

# Chandni Textiles Engineering Industries Ltd.

(Formerly known as Chandni Textiles Ltd.)

CIN: U25209MH1986PLC040119

110, T.V. Industrial Estate, 52, S.K. Ahire Marg,  
Worli, Mumbai- 400 030. Maharashtra, INDIA  
Fax : ++91-22-2495 0328  
Email : sales@cteil.com  
Website: www.cteil.com

September 30, 2016

To,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Dear Sir,

**SCRIP CODE: BSE – 522292**

**Sub: Submission of Annual Report 15-16 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

This is to inform you that the 30<sup>th</sup> Annual General Meeting (AGM) of the shareholders of the Company was held on 30<sup>th</sup> September, 2016 at 3.00 P.M. at Park Club Ltd, North Keluskar Road, Shivaji Park, Opp. Scout Hall, Dadar (West), Mumbai – 400 028 and all items of the business contained in the Notice dated 10<sup>th</sup> August, 2016 were approved by the Members with requisite majority.


The Annual Report for the FY 2015-16 as approved and adopted at the 30<sup>th</sup> Annual General Meeting of the Company is attached for your ready reference. This is in compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record and acknowledge receipt.

Thanking You,

Yours Faithfully,

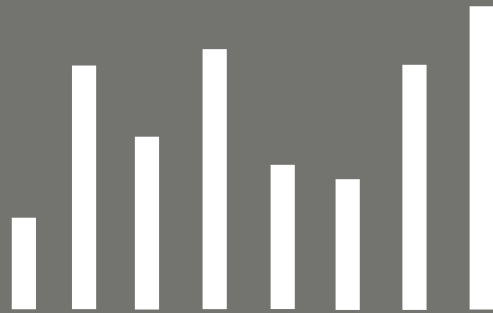
For Chandni Textiles Engineering Industries Ltd

  
Gayatri Malan  
Company Secretary



# CHANDNI

Textiles Engineering Industries Ltd



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**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr. Shailesh Sankav

**COMPANY SECRETARY**

Ms. Gayatri Valan

**AUDITORS**

Chandan Parmar & Co  
Chartered Accountants

**SECRETARIAL AUDITOR**

M/s. Ajay Anil Thorat & Associates  
Company Secretaries

**BANKERS**

Union Bank of India  
HDFC Bank Ltd.

**REGISTERED OFFICE**

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

**FACTORY**

22/1, Village-Ringanwada,  
Daman – 396210 (Union Territory)  
Via Vapi (W. Rly)

Plot No. 4612/A, G. I.D. C. Estate  
Ankleshwar, Gujarat 393 002.

**REGISTRAR & 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@gmail.com

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## NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Chandni Textiles Engineering Industries Limited will be held on Friday the 30th day of September, 2016 at 3.00 p.m. at Park Club Ltd., North Keluskar Road, Shivaji Park, Opp. Scout Hall, Dadar (West), Mumbai - 400 028 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Amita J Mehta (DIN 00193075), who retires by rotation and being eligible offers herself for re-appointment;
3. To consider and if thought fit, to pass the following resolution by Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chandan Parmar & Co., Chartered Accountant (ICAI FRN No. 101662W) as Statutory Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors.”

### **SPECIAL BUSINESS :**

4. To consider and if thought fit to pass the following resolution as a **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and to the provisions of Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, 200000000 (Twenty Crore) equity shares of the Nominal Value of Re. 1/- each in Authorized Share Capital of the Company be consolidated into 200000000 (Two Crore) equity shares of ₹ 10/- each AND THAT Clause V (being Capital Clause) of the Memorandum of Association of the Company relating to equity shares be altered accordingly.

**RESOLVED FURTHER THAT** the issued, subscribed and fully paid up Equity Share Capital of the Company, comprising of 161372630 Equity Shares of Re. 1/- each be consolidated into 16137263 Equity Shares of the face value of ₹ 10/- each aggregating ` 16,13,72,630 (Rupees Sixteen Crore Thirteen Lakh Seventy Two Thousand Six Hundred Thirty Only) , as on the Record date that may be fixed by the Board.

