				
Trade receivables		60,030,401		-
Cash & Cash Equivalents		10,515,192		100,000
Security Deposit		8,550		-
<b>Total Financial Assets</b>	-	<b>70,554,143</b>	-	<b>100,000</b>
<b>Financial Liability</b>				
Trade payables		30,425,418		5,000
<b>Total Financial Liability</b>	-	<b>30,425,418</b>	-	<b>5,000</b>



**CHANDNI MACHINES LTD.**  
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**Notes forming part of the Financial Statements**

27. Fair value hierarchy

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

	Fair value measurement using				Total
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
<b>Financial Assets at amortised cost</b>					
Trade Receivables	31-03-18		60,030,401		60,030,401
Other Bank Balances	31-03-18		10,247,134		10,247,134
Security Deposits	31-03-18		8,550		8,550
<b>Financial Liabilities at amortised cost</b>					
Trade payable	31-03-18		30,425,418		30,425,418

(ii) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31.03.2017:

	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)	
Trade payable	31-03-17		5,000		5,000

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.





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

**28 Financial Risk Management**

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

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

(A) Market risk

(i) Foreign currency risk

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

Currency	Asset (Receivable)	Liability (Payable)	Net Receivable/ (Payable)
<u>31-03-18</u>			
US Dollar (USD)	1,086,746	1,353,432.00	(266,686)
Great Britain Pound (GBP)	2,257,614	-	2,257,614
Euro	1,614,981		1,614,981
AUD	4,661,095		4,661,095
Exposure to foreign currency risk	9,620,437	1,353,432.00	8,267,005

**Sensitivity**

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

	<u>Impact on profit Increase/(Decrease)</u>	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
<b>USD sensitivity</b>		
INR/USD Increases by 5%	(13,334)	-
INR/USD Decreases by 5%	13,334	-
<b>EURO sensitivity</b>		
INR/EURO Increases by 5%	80,749	-
INR/EURO Decreases by 5%	(80,749)	-
<b>GBP sensitivity</b>		
INR/GBP Increases by 5%	112,881	-
INR/GBP Decreases by 5%	(112,881)	-
<b>AUD sensitivity</b>		
INR/AUD Increases by 5%	233,055	-
INR/AUD Decreases by 5%	(233,055)	-

Holding all other variables constant.



(B) Credit risk

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

(C) Liquidity risk

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

(i) Maturities of Financial Liabilities

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

	Not later than 1 year	Between 1 to 5 years	Later than 5 years	Total
<b>31-Mar-18</b>				
<b>Non-derivatives</b>				
Trade Payables	30,425,418	-	-	30,425,418
	<u>30,425,418</u>	<u>-</u>	<u>-</u>	<u>30,425,418</u>
<b>31-Mar-17</b>				
<b>Non-derivatives</b>				
Trade Payables	5,000	-	-	5,000
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>



**CHANDNI MACHINES LIMITED.**

**(Formerly knowns as Chandni Machines Private Ltd.)**

29. Scheme of Arrangement ("Scheme") between Chandni Textiles Engineering Industries Limited (Demerged Company) and Chandni Machines Private Limited (Resulting Company) and their respective shareholders.

- (a) Pursuant to the Scheme of Arrangement under sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013 as sanctioned by the Hon'ble National Company law Tribunal bench at Mumbai on 21<sup>st</sup> January, 2018, the Demerged Undertaking i.e the Engineering Division of Chandni Textiles Engineering Industries Ltd has been transferred and vested in the Resulting Company as a going concern basis with effect from July 1, 2016 i.e. the appointed date under the scheme.
- (b) The Scheme of Arrangement became effective on 24<sup>th</sup> January, 2018, being the last date on which all the conditions and approvals referred to in the Scheme have been fulfilled/obtained and therefore, the effect of the Scheme was not considered in the financial statements of the company for the year ended 31<sup>st</sup> March, 2017. In terms of the Scheme, the business and transactions of demerged undertaking were carried on and held by the Demerged Company in trust for and on account of the Resulting Company from the appointed date till the Scheme became effective. Pursuant thereto, all assets and liabilities have been transferred from the Demerged Company to the Resulting Company at their respective book values on the appointed date and duly adjusted by subsequent transactions carried on in trust. Also, the profit or income accruing or expenditure or loss arising or incurred relating to the business of demerged undertaking from the appointed date are treated as the profit or income or expenditure or loss, as the case may be, of the Resulting Company. The Scheme has accordingly been given effect to in these accounts during the year.
- (c) In terms of the Scheme, the resulting company will issue equity shares in the ratio of 1:5 to the shareholders of the demerged company.
- (d) As per the Scheme, the difference between nominal value of shares issued to the shareholders of Demerged Company and the assets and liabilities of demerged undertaking taken over has been transferred to the Capital Reserve.
- (e) The resulting company is a wholly owned subsidiary of the demerged company and upon coming into effect of this scheme, the entire issued, subscribed and paid-up share capital of Rs.1,00,000/- has been cancelled and fresh capital of Rs.3,22,74,526/- is issued to the shareholders of the demerged company which is pending for allotment.
- (f) The profits pertaining to the demerged undertaking from the appointed date till 31<sup>st</sup> March, 2017 has been credited to retained earnings of the resulting company during the year.



