
TWENTY SEVENTH

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R E P O R T

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Chandni Textiles Engineering Industries Ltd.

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

BOARD OF DIRECTORS

Mr. Jayesh R. Mehta
Mrs. Amita J. Mehta
Mr. R. C. Garg
Dr. Bharat Bhatia
Mr. V. G. Joshi

AUDITORS

Chandan Parmar & Co.
Chartered Accountants

BANKERS

Union Bank of India
HDFC Bank Ltd.

REGISTERED OFFICE

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

WORKS

22/1, Village - Ringanwada,
Daman - 396 210
(Union Territory)
Via Vapi (W.Rly)

REGISTRAR AND SHARE TRANSFER AGENTS PURVA SHAREGISTRY (INDIA) PVT LTD.

9, Shiv Shakti Industrial Estate, Ground Floor,
Sitaram Mill Compound,
J. R. Boricha Marg,
Lower Parel, Mumbai - 400 011
Tel.: 23016761, 23018261
Email : busicomp@vsnl.com

GREEN INITIATIVE

As you may be aware, the Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. Companies can send various notices and documents, including Annual Report, to its shareholders through electronic mode to their registered e-mail addresses. To support this green initiative of the Government in full measure, members are requested to register their email addresses at busicomp@vsnl.com, in respect of electronic holdings with the Depository through their concerned Depository Participants

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Chandni Textiles Engineering Industries Limited will be held at The Queenie Captain Auditorium C/o the NAB – Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 030 on Saturday the 28th day of **September, 2013** at 3.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.C. Garg, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and share transfer books of the Company shall remain closed from Tuesday, **the 24th September, 2013** to Saturday, **the 28th September, 2013** (both days inclusive).
3. **Directors**
Mr R.C.Garg is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.
The information to be provided for the retiring Director under the Corporate Governance Code of the Listing Agreement is given in the Corporate Governance Section of this Annual Report.
4. Members are requested to inform immediately any change in their address to the Company's Registrar and Share Transfer Agents M/s. Purva Sharegistry (India) Pvt. Ltd. at Shiv Shakti Industrial Estate, Unit No.9, 7-B, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai – 400 011.

Registered Office :

110, T.V. Industrial Estate,
52, S.K. Ahire Marg,
Worli, Mumbai - 400 030.
Dated : 14th August, 2013

By Order of the Board

J.R. Mehta
Chairman

Chandni Textiles Engineering Industries Ltd.

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DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report together with Audited Financial Statements for the year ended 31st March, 2013.

Performance Highlights :

(₹ in Lacs)

	2012-2013	2011-2012
Revenue from operations	1867.54	7336.57
Other Income	99.51	101.93
Total Revenue	1967.05	7438.50
Profit before depreciation, finance costs & tax	76.39	62.51
Less : Depreciation	14.07	14.06
Finance Costs	6.73	11.64
Profit before tax & exceptional items	55.59	36.81
Add :Exceptional items	(52.97)	30.11
Profit after tax & exceptional items	2.62	66.92
<u>Tax Expense</u>		
• Current tax	8.53	25.00
• Deferred tax	(9.69)	6.18
• Tax of earlier years	-	(0.81)
Profit after tax	3.78	36.54
Balance brought forward from previous year	7.85	(28.69)
Balance carried to balance sheet	11.63	7.85

Dividend

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

Operations Review

During the year under review ,the turnover of the Company has decreased from ₹ 7 3 3 6lac5 in the previous year to ₹ 1 8 6 7lac5 in the current year mainly due to the fall in turnover of textile products outsourced by the company due to lower margins .However ,the profits before tax have increased from ₹ 3 6 .lac5 in the previous year to ₹ 5 5 .lac5 in the current year .The Company has commenced production at the newly setup Velvet manufacturing plant in Ankleshwar in the month of May ,2 0 1 3

Insurance

The Company has made necessary arrangement for adequately insuring its insurable assets .

Conservation of Energy ,Technology Absorption Foreign Exchange Earning and Out Go :

A) Conservation of Energy :

- i) In spite of not being power intensive ,your Company enforces strict discipline in reducing power consumption even for its auxiliary services .
- ii) Idle running of machinery consuming high power is restricted to the loading and unloading cycles of the respective machines .

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B) Technology Absorption:

Your Company has not imported any technology for manufacture of machinery.

C) Foreign Exchange Earnings and out go :

(In ₹)

	FY 2012-13	FY 2011-12
Total Foreign Exchange outgo	2,56,73,626	3,01,37,143
Total Foreign Exchange earned (FOB)	9,21,659	9,26,389

Employee

There is no employee in receipt of the remuneration exceeding the limit prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

Directors

Mr. R.C. Garg, Director of the Company retires by rotation and is eligible for reappointment which your Directors recommend. Information pertaining to Mr. R. C. Garg is given in Corporate Governance Section which forms part of this annual report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that in the preparation of the Annual Accounts :

- The applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given ;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and its profit for that year;
- Proper and sufficient care has been taken for the 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 fraud and other irregularities;
- The accounts have been prepared on a going concern basis;

Corporate Governance

Our Company has complied with the applicable provisions of Corporate Governance as prescribed in the revised clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance is included as a part of the Annual Report alongwith certificate from M/s. Chandan Parmar & Co, Auditors of the Company.

Auditors

The Auditors M/s. Chandan Parmar & Co retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Acknowledgement

Your Directors thank the Shareholders, Company's Bankers HDFC Bank Ltd, Union Bank of India and Bank of India, suppliers, valued customers and employees at all levels for their continued co-operation and assistance during the year.

On behalf of the Board

Place: Mumbai

Date : 28th May, 2013

Chairman

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF FINANCIAL OPERATIONS

Business Overview

We are presently engaged in assembling TFO twisting machines and selling under the brand name "Prerna". We are also engaged in sourcing of all types of machinery and equipment. The Company continues to outsource the textile division products.

Factors affecting results of our operations

Our result of operations could potentially be affected by the following factors:

- Dependence on few products and customers
- Ability to maintain product quality consistently and offer same at competitive pricing to face stiff competition
- Volatility in the prices of raw materials
- Government policy including taxes and duties
- Timely execution of projects
- Timely payment from customers
- Slow down in the world economy
- Depreciation of rupee

Analysis on results of financial operations

Sales

Our total sales decreased to ₹ 1867.54 lakhs in fiscal 2013 from ₹ 7336.57 lakhs in fiscal 2012. The primary reason for this decrease was on account of decrease in income from Textile products outsourced by our Company.

Other Income

Other income decreased to ₹ 99.51 lakhs in fiscal 2013 from ₹ 101.93 lakhs in fiscal 2012. The decrease in other income was mainly due to decrease in amount of sundry balances written off to ₹ 1.39 lacs in fiscal 2013 from ₹ 6.55 lacs in fiscal 2012 and also decrease in amount of foreign exchange gains to ₹ 0.01 lakhs in fiscal 2013 from ₹ 3.01 lakhs in fiscal 2012. The decrease in other income was also due to decrease in amount of interest on deposits to ₹ 59.91 lakhs in fiscal 2013 from ₹ 62.21 lakhs in fiscal 2012. However there was increase in rent income to ₹ 38.21 lakhs in fiscal 2013 from ₹ 29.76 lakhs in fiscal 2012.

Raw material consumed

The consumption of raw material decreased to ₹ 42.63 lakhs in fiscal 2013 from ₹ 63.07 lakhs in fiscal 2012. As a percentage of income from products manufactured by our Company, our material consumption was 63.34 % during fiscal 2013 as against 63.03% during fiscal 2012.

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Purchases of traded goods

Purchases of traded goods decreased to ₹ 1576.02 lakhs in fiscal 2013 from ₹ 7026.88 lakhs in fiscal 2012. As a percentage of income from products traded by our Company, our purchases of traded goods was 88.47% during fiscal 2013 as against 97.13% during fiscal 2012.