**RESOLVED FURTHER THAT** upon consolidation of 10 (ten) Equity Shares of Re. 1/- (Rupee One Only) each into One Equity Shares of ₹ 10/- (Rupees Ten Only) each, the Board shall not issue any fractional shares/ certificates. However, the Total number of Equity shares constituting such fraction shall be transferred to a person or persons appointed by the Board as trustee or trustees for and on behalf of such fractional equity shareholders. The details of such fractional equity shareholders will be provided to the Trustee so as to enable Trustee to distribute the net proceeds of sale of such fractional shares amongst the shareholders in proportion to their entitlement over such fractional shares after payment of all expenses of the sale and other related expenses.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorized to issue new share certificates representing the consolidated equity shares with the new distinctive numbers, consequent to the consolidation of shares as aforesaid and/or credit the shareholders account maintained with the depositories, subject to the applicable rules in this respect and the Articles of Association of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board,

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to any Committee thereof or to any Directors) or Company Secretary, to give effect to the aforesaid resolution.”

- 5 To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which shall deem to include any committee thereof) to contribute an amount up to Rs. 6,00,000/- (Rupees Six Lacs Only), in one or more tranches, in any financial year, either directly or through a non-profit organization, or in any other way considered appropriate by the Board, to such bona fide charitable and other funds as may be deemed fit and appropriate by the Board.”

6. To consider and determine the fees for delivery of any document through particular mode of delivery to a member and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to section 20 and other applicable provisions, if any of the Companies Act 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ₹ 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

**RESOLVED FURTHER THAT** the estimated fees for delivery of the document shall be paid by the member in advance to the Company before dispatch of such document.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Key Managerial Personnel of the Company be and are hereby severally authorized to all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) 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.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Mrs. Amita J Mehta retires by rotation at the meeting and being eligible, offers herself for re-appointment. Brief resume/information of Director proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement is given in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

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6. The Register of Members and Share Transfer Books of the Company shall remain close from 26<sup>th</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).
7. In accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company has fixed 23<sup>rd</sup> September, 2016 as the “cut-off date” to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 23<sup>rd</sup> September, 2016, shall be entitled to avail the facility of remote e-voting or voting in general meeting.
8. Shareholders may be aware that the Companies Act, 2013, permits service of the notice of the Annual General Meeting through electronic mode through electronic mode. Electronic copy of the Annual Report including notice of the 30<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes. However those members who desire to have a physical copy may request for the same to the RTA. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode.
9. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter. The Annual Report of the Company would also be made available on the Company's website [www.cteil.com](http://www.cteil.com)
10. Members are requested to inform immediately any change in their address to the Company's Registrar & Share Transfer Agents M/s. Purva Sharegistry (India) Pvt. Ltd at Shiv Shakti Industrial Estate, Unit No. 9, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai- 400 011. Phone No. – 022-23016761/8261, email – [busicomp@gmail.com](mailto:busicomp@gmail.com)
11. **Voting through electronic means:**
  - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Shareholders with the facility of “remote e-voting” (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 30<sup>th</sup> Annual General Meeting (AGM) and the business at the 30<sup>th</sup> AGM may be transacted through through such voting. The Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.
  - b. Members who have registered their email Ids with the depositories or with the Company are being sent Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice through post/courier.
  - c. The facility for voting through ballot paper shall be made available at the AGM and the members attending meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - d. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - e. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For any queries regarding the shares and grievances connected with e-voting, you may contact Registrar and

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Transfer Agent of the Company at the following address:

Purva Sharegistry (India) Pvt Ltd (Unit –Chandni Textiles Engineering Industries Ltd)  
Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J.R. Boricha Marg,  
Sitaram Mill Compound, Mumbai – 400011  
Tel no. (022) 23016761/ 23018261;  
Fax No: (022) 23012518 E-mail: busicomp@gmail.com

12. The instructions for members voting electronically are as under:

- i. The voting period begins on 27<sup>th</sup> September, 2016 at 9.00 A.M. and ends on 29<sup>th</sup> September, 2016 at 5.00 P.M. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- iii. Click on “Shareholders” tab.
- iv. Now enter your user ID: (For CDSL: 16 digit beneficiary ID, For NSDL: 8 character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login
- vi. If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used.
- vii If you are a first time user follow the steps given below.