30. The details of amount outstanding to Micro, Small and Medium Enterprises based on the information available with the Company are given below :-

	31-3-2018	31-3-2017
i) Principal amount remaining unpaid on	Nil	Nil
ii) Interest due thereon as on	Nil	Nil
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
v) Interest accrued and remaining unpaid as at	Nil	Nil
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

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

	<u>2017-18</u>		<u>2016-17</u>	
	<u>Rs.</u>	<u>%</u>	<u>Rs.</u>	<u>%</u>
Imported	Nil	0	Nil	0
Indigenous	18,104	100.00	Nil	0
	-----	-----	-----	-----
	<b>18,104</b>	<b>100.00</b>	<b>Nil</b>	<b>0</b>
	=====	=====	=====	=====

32. VALUE OF IMPORTS ON CIF BASIS

	<u>2017-18</u>	<u>2016-17</u>
	<u>(Rs.)</u>	<u>(Rs.)</u>
Engineering Goods	3,00,64,321	Nil

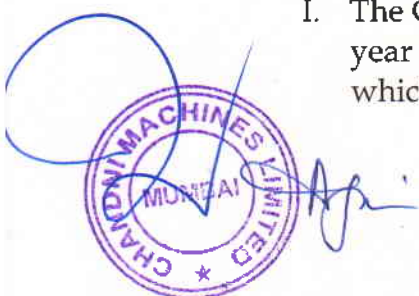
33. EXPENDITURE IN FOREIGN CURRENCY ( on accrual basis)

Foreign Travelling	3,74,122	Nil
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34. Disclosures as per Accounting Standards-15, "Employee Benefits" are given below :

(i) Short Term Employee Benefits

1. The Company has provided for bonus amounting to Rs. 54,720/- (Previous year Rs. Nil/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit & Loss for the year.



(ii) **Long Term Employee Benefits**

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

**I. 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 Profit and Loss Account -

	2017-18 Rs.	2016-17 Rs.
- Employers' Contribution to Provident Fund/ Pension Scheme	29,862	Nil

35. **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.

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

a) **List of parties where control exists/existed**

Holding Company / (Enterprises over which, individual having indirect significant)

i) Chandni Textiles Engineering Industries Limited

b) **Key Management Personnel :**

i) Jayesh R. Mehta - Director

ii) Amita J. Mehta - Director

Transactions	Key Management Personal	Holding Company/Others
	2017-18 (2016-17)	2017-18 (2016-17)
Sales	-	23,60,000
	-	-
Rent Paid	-	32,500
	-	-

Amount due to/(From)	Holding Company/Others	
	31.03.2018	31.03.2017
Trade Receivable	23,60,000	-
Trade Payable	16,225	-



37. Contingent liability and Commitments :  
(i) Contingent Liabilities  
(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. NIL)
38. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them comparable with the current year's figures.
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As per our report of even date  
For Ambavat Jain & Associates LLP.  
Chartered Accountants  
ICAI FRN No: 109681W

  
Ashish J. Jain  
Partner  
Membership No. 111829



On Behalf of the Board

  
J.R. Mehta  
Director

  
A.J. Mehta  
Director

PLACE : MUMBAI  
DATE : 16-08-2018