Other manufacturing expenses

Other manufacturing expenses decreased to ₹ 109.12 lakhs in fiscal 2013 from ₹ 156.04 lakhs in fiscal 2012. The decrease was mainly on account of decrease in labour & processing charges which decreased to ₹ 103.35 lakhs in fiscal 2013 from ₹. 150.39 lakhs in fiscal 2012.

Employee cost

The employee cost decreased to ₹ 51.52 lakhs in the fiscal 2013 from ₹ 52.62 lakhs in the Fiscal 2012.

Administrative, selling and distribution expenses

Our administrative, selling and distribution expenses decreased to ₹ 137.52 lakhs in fiscal 2013 from ₹ 189.01 lakhs in fiscal 2012. This decrease was mainly because of decrease in exhibition expenses, rent expenses and Professional Fees.

Interest and financial charges

Our interest and financial charges decreased to ₹ 6.73 lakhs in fiscal 2013 from ₹ 11.64 lakhs in fiscal 2012. The decrease was due to repayment of loans.

Depreciation

Depreciation increased to ₹ 14.07 lakhs in fiscal 2013 from ₹ 14.06 lakhs in fiscal 2012. The increase in depreciation was mainly due to acquisition of assets during the fiscal 2013.

Profit before tax:

Profits before tax and exceptional items increased to ₹ 55.59 lakhs in fiscal 2013 from ₹ 36.81 lakhs in fiscal 2012. The increase was mainly on account of better margins.

Market opportunities

Today in this cost conscious globalised economy, there are lot of small, mid sized & even large companies who are unable to afford the latest technology brand new machines due to their very high cost, making costing of the final product uncompetitive. These companies are looking for used machines in good condition at a reasonable cost. On the other hand, alongwith the growth in economy, there is a huge growth in distressed assets and distressed companies in India and overseas which provides a supply base for a wide spectrum of machinery and equipments across all industrial sectors. Our infrastructure sector is booming. There is a big boom in construction business. There are a lot of equipments like forklifts, seizure lifts, dumpers, excavators, cranes etc., available all over the world at reasonable cost ready to be picked up. We can source all these at reasonable cost for oil rigging companies, offshore companies, ports and construction companies. There is requirement of all types of latest technology machinery however at a reasonable cost. Alongwith the speedy growth in the economy, there has been a huge growth in distressed assets and distressed companies. As India is becoming cost conscious and globalised, there is a continuous pressure to look for equipments just as good as new but at a reasonable cost. The cost of brand new machinery is prohibitively high.

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We are ready to benefit from this emerging business opportunity due to our ready platform like database of prospective customers, contacts with agents all over the world, registered with auctioneer companies all over the world, vast business contacts and relationships across various business sectors, extensive manufacturing and engineering experience, we are competent, to repair, recondition, refurbish machinery, supply spare parts not readily available and have a competent execution team of professionals.

Outlook on threats, risks and Concerns

We can track whatever our global competitors can do in terms of locating machinery, equipments as well as prospective customers. However, we enjoy several advantages over global competitors such as economical specialized manpower costs, infrastructure and logistics cost, warehousing cost. We can also offer after sales maintenance and long-term service contract and supply critical spare parts. Domestic used machinery suppliers restrict themselves to only one industry or one product group. Domestic competitors can supply only machineries available in India and do not have network or reach to access overseas equipments. In order to insulate ourselves completely from any future ad-hoc Government Policy Changes, we have completely outsourced TFO's manufacturing activity to a competent set of vendors trained and developed by us. We get TFO's manufactured against firm orders only. This outsourcing also enables us to focus completely on emerging and rapidly growing machinery and equipments sourcing activity.

Internal Control systems and adequacy

The Company's internal control systems are commensurate with the size of the Company and nature of its business and has policies and procedures ensuring that all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastages and maintenance of proper accounting records for ensuring adequacy and reliability of its financial information. Internal control improvements are continuous process and are always being upgraded to strengthen the process and to make the same commensurate with the size and nature of the business.

Human Resource Development

Your Company believes that skill development is a vital component for Human Resource Development. The Company continues to lay emphasis in nurturing and strengthening the overall development of the Human Resources and has always been recognizing the manpower as a vital tool in the Company's growth. The Human resource of the Company is characterized by its loyalty and long-term association.

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CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The primary objective of Corporate Governance is to create and adhere to a corporate of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serves the goal of value creation. A Company to succeed on a sustained basis must maintain global standards of corporate conduct towards its employees, stakeholders, and society. The Company believes in attainment of highest levels of transparency in all facets of its operations and has always focused on good corporate governance.

2. Board of Directors

The total strength of the Company's Board as of date is 5 comprising, one (1) Executive Director, one (1) Non-Executive Director, and three (3) Independent Directors.

The composition of the Board of Directors is given below :-

Name of Director	Category	Number of directorship held in other public Companies	Number of membership of Board Committees held in other Companies
Shri Jayesh Mehta	Promoter, Executive	Nil	Nil
Smt. Amita J. Mehta	Promoter, Non-Executive	Nil	Nil
Dr. Bharat Bhatia	Independent, Non-Executive	Nil	Nil
Shri R. C. Garg	Independent, Non-Executive	Nil	Nil
Shri. V.G. Joshi	Independent, Non-Executive	Nil	Nil

Board Procedure

The Board meets at least once in each quarter to review the quarterly performance and the financial results. A detailed agenda is sent to each Director in advance of the Board Meeting. To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company, with presentation by functional heads. The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

Attendance of Directors at the Board Meetings and the last Annual General Meeting

The Board of Directors met six (6) times during the financial year on the following dates : 2nd April, 2012; 28th May, 2012; 14th August, 2012; 12th November, 2012; 19th December, 2012 and 13th February, 2013. The attendance of Directors at Board Meetings and the last Annual General Meeting (AGM) was as under:-

Name of Director	Held during the tenure	Attended	A.G.M
Shri Jayesh Mehta	6	6	✓
Smt. Amita J.Mehta	6	6	✓
Shri V.G. Joshi	6	6	✓
Dr. Bharat Bhatia	6	6	✓
Shri. R.C.Garg	6	6	✓

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Shareholding of Non-executive Directors

The Individual shareholding of Non-executive Directors (including shareholding as joint holder) as on 31st March, 2013 is given below:

Name	No. of shares held
Smt. Amita J. Mehta	1,98,63,740
Shri V.G. Joshi	100

3. Audit Committee:

The Audit Committee comprises of three Independent Directors who possess knowledge of corporate finance, accounts and company law. The Chairman of the Committee is a Non-Executive Director nominated by the Board. The Compliance Officer of the Company is Secretary to Audit Committee. The Statutory Auditors are also invited to the Meeting. The constitution of the committee is given below.

Name of the Director	Category
Dr. Bharat Bhatia	Chairman Independent, Non-Executive
Shri. V.G. Joshi	Independent, Non-Executive
Shri. R.C. Garg	Independent, Non- Executive

Broad terms of reference

The terms of Reference of the Audit Committee includes those specified under Clause 49 of the Listing Agreement and those under Section 292A of the Companies Act, 1956. A few of them are given below:

1. Reviewing of the financial reporting process and the disclosure of the Financial Information
2. Reviewing the Financial statements and Auditors' Report before its submission to the Board,
3. Reviewing the accounting policies and practices followed by the Company
4. Recommending the appointment of Statutory Auditors, fixation of audit fee and also approval for payment of any other services.
5. Reviewing the Annual Financial Statements. Also reviewing the applicability of various Accounting Standards (AS) issued by The Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2013.
6. Reviewing the internal controls, risk management policies and practices and related party transactions and other terms of reference as specified under Clause 49 of the Listing Agreement to the extent they are applicable to the Company.