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



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- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same option “YES/NO” for voting, Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to Print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Non- Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository accounts/folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
13. Ms. Jyoti Jha, Practicing Chartered Accountant, Partner, M/s. C P Chechani & Associates, Mumbai will be acting as the Scrutinizer to scrutinize the e-voting and voting process at the AGM in a fair and transparent manner.
14. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a

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consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

15. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.cteil.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.
16. A member can opt for only one mode i.e. either through e-voting or voting at the annual general meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at annual general meeting shall be treated as invalid.

**Registered Office:**

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

**Dated: 10<sup>th</sup> August, 2016**

By Order of the Board

Jayesh R. Mehta  
Chairman & Managing Director

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business:-**

**Item No. 4**

The Authorised Share Capital of the company as reflected in the Memorandum and Articles of Association as on date is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 200000000 (Twenty Crores) equity shares of the face value Re. 1/- (Rupee One) each. The Board of Directors of the Company subject to requisite approval and consent resolved to consolidate 10 Equity Shares of the Company of the face value of Re. 1/- each into 1 Equity Share of the face value of Rs. 10/- each and consequently alter the Memorandum and Articles of Association.

The Board is of the view that the aforesaid restructuring would help the Company to give a better picture of earning per share to the equity shareholders of the Company.

The approval is sought to be given to the Board of Directors of the Company to fix record date and issue fresh Equity Share certificates of the denomination of Rs. 10/- each to the members in place of existing Equity Shares of Re. 1/- each. In case of members having fractional shares not divisible by the 10/- the same will be transferred to a person appointed by the Board of Directors as trustee for this purpose. All the fractional shares will be transferred as on the record date. The trustee(s) will consolidate the fractional shares transferred to it and will sell the total shares. The proceeds from the total shares will be paid to the respective shareholders after deducting the expenses incurred in this regard, if any. The said resolution, if passed, will have the effect of allowing the Board to do all such matters and deeds as are necessary to affect the said matter.

Considering the above, The Board of Directors of the Company recommends the Resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

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## **Item No. 5**

It is proposed that the Board of Directors of the Company ("the Board") be authorized to contribute up to Rs. 6 lacs in any financial year for charitable purposes, either directly or through non-profit organizations or any other way considered appropriate.

As per Section 181 of the Companies Act, 2013, the Board may contribute to bona fide charitable and other funds provided that prior permission of the Company in a general meeting is obtained for making contributions the aggregate of which, in any financial year exceeds five percent of the average net profits of the Company for three immediately preceding financial years.

Subject to the approval of members of the Company, the Board may like to contribute to bona fide charitable and other funds during the financial year 2016-17 and in subsequent financial years, an amount exceeding five percent of the average net profits of the Company for the three immediately preceding financial years, subject to the maximum of Rs. 6 lacs in a financial year. Accordingly it is proposed to obtain members approval by way of an Ordinary Resolution for contribution up to Rs. 6 lacs in any financial year to bona fide charitable and other funds.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

## **Item No. 6**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered Post or by Speed Post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 required the fees to be determined in the Annual General Meeting; the Directors accordingly commend the Ordinary Resolution at item no. 6 of the accompanying notice.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

**Place: Mumbai**  
**Date: 10<sup>th</sup> August, 2016**

**By Order of the Board**

**Jayesh R. Mehta**  
**Chairman & Managing Director**

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## BOARD REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report together with Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016:

### 1. Financial Results:

(₹ In Lacs)

|  | 2015-2016      | 2014-2015       |
|--|----------------|-----------------|
| Revenue from operations                                    | 1261.53        | 2633.25         |
| Other Income   | 101.79         | 116.68          |
| <b>Total Revenue</b>                                       | <b>1363.32</b> | <b>2749.93</b>  |
| <b>Profit before depreciation, finance costs &amp; tax</b> | <b>37.88</b>   | <b>(93.08)</b>  |
| <b>Less: Depreciation</b>                                  | <b>34.68</b>   | <b>32.22</b>    |
| Finance Costs  | 0.25           | 8.81            |
| <b>Profit before tax &amp; exceptional items</b>           | <b>2.95</b>    | <b>(134.11)</b> |
| <b>Less: Exceptional items</b>                             | <b>(1.56)</b>  | <b>141.58</b>   |
| <b>Profit before tax</b>                                   | <b>1.39</b>    | <b>7.47</b>     |
| <b>Tax Expense</b>   |                |                 |
| Current tax  | 0.00           | 0.00            |
| Deferred tax   | (1.10)         | 1.51            |
| Wealth tax   | 0.00           | 0.13            |
| <b>Profit after tax</b>                                    | <b>2.49</b>    | <b>5.83</b>     |
| Balance brought forward from previous year                 | 27.76          | 21.93           |
| Balance carried to balance sheet                           | 30.26          | 27.76           |

### 2. Results of Operation and State of Company's Affairs

During the year under review, the turnover of the company has decreased to ` 1261.53 lacs in the current year from ₹2633.25 in the last year. The Profit before tax has decreased from ` 7.47 lacs in the previous year to ` 1.39 lacs in the current year. The Net Profit decreased from ` 5.83 lacs in the previous year to ` 2.49 lacs in the current year. A detailed analysis of performance for the year has been covered in the Management Discussion and Analysis, which forms part of the Annual Report.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affects the financial position of the Company.

There has not been any change in the nature of business of the Company

### 3. Dividend

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

### 4. Transfer to Reserves

An amount of ₹ 30.26 lacs is proposed to be retained in the Profit & Loss Account.

### 5. Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

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## 6. Directors Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed that in the preparation of the Annual Accounts:

- a. The applicable accounting standards had been followed along with proper explanation relating to material departures have been given;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31<sup>st</sup> March, 2016 and of its profit for the year;
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down internal financial controls to be followed by the Company. Internal Financial Controls are adequate and were operating effectively;
- f. Proper Systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 7. Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by the SEBI. A separate Report on Corporate Governance along with Certificate from the Auditors of the Company on compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as part of this Annual Report.

## 8. Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 9. Risk Management Policy

The Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Internal Auditor of the Company prepares quarterly risk analysis reports which are reviewed and discussed in the Board Meetings.

## 10. Directors and Key Managerial Personnel

In accordance with the provisions of the Act, Mrs. Amita J. Mehta, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment.

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

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149(6) of the Companies Act, 2013

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

# Chandni Textiles Engineering Industries Ltd

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As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. J. R. Mehta, Managing Director, Mr. Shailesh P. Sankav, Chief Financial Officer and Ms. Gayatri Valan, Company Secretary are the Key Managerial Personnel of the Company.

## 11. Board Evaluation

During the year, the Board has carried out evaluation of its performance, its committees and individual directors, including the Chairman of the Board. The Board has evaluated the composition of Board, its Committees, experience and expertise, performance of obligations etc. Performance of individual Directors and the Board Chairman was also carried out in terms of attendance, contribution to the meetings, timely availability of the documents/agenda etc. Directors were satisfied with the evaluation on different criteria.

## 12. Familiarization Programme

The details of programs for familiarization of Independent Directors with the Company, their roles, responsibilities in the Company and related matters are put up on the website of the company at the link <http://www.cteil.com/pdf/Familiarization%20Program%20of%20Independent%20Director.pdf>

## 13. Nomination & Remuneration Policy

The Objective of the Policy

- a. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- c. To carry out evaluation of the performance of Directors
- d. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

## 14. Auditors and Auditors Report

M/s Chandan Parmar & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. They have confirmed their eligibility to the effect that if re-appointed it would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Board has duly reviewed the Statutory Audit Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self explanatory and do not call for any further clarification/ comments. The Auditors report does not contain any qualification, reverse or adverse remark.

## 15. Secretarial Auditor

The Board has appointed M/s Ajay Anil Thorat & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2015-16 as required under Section 204 of the Act and Rule made thereunder. The Secretarial Audit Report for the financial year 2015-16 is attached as Annexure I to the Board's Report.

The Board has duly reviewed the Secretarial Audit Report and the observations and comments, appearing in the report are self explanatory.