Meetings and Attendance

During the financial year ended March 31, 2013, four (4) Audit Committee Meetings were held on the following dates : 28th May, 2012, 14th August, 2012; 12th November, 2012; and 13th February, 2013. The attendance of members of the Audit Committee at the meetings is as under:

Name of Director	Held during the tenure	Attended
Dr. Bharat Bhatia	4	4
Shri. V.G. Joshi	4	4
Shri. R.C. Garg	4	4

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Remuneration Committee

Setting up of the Remuneration Committee is non-mandatory as per Clause 49 of the Listing Agreement. The Remuneration Committee of the Company recommends the remuneration payable to the Managing Director. The composition of Remuneration Committee and the details of meeting are as under :-

Name of the Director	Category
Dr. Bharat Bhatia	Chairman Independent, Non-Executive
Shri . V.G.Joshi	Independent, Non-Executive
Shri. R.C. Garg	Independent, Non- Executive

Remuneration Policy

The remuneration of Managing Director is recommended by the Remuneration Committee and it comprises of salary, perquisites and allowance.

The details of remuneration paid to the directors for the year ended 31st March, 2013 is as under:-

Director	Relationship with other directors	Business relationship with the Company	Sitting fees (₹)	Salary (₹)	Total (₹)
Shri Jayesh R. Mehta	Husband of Smt. Amita J. Mehta	Promoter and Managing Director	-	8,77,092	8,77,092
Smt. Amita J. Mehta	Wife of Shri. Jayesh R. Mehta	Promoter Group	30,000	-	30,000
Dr. Bharat Bhatia	None	None	50,000	-	50,000
Shri V.G. Joshi	None	None	50,000	-	50,000
Shri R. C. Garg	None	None	50,000	-	50,000

5. Shareholders / Investors Grievance Committee

Composition

The Shareholders / Investors Grievance Committee comprises of three Directors and the Chairman of the Committee is an Independent Director:

Name of the Director	Category
Shri. V.G. Joshi	Chairman Independent, Non-Executive
Shri. Jayesh Mehta	Promoter, Executive
Dr. Bharat Bhatia	Independent, Non- Executive

FUNCTIONS

The Committee deals with various matters relating to :

- transfer/transmission of shares;
- issue of duplicate share certificate;
- review of shares dematerialized and all other related matters;
- investor grievances and redressal mechanism and recommend measures to improve the level of investor services,

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Details of shares transfer/transmission, consolidation and dematerialisation approved by the Committee are placed at the Board Meetings from time to time.

Meetings and Attendance

The number of meetings attended by the members is as under

Name of the Director	Held during the tenure	Attended
Dr. Bharat Bhatia	4	4
Shri V.G. Joshi	4	4
Shri J.R. Mehta	4	4

Investor Grievances

The following are the nature of complaints received during the year ended 31st March, 2013.

Nature of Complaint	Received during the year	Received during the previous year
Non-receipt of Share Certificate	Nil	Nil
Others	1	Nil
Total	1	Nil

The Complaints are generally responded within seven days from their lodgment with the Company.

There are no pending complaints as on 31st March, 2013.

The number of share transfers and dematerialisation requests pending as on 31st March, 2013 were Nil.

The Company has designated the email-id 'compliance@cteil.com' exclusively for the purpose of registering complaints by investors electronically.

6. Note on Directors Re-Appointment

Mr. R. C. Garg, Director, is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. R.C. Garg, aged 57 years, after graduating from the University of Rajasthan in the year 1975, did his articleship for 3 years from a C.A. firm in Mumbai. After working as a Chief Accountant in a Private Limited Company for 8 years, he started his own tax consultancy firm specializing in the field of sale-tax, income-tax, accounts finalization etc.

Mr. Garg is not a director of any other public limited company. .

7. General Body Meetings

Location, day and time, of last three Annual General Meetings held is given below :

Financial Year	Date	Location of the meeting	Time
2009-2010	Thursday, September 09, 2010	The Queenie Captain Auditorium, C/O, the NAB-Workshop for the Blind, Dr. Annie Besant Road, Worli, Mumbai 400 030	3.00 p.m
2010-2011	Friday, September 30, 2011		
2011-2012	Wednesday, September 26, 2012		

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8. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmation of compliance with the respective codes have been made by the Directors and Senior Management of the Company. Certificate signed to this effect by Shri. Jayesh R. Mehta, Managing Director is appended at the end of this report.

9. Management Discussion & Analysis Report

The Management Discussion and Analysis Report for the year ended March 31, 2013 is discussed separately and forms part of this Annual Report.

10. Disclosures

No transactions of material nature is entered into by the Company with Promoters, Directors or Management, or their relatives etc. that may have a potential conflict with interests of the Company. The register of contracts containing the transactions in which the Directors are interested is placed before the Board regularly. There is no material pecuniary transaction with the independent/non-executive directors. Transactions with related parties are disclosed in Note No. 31 to the Accounts in the Annual Report. No penalties, strictures have been imposed on the Company either by SEBI or stock exchange or other statutory body for non-compliance on any matter related to capital market. The requisite certification from the Chief Financial Officer as required to be given under clause 49(V) has been placed before the Board of Directors of the company.

11. Means of Communication

- (i) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement.
- (ii) The approved financial results are forthwith sent to the BSE and are published in the newspapers.

12. General Information for Shareholder

a. Annual General Meeting

- Date and time : September 28, 2013 at 3.00 p.m.

- Venue : The Queenie Captain Auditorium C/o the NAB – Workshop
for the Blind, Dr. Annie Besant Road, Worli, Mumbai – 400 030

b. Financial Calender

Financial reporting for :

Quarter ending June,2013	by 14 th August, 2013
Quarter ending September,2013	by 14 th November, 2013
Quarter ending December, 2013	by 14 th February, 2014
Year ending March,2014	by 30th May, 2014
Annual General Meeting for the year ended March 31, 2014	In September, 2014

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c. Dates of Book Closure : September 27, 2013 to September 30, 2013 (Both days inclusive)

d. Registered Office : 110, T.V. Industrial Estate,
52, S.K.Ahira Marg,
Worli, Mumbai – 400 030

e. Listing of Equity Shares : Bombay Stock Exchange Limited
Equity Shares (Scrip Code:522292)

f. Listing Fees

Listing Fees to the Bombay Stock Exchange Limited for the year 2013-14 has been paid.

g. Stock Market Data

Monthly high & low quotations and volume of shares traded on Bombay Stock Exchange for financial year 2012-13 are :

Month	High (₹)	Low (₹)	Volume of Shares traded
April 2012	1.93	1.34	98,092
May 2012	2.00	1.30	81,865
June 2012	1.99	1.41	1,29,487
July 2012	2.15	1.52	6,25,517
August 2012	2.58	1.98	3,89,658
September 2012	2.17	1.82	2,64,503
October 2012	2.24	1.77	4,77,779
November 2012	2.10	1.64	1,25,406
December 2012	2.34	1.87	63,40,728
January 2013	2.66	1.90	70,97,293
February 2013	2.07	1.65	14,87,442
March 2013	1.71	1.00	2,42,590

h. Registrars and Share Transfer agents :

PURVA SHAREGISTRY (INDIA) PVT. LTD.
Shiv Shakti Industrial Estates, Unit No. 9,
7-B, J.R. Boricha Marg, Sitaram Mill Compound,
Mumbai – 400 011
Tel. : 23016761 / 23018261
E-Mail – busicomp@vsnl.com

i. Share transfer system

All shares have been transferred and returned within 15 days from the date of receipt, so long as the documents have been clear in all respects.

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J. Distribution of shareholding as at March 31, 2013.