The Secretarial Audit Report contains a remark pertaining to non indication of Director Identification Number in

# Chandni Textiles Engineering Industries Ltd

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some documents. The Board will ensure that DIN is mentioned in all related documents henceforth.

The other observations & comments appearing in the report are self explanatory.

## 16. Disclosures

### Audit Committee

The Audit Committee of the Board comprises of Mr. R.C. Garg (Chairman), Dr. Bharat Bhatia (Member) and Mr. V. G. Joshi (Member). For details, please refer to Corporate Governance Report attached to this report.

### Vigil mechanism

The Vigil Mechanism Policy of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Agreement/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for directors and employees to report concern about unethical behavior, actual or suspected fraud. Protected disclosures can be made by a whistle blower in writing to the Whistle Officer and under the said mechanism, no person has been denied access to the Chairman of the Audit Committee.

The Vigil Mechanism Policy may be accessed on the Company's website at the link <http://www.cteil.com/pdf/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf>

### Number of Meetings of the Board

The Board met six times during the financial year 2015-16, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Agreement/ SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

### Contracts and Arrangements with Related Parties

During the year, the Company has not entered into any contracts/ arrangements with a related party as specified under section 188 of the Companies Act, 2013 except for payment of remuneration to Managing Director and KMP. Therefore, disclosure in the Form AOC-2 is not required. The policy materiality of related party transactions and dealing with related party transactions is available on the Company's website at the link <http://www.cteil.com/pdf/Policy%20on%20Related%20Party%20Transactions%20Policy.pdf>

### Particulars of Loans, Guarantees or Investments by the Company

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the Note No. 8 to the Financial Statement. The Company has not given any loans and guarantees under Section 186 of the Act during the Financial Year 2015-16.

## 1. Conservation of Energy, technology Absorption, Foreign Exchange Earnings and Outgo

### a) Conservation of Energy

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

### b) Technology Absorption

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

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c) **Foreign Exchange Earnings and Outgo**

|                                     | <b>FY 2015-16</b> | <b>FY 2014-15</b> |
|-------------------------------------|-------------------|-------------------|
| Total Foreign Exchange Outgo        | 23,49,052         | 71,31,014         |
| Total Foreign Exchange earned (FOB) | 4,86,281          | 6,21,293          |

**18. Extract of Annual Return**

In accordance with Section 134(3) (a) of the Companies Act, 2013, Extract of Annual Return in the prescribed format is attached as Annexure II to the Board's Report.

**19. Particulars of Employees and related disclosures**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure III

There are no employees in receipt of the remuneration exceeding the limit prescribed under Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**20. General**

Yours Directors state that no reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to Deposits covered under Chapter V of the Companies Act, 2013
- b) Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
- c) Issue of Sweat Equity Shares or Stock Option to employees of the Company.
- d) No significant and material orders were passed by the regulators or courts or tribunals which impacts the going concern of status and Company's operation in future.

Yours directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**21. Acknowledgement**

Yours Directors wish to place on record their gratitude to the Company's business associates, trade partners, dealers, customers, shareholders, vendors, bankers (HDFC Bank Ltd, Union Bank of India & Bank of India), technology providers and other stakeholders for the continued support and co-operation extended by them to the Company during the year. Your Directors would like to express their sincere appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

**Place: Mumbai**  
**Date: May 30, 2016**

Jayesh R. Mehta  
Chairman & Managing Director



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ANNEXURE I

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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

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

Based on my verification of the CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED (“the Company”) for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May 2015 and The Securities and Exchange Board of India (Prohibition of insider Trading) Regulation 2015 (effective 15th May 2015)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 Not Applicable as company as not issued any further share capital during the financial year under review.

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- d. The Securities and Exchange Board of India (Share Based Employee Benefits.) Regulations 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable as the company has not issued and listed any debt securities during Financial year under review;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to issue and share Transfer Agent during financial year under review;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; Not applicable as the Company has not delisted /proposed to delist its equity Shares from any Stock Exchange during financial year under review;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 Not applicable as the company has not bought back / proposed to buy back any of its securities during financial year under review;
- (vii) As informed to me, the following other laws specifically applicable to the Company as under:
- (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - (f) The Payment of Bonus Act, 1965
  - (g) The Payment of Gratuity Act, 1972
  - (h) The Contract Labour (Regulation & Abolition) Act, 1970
  - (i) Employees' State Insurance Act, 1948
  - (j) Water (Prevention and Control of Pollution) Act, 1974
  - (k) Air (Prevention and Control of Pollution) Act, 1981

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

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

- 1) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015;
- 2) The Listing Agreements entered into by the Company with Bombay stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015

## I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

# Chandni Textiles Engineering Industries Ltd

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I further report that:-

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

As informed the company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.

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

- (a) *In terms of Section 158 of the Companies Act. 2013, the Company has not indicated Director Identification Number in some documents relate in the director or contain any reference of any director.*
- (b) *The Secretarial Auditor has been appointed in the Board Meeting held on 23rd March, 2016, and the company was having sufficient time for filing MGT -14. Accordingly, Form MGT-14 for this purpose has been filed on 4th April 2016.*
- (c) *In the Board Meeting dated 23rd March, 2016 it was resolved by the Board of Director to satisfy the charge of HDFC Bank amounting to Rs. 9,400,000 vide charge id 80054951. However since actual date of satisfaction of charge was 16th May, 2016, the Company was having sufficient time foOr Filing Form CHG 4. Accordingly, CHG 4 has been filed on 19th May 2016.*

I further report that during the audit period there was no instances of:

- (i) Public/Right/Preferential issue of shares /debentures / sweat equity
- (ii) Redemption / buy back of securities
- (iii) One of the major decisions taken by the Board of Directors is to form a wholly owned sub subsidiary of the company with the name Chandni Machines Private Limited or any other name as may be approved by Registrar of Companies. However, such wholly owned subsidiary has not been incorporated during the audit period.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

For Ajay Anil Thorat & Associates  
Company Secretaries

Ajay Anil Thorat  
Proprietor

Membership No. A30934  
CP No. 12628

Navi Mumbai  
30<sup>th</sup> May, 2016

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

# Chandni Textiles Engineering Industries Ltd

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## Annexure A

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

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

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

For Ajay Anil Thorat & Associates  
Company Secretaries

Ajay Anil Thorat  
Proprietor  
Membership No. A30934  
CP No. 12628

Navi Mumbai  
30<sup>th</sup> May, 2016

# Chandni Textiles Engineering Industries Ltd

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**ANNEXURE II**

## EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2016

(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

|   |  |
|---|--|
| CIN   | (CIN: L25209MH1986PLC040119)   |
| Registration Date                                     | 17th June 1986   |
| Name of the Company                                   | Chandni Textiles Engineering Industries Ltd  |
| Category of Company                                   | Public Limited Company   |
| Address of the Registered Office & Contact Details    | 110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai, Maharashtra – 400 030<br>Telefax: 022 24950328<br>Email: <a href="mailto:jrgroup@jrmehta.com">jrgroup@jrmehta.com</a><br>Website: <a href="http://www.cteil.com">www.cteil.com</a>                                    |
| Whether listed Company                                | Yes  |
| Name and Address of Registrar & Transfer Agents (RTA) | M/s Purva Sharegistry (India) Pvt Ltd<br>Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai – 400 011<br>Tel No. : 022 23016761/ 23018261<br>Fax No.: 022 23012518<br>E-mail: <a href="mailto:busicomp@gmail.com">busicomp@gmail.com</a> |

### II. Principal Business Activity of the Company

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

| Sr. No | Name and Description of Main Products/ Services | NIC Code of the Product/ Service | % to total turnover of the Company |
|--------|---|----------------------------------|------------------------------------|
| 1      | Grey Fabrics/ Fancy Shirting                    | 1410                             | 78.17                              |
| 2      | Velvet Fabrics                                  | 1399                             | 12.14                              |

### III. Particulars of Holding, Subsidiary and Associate Companies

NIL

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## IV. Shareholding Pattern (Equity Share Capital Breakup as % of Total Equity)