Slab of shareholdings No. of Shares	No. of Shareholders	%	Amount (Rs.)	%
Upto 5000	3085	84.59	4407223	2.73
5001-10000	236	6.47	2012393	1.25
10001-20000	141	3.87	2237282	1.39
20001-30000	68	1.86	1717705	1.06
30001-40000	26	0.71	918826	0.57
40001-50000	18	0.49	855629	0.53
50001-100000	27	0.74	1815155	1.12
100001 and above	46	1.26	147408417	91.35
Total	3647	100.00	161372630	100.00

Shareholding Pattern as on March 31, 2013

Sr. No.	Category of shareholder	No. of share holders	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group			
-1	Indian			
(a)	Individuals/ Hindu Undivided Family	5	62828750	38.93
(b)	Bodies Corporate	1	4222110	2.62
	Sub - Total (A)(1)	6	67050860	41.55
(B)	Public shareholding			
-1	Institutions			
(a)	Financial Institutions/ Banks	1	4000	0.00
	Sub-Total (B)(1)	1	4000	0.00
-2	Non-institutions			
(a)	Bodies Corporate	113	58537513	36.27
(b)	Individuals -			
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh.	3413	11768620	7.29
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	21	19574250	12.13
(c)	Any Other (specify) NRI Repat & Non Repat	10	26815	0.02
(d)	Any Other (specify) Hindu Undivided Family	80	4342649	2.69
(e)	Any Other (specify) Clearing Members	3	67923	0.04
	Sub-Total (B)(2)	3640	94317770	58.45
	Total Public Shareholding (B)= (B)(1)+(B)(2)	3641	94321770	58.45
	GRAND TOTAL (A)+(B)	3647	161372630	100

Chandni Textiles Engineering Industries Ltd.

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k. Dematerialisation of shares and liquidity

Trading in the Company's shares is permitted only in dematerialized form as per notifications issued by the Securities and Exchange Board of India. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited, whereby the investors have option to dematerialize their shares with either of the depositories.

Status of Dematerialisation of Shares

PARTICULARS	NO OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	50704667	31.42
Central Depository Services (India) Limited,	108243613	67.08
TOTAL DEMATERIALISED	158948280	98.50
Physical	2424350	1.50
GRAND TOTAL	161372630	100.00

l. Investors correspondence :

(i) Shailesh Sankav – Compliance Officer

110, T.V. Industrial Estate,
52, S.K. Ahire Marg,
Worli, Mumbai – 400 030
Tel No.: 91-22- 32458920 Fax : 91-22-24950328
E-mail: compliance@cteil.com

(ii) Share Registrars and Transfer agent

Purva Sharegistry (India) Pvt. Ltd.
Shiv Shakti Estates, Unit No.9,
7-B, J.R. Boricha Marg, Sitaram Mill Compound,
Mumbai – 400 011
Tel. No. : 23016761 / 23018261
Fax No. : 23012518
E-mail : busicomp@vsnl.com

m. Address of (i) Factory : 22/1, Village – Ringanwada,
Daman – 396210 (Union Territory)
Via Vapi (W.Rly)
Tel No. 0260 3295015 , 0260 2240360
Fax No: 0260 2240360

Certification under clause 49(1)(D) of the Listing Agreement

All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for Chandni Textiles Engineering Industries Ltd for the financial year ended 31st March, 2013.

Mumbai

28th May, 2013

For Chandni Textiles Engineering Industries Ltd

J.R. Mehta
Managing Director

Chandni Textiles Engineering Industries Ltd.
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**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE**

**TO
THE MEMBERS OF
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Chandni Textiles Engineering Industries Limited** for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to review of procedures and implementation thereof adopted by the company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made to us by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For CHANDAN PARMAR & CO.
Chartered Accountants
ICAI FRN No. 101662W**

**Place : Mumbai
Date : 28-05-2013**

**(Deepak H. Padachh)
Partner
Membership No. 45741**

Chandni Textiles Engineering Industries Ltd.

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CEO & CFO CERTIFICATION

To
The Board of Directors
Chandni Textiles Engineering Industries Ltd
110, T.V. Industrial Estate,
52, S.K. Ahire Marg,
Worli,
Mumbai 400 030

- (1) We have reviewed the financial statements and the Cash Flow statement for the year ended 31st March, 2013 and based on our knowledge and belief, confirm that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) There are to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (3) We accept the responsibility for establishing and maintaining internal controls and that we have:
 - (i) evaluated the effectiveness of the internal control system of the Company, and
 - (ii) disclosed to the Auditors and Audit Committee, deficiencies, in the design or operations of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (4) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in the internal control during the year.
 - (ii) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai
28th May, 2013

Jayesh R. Mehta
Managing Director & CEO

Shailesh Sankav
VP- Finance

Chandni Textiles Engineering Industries Ltd.

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AUDITORS' REPORT

TO
THE MEMBERS OF
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED
MUMBAI

Report on the Financial Statements

We have audited the accompanying financial statements of **CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Chandni Textiles Engineering Industries Ltd.

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2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For CHANDAN PARMAR & CO.
Chartered Accountants
ICAI FRN No. 101662W

(Deepak H. Padachh)
Partner
Membership No. 45741

Place : Mumbai
Date : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

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ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph (3) 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) The company has disposed off the substantial part of chennile machines which were redundant due to closure of its chennile division. According to the information and explanations given to us and on the basis of audit procedures performed by us, in our opinion, the disposal of these fixed assets has not affected the going concern assumption.
- [ii] (a) As informed to us, the inventory in the company's possession has been physically verified at reasonable intervals during the year by the management. In respect of inventory lying with the third parties, the same have substantially been confirmed by them at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material.
- [iii] The company has neither granted nor taken, any loans, secured or unsecured, to/from the companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956. Accordingly, clause 4(iii) of the Order is not applicable.
- [iv] In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- [v] (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year.
- [vi] The company has not accepted any deposits from the public.
- [vii] In our opinion, the internal audit system of the company is commensurate with the size and nature of its business.
- [viii] As informed to us, maintenance of cost records has not been prescribed by the Central Government u/s. 209(1)(d) of the Companies Act, 1956 for any of the product of the Company.
- [ix] (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 and explanations given to us, there are no dues of income tax, sales tax, custom duty, wealth tax, service tax, excise duty, cess tax which have not been deposited on account of any dispute.

Chandni Textiles Engineering Industries Ltd.

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- [x] The company does not have any accumulated loss as at 31st March, 2013 and it has not incurred cash loss during the year ended on that date. Further, it has not incurred cash losses in the immediately preceding financial year.
- [xi] According to the information and explanations provided to us, the company has been regular in making repayment of dues to the banks.
- [xii] According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Order is not applicable.
- [xiii] The company is not a chit fund or a nidhi/mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Order is not applicable.
- [xiv] According to the information and explanations given to us, in our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
- [xv] According to the information and explanations given to us, the company has not provided any guarantees for loans taken by others from banks. Accordingly, clause 4(xv) of the order is not applicable.
- [xvi] According to the information and explanation given to us, the company has applied the term loans for the purpose for which they were obtained.
- [xvii] According to the information and explanation given to us and on an overall examination of the balance sheet of the company, in our opinion, the funds raised on short term basis have not been used for long term investments.
- [xviii] The company has not made any preferential allotment of shares during the year. Accordingly, Clause 4(xviii) of the Order is not applicable.
- [xix] The company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- [xx] The company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.
- [xxi] According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CHANDAN PARMAR & CO.
Chartered Accountants
ICAI FRN No. 101662W

(Deepak H. Padachh)
Partner
Membership No. 45741

Place : Mumbai
Date : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

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BALANCE SHEET AS AT 31st March, 2013

	Note No	₹	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
I EQUITY AND LIABILITIES				
1) Shareholders' Funds :				
(a) Share Capital	1	161,372,630		161,372,630
(b) Reserves & Surplus	2	<u>56,902,774</u>		<u>56,525,274</u>
			218,275,404	217,897,904
2) Non-current liabilities				
Long-term borrowing	3		2,044,721	4,686,045
3) Current Liabilities				
(a) Trade payables	4	49,964,384		77,843,130
(b) Other current liabilities	5	<u>6,005,517</u>		<u>20,664,522</u>
			55,969,901	98,507,652
Total			<u>276,290,026</u>	<u>321,091,601</u>
II ASSETS				
1) Non-current Assets				
(a) Fixed Assets :				
(i) Tangible assets	6	26,560,308		21,988,948
(ii) Capital work-in-progress		<u>9,584,024</u>		<u>9,491,416</u>
			36,144,332	31,480,364
(b) Non-current investments	7		1,106,000	1,106,000
(c) Deferred tax asset (Net)	8		2,142,006	1,173,487
(d) Long-term loans & advances	9		8,564,534	10,002,854
2) Current Assets				
(a) Inventories	10	43,412,418		46,924,792
(b) Trade receivables	11	64,567,004		86,590,290
(c) Cash and cash equivalents	12	57,391,765		78,786,273
(d) Short-term loans and advances	13	61,418,958		60,623,296
(e) Other current assets	14	<u>1,543,009</u>		<u>4,404,245</u>
			228,333,154	277,328,896
Total			<u>276,290,026</u>	<u>321,091,601</u>

Significant Accounting Policies

Notes on Financial Statements

1 to 33

As per our report of even date
For CHANDAN PARMAR & CO.,
Chartered Accountants

Deepak H. Padachh
Partner
Membership No. 45741

Place: Mumbai
Date : 28-05-2013

On behalf of the Board

J.R. Mehta
Managing Director

A. J. Mehta
Director

Place: Mumbai
Date : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

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PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2013

	Note No	2012-13 ₹	2011-12 ₹
<u>Income</u>			
I Revenue from Operations	15	186,753,763	733,657,150
II Other Income	16	9,951,427	10,193,249
III Total Revenue (I + II)		<u>196,705,190</u>	<u>743,850,399</u>
<u>IV Expenses :</u>			
Cost of Materials Consumed	17	4,263,304	6,307,278
Purchases of Stock-in-trade	18	157,601,994	702,688,037
Changes in inventories of finished goods and stock-in-trade	19	(2,616,040)	(11,163,464)
Employee benefits expenses	20	5,152,459	5,261,798
Finance Cost	21	672,785	1,163,836
Depreciation		1,407,164	1,406,416
Other Expenses	22	24,664,044	34,505,559
Total Expenses		<u>191,145,710</u>	<u>740,169,460</u>
V Profit before exceptional items and tax (III-IV)		5,559,480	3,680,940
<u>VI Exceptional items</u>			
Customs duty for non-fulfilment of export obligation under EPCG Scheme	(91,898)		-
Profit / (Loss) on sale / disposal of Fixed Asset (Net)	<u>(5,205,205)</u>		<u>3,010,518</u>
		<u>(5,297,103)</u>	<u>3,010,518</u>
VII Profit before tax (V + VI)		262,377	6,691,458
<u>VIII Tax Expense :</u>			
Current Tax	853,396		2,500,000
Deferred Tax	(968,519)		618,354
Tax of earlier years	<u>-</u>		<u>(80,550)</u>
		<u>(115,123)</u>	<u>3,037,804</u>
IX Profit for the year (VII - VIII)		<u>377,500</u>	<u>3,653,654</u>
Earnings per equity share of face value of ₹ 1/- Basic & Diluted	23	<u>0.002</u>	<u>0.023</u>

**Significant Accounting Policies
Notes on Financial Statements**

1 to 33

As per our report of even date
For CHANDAN PARMAR & CO.,
Chartered Accountants

**Deepak H. Padachh
Partner
Membership No. 45741**

Place: Mumbai
Date : 28-05-2013

On behalf of the Board

**J.R. Mehta
Managing Director**

**A. J. Mehta
Director**

Place: Mumbai
Date : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹	2012-13 ₹	₹	2011-12 ₹
A. Cash flow from operating activities				
Profit before Tax		262,377		6,691,458
Adjustments for :				
Depreciation	1,407,164		1,406,416	
Interest paid	672,785		1,163,836	
Preliminary & Amalgamation expenses W/off	-		87,360	
Loss / (Profit) on disposal of Fixed Assets	<u>5,205,205</u>	<u>7,285,154</u>	<u>(3,010,518)</u>	<u>(352,906)</u>
Operating profit before working capital changes		<u>7,547,531</u>		<u>6,338,551</u>
Adjustments for :				
(Increase)/Decrease in Trade and other receivables	25,700,034		(69,635,218)	
(Increase)/Decrease in Inventories	3,512,374		(15,453,096)	
Increase/(Decrease) in Trade payables & other current liabilities	<u>(42,768,050)</u>	<u>(13,555,642)</u>	<u>85,254,663</u>	<u>166,348</u>
Direct taxes paid		<u>(1,026,251)</u>		<u>(2,254,137)</u>
Net Cash flow from operating activities		<u>(7,034,362)</u>		<u>4,250,762</u>
B. Cash flow from investing activities:				
Purchase of fixed assets	(12,930,336)		(14,284,445)	
Sale of fixed assets	<u>1,654,000</u>		<u>8,425,000</u>	
Net cash flow from investing activities		<u>(11,276,336)</u>		<u>(5,859,445)</u>
C. Cash flow from financing activities				
Proceeds from long term borrowings	(2,411,025)		2,831,608	
Interest paid	<u>(672,785)</u>		<u>(1,163,836)</u>	
Net cash flow from financing activities		<u>(3,083,810)</u>		<u>1,667,772</u>
Net (decrease) / increase in cash and cash equivalents		<u>(21,394,508)</u>		<u>59,089</u>
Cash and cash equivalents at the beginning of the year		78,786,273		78,727,184
Cash and cash equivalents at the end of the year		<u>57,391,765</u>		<u>78,786,273</u>
		<u>(21,394,508)</u>		<u>59,089</u>

As per our report of even date
For CHANDAN PARMAR & CO.,
Chartered Accountants

Deepak H. Padachh
Partner
Membership No. 45741

Place: Mumbai
Date : 28-05-2013

On behalf of the Board

J.R. Mehta
Managing Director

A. J. Mehta
Director

Place: Mumbai
Date : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

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Notes on Financial Statements for the year ended 31st March, 2013