### A. Category-wise Shareholding

| 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 share | Demat                                     | Physical    | Total           | % of Total share |                          |
| <b>A. Promoter</b>   |   |             |                 |                  |   |             |                 |                  |                          |
| <b>(1) Indian</b>  |   |             |                 |                  |   |             |                 |                  |                          |
| a) Individual/ HUF   | 70812275  | -           | 70812275        | 43.88            | 70812275                                  | -           | 70812275        | 43.88            | -                        |
| b) Central Govt.   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| c) State Govt.   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| d) Bodies Corp   | 4222110   | -           | 4222110         | 2.62             | 4222110                                   | -           | 4222110         | 2.62             | -                        |
| e) Banks/ FI   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| f) Any other   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| <b>Sub-Total (A)(1)</b>  | <b>75034385</b>                                 | <b>-</b>    | <b>75034385</b> | <b>46.50</b>     | <b>75034385</b>                           | <b>-</b>    | <b>75034385</b> | <b>46.50</b>     | <b>-</b>                 |
| <b>(2) Foreign</b>   |   |             |                 |                  |   |             |                 |                  |                          |
| a) NRI- Individuals  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| b) Other- Individuals  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| c) Bodies Corp   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| d) Banks/ FIs  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| e) Any Other   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| <b>Sub-Total (A)(2)</b>  | <b>-</b>  | <b>-</b>    | <b>-</b>        | <b>-</b>         | <b>-</b>                                  | <b>-</b>    | <b>-</b>        | <b>-</b>         | <b>-</b>                 |
| <b>Total Shareholding of Promoters</b>                               | <b>75034385</b>                                 | <b>-</b>    | <b>75034385</b> | <b>46.50</b>     | <b>75034385</b>                           | <b>-</b>    | <b>75034385</b> | <b>46.50</b>     | <b>-</b>                 |
| <b>(A)=(A)(1)+(A)(2)</b>   |   |             |                 |                  |   |             |                 |                  |                          |
| <b>B. Public Shareholding</b>  |   |             |                 |                  |   |             |                 |                  |                          |
| <b>(1) Institutions</b>  |   |             |                 |                  |   |             |                 |                  |                          |
| a) Mutual Funds  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| b) Banks/ FI   | -   | 4000        | 4000            | 0.00             | -   | 4000        | 4000            | -                | -                        |
| c) Central Govt.   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| d) State Govts.  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| e) Venture Capital Funds   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| f) Insurance Cos.  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| g) FIs   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| h) Foreign Venture Capital Funds                                     | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| i) Others (specify)  | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| <b>Sub-Total (B) (1)</b>   | <b>-</b>  | <b>4000</b> | <b>4000</b>     | <b>0.00</b>      | <b>-</b>                                  | <b>4000</b> | <b>4000</b>     | <b>0.00</b>      | <b>-</b>                 |
| <b>(2) Non Institutions</b>  |   |             |                 |                  |   |             |                 |                  |                          |
| a) Bodies Corp   |   |             |                 |                  |   |             |                 |                  |                          |
| i) Indian  | 45955239  | 226000      | 46181239        | 28.62            | 45562953                                  | 226000      | 45788953        | 28.37            | - 0.25                   |
| ii) Overseas   | -   | -           | -               | -                | -   | -           | -               | -                | -                        |
| b) Individuals   |   |             |                 |                  |   |             |                 |                  |                          |
| l) Individual Shareholders holding nominal share capital upto 1 Lakh | 9667990   | 2186350     | 11854340        | 7.35             | 9934909                                   | 2152350     | 12087259        | 7.49             | 0.14                     |