	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹		
1 SHARE CAPITAL				
AUTHORISED :				
20,00,00,000 Equity Shares of ₹ 1/- each	200,000,000	200,000,000		
	200,000,000	200,000,000		
ISSUED, SUBSCRIBED AND FULLY PAID				
16,13,72,630 Equity Shares of ₹ 1/- each	161,372,630	161,372,630		
	161,372,630	161,372,630		
1.1 The details of Shareholder holding more than 5% shares				
Name of the Shareholder	No of Shares	%	No of Shares	%
J. R. Mehta	41,920,910	25.98	41,920,910	25.98
A. J. Mehta	19,612,740	12.15	19,612,740	12.15
Satyaprabhu Infrastructure Pvt Ltd	27,439,394	17.00	32,993,994	20.45
Jhaveri Trading & Investment Pvt Ltd	13,209,525	8.19	12,675,596	7.85
1.2 The reconciliation of the number of shares outstanding is set out below:				
Equity Shares of ₹ 1/- (₹ 10/-) each at the beginning of the year	161,372,630		16,137,263	
Equity Shares of ₹ 1/- each at the end of the year	161,372,630		161,372,630	
2 RESERVES AND SURPLUS				
Securities Premium Reserve				
As per last Balance Sheet	55,740,000		55,740,000	
Surplus as per Statement of Profit & Loss Account				
As per last Balance Sheet	785,274		(2,868,380)	
Add : Profit for the year	377,500		3,653,654	
	1,162,774		785,274	
	56,902,774		56,525,274	
3 LONG-TERM BORROWINGS				
Secured :				
Term Loans :				
From Banks	2,044,721		4,686,045	
	2,044,721		4,686,045	
3.1 Long-term borrowings and current maturities of Long-term borrowings include				
(a) Term Loans from banks to the extent of ₹ 24,04,997/- (Previous year : ₹ 36,47,358/-) secured by way of Equitable Mortgage of immoveable property of the Company & directors and personal guarantees of the directors.				
(b) Term Loans from banks to the extent of ₹ 22,79,664/- (Previous year 34,48,268) are secured by way of hypothecation of vehicles.				
3.2 Repayment Schedule and Interest rate of Term Loans from banks are set out below :				
		Period of Repayment		
Rate of Interest	1-2 Years	2-3 Years	Beyond 3 years	
10%	899,500	38	-	
10.68%	673,451	-	-	
11.50%	307,379	-	-	
15.75%	45,892	53,453	65,008	
4 TRADE PAYABLES				
Trade payables	49,964,384		77,843,130	
	49,964,384		77,843,130	
5 OTHER CURRENT LIABILITIES				
Current Maturities of Long-term borrowings (Refer Note No. 3.1)	2,639,941		2,409,642	
Interest accrued but not due on borrowings	36,605		55,962	
Creditors for Capital Expenditure	-		291,379	
Other payables	407,014		525,855	
Advance from Customers	1,051,909		15,511,636	
Deposits	1,870,048		1,870,048	
	6,005,517		20,664,522	

6. TANGIBLE ASSETS :

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2012	Additions	Deductions/ Adjustments	As at 31/03/2013	Upto 31/03/2012	For the year	Deductions/ Adjustments	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
Freehold Land	960,000	-	-	960,000	-	-	-	-	960,000	960,000
Factory Building	234,914	6,568,228	-	6,803,142	30,202	12,053	-	42,255	6,760,887	204,712
Flats	201,180	-	-	201,180	76,198	3,133	-	79,331	121,849	124,982
Office Premises	6,497,050	-	-	6,497,050	2,201,565	105,902	-	2,307,467	4,189,583	4,295,485
Plant & Machinery	12,695,615	-	12,383,673	311,942	5,309,024	350,024	5,524,469	134,579	177,363	7,386,591
Furniture & Fixtures	3,924,771	5,863,636	-	9,788,407	2,861,102	106,679	-	2,967,781	6,820,626	1,063,669
Office Equipments	7,411,712	182,364	-	7,594,076	5,652,886	208,232	-	5,861,118	1,732,958	1,758,826
Vehicles	6,487,668	-	-	6,487,668	1,041,749	568,932	-	1,610,681	4,876,987	5,445,919
Dyes, Patterns & Tools	3,039,280	-	-	3,039,280	2,771,156	-	-	2,771,156	268,124	268,124
Air Conditioners	961,268	23,500	-	984,768	595,952	37,421	-	633,373	351,395	365,316
Electrical Fittings	322,866	200,000	-	522,866	207,541	14,788	-	222,329	300,537	115,325
Total Current Year	42,736,323	12,837,728	12,383,673	43,190,378	20,747,375	1,407,164	5,524,469	16,630,070	26,560,308	21,988,948
Total Previous Year	45,173,354	4,793,029	7,230,060	42,736,323	21,156,537	1,406,416	1,815,578	20,747,375	21,988,948	24,016,817

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
7 NON-CURRENT INVESTMENTS		
<u>Trade Investments - (Unquoted)</u>		
3200 Shares of Memon Co-op. Bank Ltd. of ₹ 25/- each	80,000	80,000
<u>Other Investments - (Quoted)</u>		
3,000 Equity Shares of Bhilwara Spinners Ltd. of ₹ 10/- each	60,000	60,000
32,200 Equity Shares of Shree Rajasthan Syntex Ltd of ₹ 10/- each	966,000	966,000
	1,106,000	1,106,000
Aggregate amount of quoted investments	1,026,000	1,026,000
Market Value of quoted investments	252,952	353,956
Aggregate amount of un quoted investments	80,000	80,000
8 DEFERRED TAX ASSETS (NET)		
Timing difference on account of depreciation	2,071,919	1,110,451
Expenses allowable on payment basis under Tax Laws	70,087	63,036
Net Deferred Tax Assets	2,142,006	1,173,487
9 LONG TERM LOANS & ADVANCES		
(Unsecured, Considered Good)		
Capital Advances	4,802,901	6,414,076
Advance Tax / TDS less provisions	3,761,633	3,588,778
	8,564,534	10,002,854
10 INVENTORIES		
(As taken, valued and certified by the management)		
Raw Material	26,423	-
Stock-in-trade	43,385,995	40,769,955
Trading Goods-in-transit	-	6,154,837
	43,412,418	46,924,792
11 TRADE RECEIVABLES		
- (Unsecured, considered good)		
- Outstanding for a period exceeding six months	22,962,123	38,346,211
- Others	41,604,881	48,244,079
	64,567,004	86,590,290
12 CASH & CASH EQUIVALENTS		
Balances with banks	847,277	6,601,341
Cash on hand	3,863,405	2,568,003
Fixed deposits with banks	52,681,082	69,616,929
	57,391,765	78,786,273
12.1 Fixed deposits with banks include deposits of ₹ 29,99,806/- (Previous year ₹ 42,97,680/-) with maturity of more than 12 months.		
12.2 Fixed deposits with banks include deposits of ₹ 9,71,600/- (Previous year ₹ 19,14,400/-) held as margin money against guarantees.		
13 SHORT TERM LOANS & ADVANCES		
(unsecured, considered good)		
Balances with Govt. Authorities	183,715	155,323
Deposits	1,988,455	2,582,584
Others	59,246,788	57,885,389
	61,418,958	60,623,296
14 OTHER CURRENT ASSETS :		
Interest Accrued on Fixed deposits with Banks	686,917	854,758
Claims and other receivables	526,274	3,549,487
Miscellaneous Expenditure	329,818	-
	1,543,009	4,404,245

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
15 REVENUE FROM OPERATIONS		
Sales of Products	187,585,709	730,475,087
Sales of Services	-	5,270,441
	187,585,709	735,745,528
Less : Excise duty / Service tax recovered	831,946	2,088,378
	186,753,763	733,657,150
15.1 PARTICULARS OF SALE OF PRODUCTS		
Engineering Goods	57,042,704	52,111,709
Textile Goods	122,277,727	678,363,378
Other Goods	8,265,278	-
	187,585,709	730,475,087
16 OTHER INCOME		
Interest Income	5,991,318	6,220,739
Dividend from Long-term Investments	-	32,200
Rent Income	3,820,800	2,975,745
Foreign Exchange gains (Net)	312	310,104
Other non-operating income	138,997	654,461
	9,951,427	10,193,249
17 COST OF MATERIALS CONSUMED		
Components		
Indigenous	4,263,304	6,307,278
Imported	-	-
	4,263,304	6,307,278
	100.00	100.00
	-	-
	100.00	100.00
18 PARTICULARS OF PURCHASES OF STOCK-IN-TRADE		
Engineering Goods	31,324,974	39,567,268
Textile Goods	119,876,227	663,120,769
Other Goods	6,400,793	-
	157,601,994	702,688,037
19 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE		
Opening Stock :		
Stock-in-trade	40,769,955	29,606,491
Closing Stock :		
Stock-in-trade	43,385,995	40,769,955
	(2,616,040)	(11,163,464)

Chandni Textiles Engineering Industries Ltd.

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	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
20 EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	4,937,659	5,031,485
Contribution to Provident Fund and other funds	122,042	79,808
Employees Welfare Expenses	92,758	150,505
	<u>5,152,459</u>	<u>5,261,798</u>
21 FINANCE COSTS		
Interest Expenses	672,785	1,163,836
(including interest pertaining to prior period ₹ Nil Previous year ₹ 4,85,993/-)		
	<u>672,785</u>	<u>1,163,836</u>
22 OTHER EXPENSES		
A) Manufacturing Expenses :		
Stores, Spares and Packing Materials	26,873	92,258
Labour & Processing Charges	10,334,650	15,038,500
Central Excise Duty	-	111,521
Power & Fuel	1,675	2,572
Transportation Charges	373,835	168,183
Other Manufacturing Expenses	175,078	191,341
	<u>10,912,111</u>	<u>15,604,375</u>
	(A)	
B) Administrative and Selling Expenses:		
Bank Charges	45,067	158,245
Clearing, Forwarding & Freight	232,302	185,460
Commission	154,400	377,135
Travelling & Conveyance	1,967,611	2,111,027
Telephone, Postage & Telegram	678,047	797,779
Electricity Charges	227,142	320,823
Exhibition Expenses	449,278	2,303,358
Sampling, Sales Promotion & Advertisement	744,015	646,566
Insurance	775,089	658,335
Legal & Professional Charges	1,011,499	2,744,019
Rent	3,513,403	4,889,298
Rates & taxes	140,041	120,641
Repairs - Others	532,612	474,170
General Expenses	995,979	1,481,174
Sales-tax	2,059,233	1,318,594
Payment to Auditors :		
- As Auditor	165,523	150,000
- For Taxation matters	11,035	40,000
- For Other matters	49,657	37,200
	<u>226,215</u>	<u>227,200</u>
Foreign Exchange Loss (Net)	-	87,360
	<u>13,751,933</u>	<u>18,901,184</u>
	(B)	
Total	(A)+(B)	
	<u>24,664,044</u>	<u>34,505,559</u>

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

SIGNIFICANT ACCOUNTING POLICIES :

(1) Basis of Accounting

The financial statements are prepared on historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

(2) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales return, discounts and rebates.

(ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iii) Rent

Revenue is recognized on accrual basis.

(3) Fixed Assets

Fixed Assets are stated at cost (net of modvat and VAT wherever applicable) less accumulated depreciation. All costs including financing costs till commencement of commercial production are capitalised.

(4) Depreciation

Depreciation on Fixed Assets (other than Freehold land on which no depreciation is charged) is provided on straight line basis at the rates prescribed under schedule XIV to the Companies Act, 1956. Depreciation on additions/deductions during the year is provided on pro-rata basis.

(5) Investments

Long term investments are stated at cost.

(6) Inventories

Stock of materials and traded goods are valued at cost. Stock of finished goods is valued at cost or market value whichever is lower. Stores and spares are valued at cost. The cost of finished goods includes materials costs, conversion costs and other costs incurred in bringing the goods to the present location and condition.

(7) 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 reinstated 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.

Chandni Textiles Engineering Industries Ltd.

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(8) Employee Benefits

(i) Short Term Employee Benefits:

Short Term Employee Benefits in the form of bonus is recognized as an expense in the Profit & Loss Account of the year in which the related services is rendered.

(ii) Long Term Employee Benefits:-

(a) Defined Contribution Plan

The Company has Defined Contribution plans for post employment benefits in the form of Provident Fund and Pension Scheme administered through the Government of India.

Under the Provident Fund Plan and Pension Scheme, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The Company's contributions to the above funds are charged to revenue every year.

(b) Defined Benefit Plan

The Company has a Defined Benefit plan namely Gratuity for all its employees. Liability for Defined Benefit Plan is provided on the basis of valuation, actuarially determined, by an independent agency namely, Life Insurance Corporation of India. Liability for Defined Benefit Plan is recognized as an expense in the Profit & Loss Account for the year in which employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

(9) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the year in which they are incurred.

(10) Taxation

Tax expenses comprises current tax and deferred tax charge/credit. The deferred tax charge / credit is recognised using current tax rates. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date.

(11) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(12) Impairment Of Assets

The Company assesses at each Balance Sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the Balance Sheet there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Chandni Textiles Engineering Industries Ltd.

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23. Earnings per Share :- Basic and Diluted

		Current Year	Previous Year
a) Profit after tax	₹	3,77,500	36,53,654
b) Weighted Average Number of Equity shares outstanding	Nos.	16,13,72,630	16,13,72,630
c) The nominal value per Equity Share	₹	1/-	1/-
d) Earnings per Share –Basic & Diluted	₹	0.002	0.023

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

	31-3-2013	31-3-2012
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

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

	2012-13		2011-12	
	₹	%	₹	%
Imported	0.00	0.00	0.00	0.00
Indigenous	26,873	100.00	92,258	100.00
	26,873	100.00	92,258	100.00

26 . VALUE OF IMPORTS ON CIF BASIS

	2012-13	2011-12
	₹	₹
(i) Fixed Assets-Plant & Machinery	69,54,415	Nil
(ii) Engineering Goods	1,82,30,943	2,17,70,659
(iii) Engineering Goods in Transit	Nil	59,06,421

27 . EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

(i) Foreign Travelling	4,88,268	14,24,608
(ii) Exhibition Expenses	Nil	10,35,454

28 . EARNING IN FOREIGN CURRENCY

(i) Export Sales (F.O.B. basis)	9,21,659	9,26,389
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Chandni Textiles Engineering Industries Ltd.

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29. Disclosures as per Accounting Standards-15, "Employee Benefits" are given below :

(i) **Short Term Employee Benefits**

The Company has provided for bonus amounting to ₹ 3,32,180/- (Previous year ₹ 2,66,450/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Profit & Loss Account 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
- b) Employers' Contribution to Pension Scheme

During the year, the Company has recognized the following amounts as expenses in the Profit and Loss Account –

	2012-13 ₹	2011-12 ₹
- Employers' Contribution to Provident Fund	55,140	55,555
- Employers' Contribution to Pension Scheme	47,566	48,531

II. Defined Benefit Plan

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

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

1.	Assumption	31/03/2013	31/03/2012
	Discount Rate	8 %	8 %
	Salary Escalation	5 %	5 %
2.	Changes in the Present Value of Obligation	₹	₹
	Present value of obligations as at beginning of year.	2,03,100	1,85,043
	Interest cost	16,248	14,803
	Current Service Cost	15,581	15,805
	Benefits Paid	0	(11,360)
	Actuarial (gain)/ loss on obligations	(12,805)	(1,191)
	Present Value of Obligations as at Year end	2,22,124	2,03,100
3.	Changes in the Fair Value of Plan Assets		
	Fair value of plan assets at beginning of year	4,99,099	4,68,880
	Expected return on plan assets	44,919	41,579
	Contributions	0	0
	Benefits Paid	0	(11,360)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair Value of Plan Assets at Year end	5,44,018	4,99,099

Chandni Textiles Engineering Industries Ltd.

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4.	Fair value of Plan Assets		
	Fair value of plan assets at beginning of year	4,99,099	4,68,880
	Actual return on plan assets	44,919	41,579
	Contributions	0	0
	Benefits Paid	0	(11,360)
	Fair value of plan assets at the end of year	5,44,018	4,99,099
	Funded status	3,21,894	2,95,999
	Excess of Actual over estimated return on plan assets	NIL	NIL
	Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	12,805	1,191
	Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
	Total (gain)/ loss for the year	(12,805)	(1,191)
	Actuarial (gain)/ loss recognized in the year	(12,805)	(1,191)
6.	Amounts Recognized in the Balance Sheet		
	Present value of obligations as at the end of year	2,22,124	2,03,100
	Fair value of plan assets as at the end of the year	5,44,018	4,99,099
	Funded status	3,21,894	2,95,999
	Net asset/(liability) recognized in balance sheet	(3,21,894)	(2,95,999)
7.	Expenses Recognised in the Profit and Loss Account		
	Current Service cost	15,581	15,805
	Interest Cost	16,248	14,803
	Expected return on plan assets	(44,919)	(41,579)
	Net Actuarial (gain)/ loss recognized in the year	(12,805)	(1,191)
	Expenses recognised in statement of Profit and loss Account	(25,895)	(12,162)

30. Segment Reporting

The Company has disclosed and reported Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. Accordingly the company has identified Engineering Division and Textile Division as the main business segments as per the Accounting Standard on "Segment Reporting" (AS-17) issued by The Institute of Chartered Accountants of India.

The Company has disclosed and reported Geographical Segment as the secondary segment on the basis of location of its customers within India and outside India.

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

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

a) Information about Primary Segments : Business Segments)

		Year ended 31-3-2013	Year ended 31-3-2012
1	Segment Revenue	₹	₹
a.	Engineering Division	5,62,10,758	5,48,01,292
b.	Textile Division	12,22,77,727	67,88,55,858
c.	Others	82,65,278	Nil
	Total	18,67,53,763	73,36,57,150
	Less : Inter Segment Revenue	-	-
	Net Sales/Income from Operations	18,67,53,763	73,36,57,150
2	Segment Results		
	Profit/(loss) before tax and Interest		
a.	Engineering Division	48,72,085	(42,09,287)
b.	Textile Division	(32,92,894)	1,45,57,792
	Total	15,79,191	1,03,48,505
	Less : (i) Interest	6,72,785	11,63,836
	(ii) Other un-allocable expenditure Net off un-allocable income	6,44,029	24,93,211
	Total Profit Before Tax	2,62,377	66,91,458
3	Capital Employed		
	(Segment Assets - Segment Liabilities)		
a.	Engineering Division	11,03,47,319	10,31,02,454
b.	Textile Division	1,34,67,549	78,36,063
	Add :- Unallocable Assets less Liabilities	9,44,37,447	10,69,59,387
	Total Capital Employed in the Company	21,82,52,314	21,78,97,904

b) Information about Geographical Segments :

		Year ended 31-3-2013	Year ended 31-3-2012
		₹	₹
	Revenue		
	India	18,58,32,104	73,27,19,011
	Outside India	9,21,659	9,38,139
		18,67,53,763	73,36,57,150
	Assets		
	India	27,20,72,458	31,76,49,630
	Outside India	41,94,477	34,41,971
		27,62,66,935	32,10,91,601
	Capital Expenditure		
	India	1,29,30,336	1,42,84,445
	Outside India	-	-
		1,29,30,336	1,42,84,445

Chandni Textiles Engineering Industries Ltd.

Annual Report 2012-13

31. Information on Related Party transactions as required by the Accounting Standard 18 "Related Party Disclosure" are given below :

1) Name of related parties and description of relationships :-

a) Key Management Personnel

- i) Jayesh R.Mehta - Managing Director
- ii) Amita J.Mehta - Director

b) Associate Companies

- i) Kareshma Dentals Private Limited.
- ii) J.R. Texmachtrade Private Limited.
- iii) Jumping Genius School Private Limited

2) Transactions during the year and Balances outstanding at the year end with the related parties are as follows:-

Nature of Transaction	Key Management Personnel		Associate Companies	
	₹	₹	₹	₹
	2012-13	2011-12	2012-13	2011-12
Directors Remuneration	8,40,000	8,40,000	-	-
Loans taken / repaid	Nil	Nil	Nil	Nil
Outstandings at year end :				
Sundry Creditors	6,979	49,900	-	-

3 2 . Contingent liability and Commitments :

(i) Contingent Liabilities

- (a) Counter guarantees given to the Company's bankers for the guarantees issued by them on behalf of the Company ₹ 9 , 7 1 , Previous Year ₹ 1 9 , 1 4 , .4 0 0 / -)
- (b) Claims against the Company not acknowledged as debts represent suits filed by parties and disputed by the Company ₹ 2 5 , 4 5 , Previous Year ₹ 2 5 , 4 5 , 1 3 3 / -)

(ii) Estimated Capital Commitments outstanding at the end of the year ₹ 2 5 , 0 0 , Previous year ₹ 3 5 , 0 0 , 0 0 0) .

3 3 . The previous year's figures are grouped /regrouped or arranged /rearranged wherever necessary to make them comparable with the current year's figures .

As per our report of even date

For CHANDAN PARMAR & CO.

Chartered accountants

(Deepak H. Padachh)

Partner

Membership No.45741

On Behalf of the Board

Managing Director

J.R. Mehta

Director

A.J. Mehta

PLACE : MUMBAI

DATE : 28-05-2013

Chandni Textiles Engineering Industries Ltd.

Registered Office : 110, T. V. Industrial Estate, 52 S. K. Ahire Marg, Worli, Mumbai - 400 030

ATTENDANCE SLIP TWENTY SEVENTH ANNUAL GENERAL MEETING - 2013

Reg. Folio No. / DP ID-/Client ID
No. of Shares held

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

I hereby record my presence at the 27th Annual General Meeting on Saturday 28th September 2013 at 3.00 P.m. at The Queenie Captain Auditorium C/o The Nab Workshop For The Blind, Dr Annie Besant Road, Worli, Mumbai - 30

.....
Member's / Proxy's name in block letters

.....
Member's / Proxy's Signature

NOTE : Please fill in this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING PLACE



Chandni Textiles Engineering Industries Ltd.

Registered Office : 110, T. V. Industrial Estate, 52 S. K. Ahire Marg, Worli, Mumbai - 400 030

FORM OF PROXY

Reg. Folio No. / DP ID - Client ID
No. of Shares held

I/We of
in the district of being member/members of the above named Company hereby
appoint Mr. / Ms. of or failing
him / her Mr / Ms of
in the district of as my/our proxy to attend and vote for me/our behalf at the
27th Annual General Meeting on Saturday 28th September 2013 at 3.00 P.m. at The Queenie Captain Auditorium C/o
The Nab Workshop For The Blind, Dr Annie Besant Road, Worli, Mumbai - 30 and at any adjournment there of.

Affix Rs. 1 Revenue Stamp

Signed this day of 2013

Signature

NOTE : This form in order to be effective should be duly stamped completed and signed and must be deposited at the Registered Office of the company, not less than 48 hours before the meeting.

Book Post

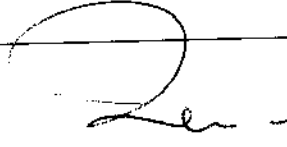
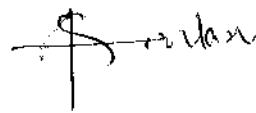

If undelivered please return to :

CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD.

Registered Office : 110, T. V. Industrial Estate,
52 S. K. Ahire Marg, Worli, Mumbai - 400 030


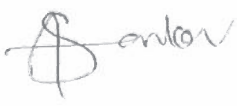

FORM A

(Clause 31 of the Listing Agreement)

1.	Name of the Company:	Chandni Textiles Engineering Industries Ltd
2.	Annual financial statements for the year ended	31 st March, 2013.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	Mr. Jayesh Mehta Managing Director and CEO	
	Mr. Shailesh Sankav CFO	
	Mr. Deepak Padachh Partner of Chandan Parmar & Co. Auditor of the Company	
	Mr. R. C. Garg Audit Committee Chairman	R. C. Garg

FORM A

(Clause 31 of the Listing Agreement)

1.	Name of the Company:	Chandni Textiles Engineering Industries Ltd
2.	Annual financial statements for the year ended	31 st March, 2013.
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by-	
	Mr. Jayesh Mehta Managing Director and CEO	
	Mr. Shailesh Sankav CFO	
	Mr. Deepak Padachh Partner of Chandan Parmar & Co. Auditor of the Company	
	Mr. R. C. Garg Audit Committee Chairman	