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|   |                 |                |                  |              |                 |                |                 |              |          |
|---|-----------------|----------------|------------------|--------------|-----------------|----------------|-----------------|--------------|----------|
| ii) Individual Shareholders holding nominal share capital in excess of 1 lakh | 23148696        | -              | 23148696         | 14.34        | 23195031        | -              | 23195031        | 14.37        | 0.03     |
| c) Others (Specify)   |                 |                |                  |              |                 |                |                 |              |          |
| i) NRI (Repat & Non Repat)  | 15278           | -              | 15278            | 0.01         | 15265           | -              | 15265           | 0.01         | -        |
| ii) HUF   | 5134692         | -              | 5134692          | 3.18         | 5164481         | -              | 5164481         | 3.20         | 0.02     |
| iii) Clearing Members   | -               | -              | -                | -            | 83256           | -              | 83256           | 0.05         | 0.05     |
| <b>Sub Total (B)(2)</b>   | <b>83915895</b> | <b>2418350</b> | <b>86334245</b>  | <b>53.50</b> | <b>83955895</b> | <b>2378350</b> | <b>86334245</b> | <b>53.50</b> | <b>0</b> |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                            | 83915895        | 2422350        | 86338245         | 53.50        | 83955895        | 2382350        | 86338245        | 53.50        | 0        |
| C. Shares held by Custodian for GDRs & ADRs                                   | -               | -              | -                | -            | -               | -              | -               | -            | -        |
| Grand Total   | 158950280       | 2422350        | <b>161372630</b> | 100          | 15895628        | 2416350        | 161372630       | 100          | -        |

## B. Shareholding of Promoters

| Shareholders Name | Shareholder at the beginning of the year |                              |  | Shareholding at the end of the year |                              |  | % Change during the year |
|-------------------|--|------------------------------|--|-------------------------------------|------------------------------|--|--------------------------|
|                   | No. of shares                            | % of total shares of the Co. | % of pledged/ encumbered to total shares | No. of shares                       | % of total shares of the Co. | % of pledged/ encumbered to total shares |                          |
| Jayesh R Mehta    | 41920910                                 | 25.98                        | -  | 41920910                            | 25.98                        | -  | -                        |
| Amita J Mehta     | 27596265                                 | 17.10                        | -  | 27596265                            | 17.10                        | -  | -                        |
| J.R. Texmachtrade | 4222110                                  | 2.62                         | -  | 4222110                             | 2.62                         | -  | -                        |
| Prerna J Mehta    | 670000                                   | 0.42                         | -  | 670000                              | 0.42                         | -  | -                        |
| Chandni J Mehta   | 625000                                   | 0.39                         | -  | 625000                              | 0.39                         | -  | -                        |
| L.P. Wankawala    | 100                                      | 0.00                         | -  | 100                                 | 0.00                         | -  | -                        |

## C. Change in Promoters' Shareholding (Please specify if there is no change)

| Particulars  | Shareholding at the beginning of the year |                              | Cumulative Shareholding during the year |                              |
|--|---|------------------------------|---|------------------------------|
|  | No. of shares                             | % of total shares of the Co. | No. of shares                           | % of total shares of the Co. |
| At the beginning of the year   | <b>No Change during the year</b>          |                              |   |                              |
| Date wise Increase / Decrease in promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment / transfer etc) |   |                              |   |                              |
| At the end of the year   |   |                              |   |                              |

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

| Sr. No. | Name  | Shareholding at the beginning of the year |                          | Shareholding at the end of the year |                          |
|---------|---|---|--------------------------|-------------------------------------|--------------------------|
|         |   | No. of Shares                             | % of total shares of Co. | No. of Shares                       | % of total shares of Co. |
| 1       | Satyaprabhu Infrastructure Pvt Ltd                                | 27439394                                  | 17.00                    | 27439394                            | 17.00                    |
| 2       | Mahavirsingh Chauhan  | 6137915                                   | 3.80                     | 6137915                             | 3.80                     |
| 3       | Jhaveri Trading & Investment Pvt Ltd                              | 5153525                                   | 3.19                     | 5153525                             | 3.19                     |
| 4       | N to N Traders Pvt Ltd (Now merged with Adani Properties Pvt Ltd) | 4600000                                   | 2.85                     | 4600000                             | 2.85                     |
| 5       | Shefali D Shah  | 4120000                                   | 2.55                     | 4120000                             | 2.55                     |
| 6       | Deepak R Shah   | 2970340                                   | 1.84                     | 2970340                             | 1.84                     |
| 7       | Champaklal Jethalal Shah  | 2599282                                   | 1.61                     | 2599282                             | 1.61                     |
| 8       | Aarav Financial Services Private Ltd                              | 2400000                                   | 1.49                     | 2400000                             | 1.49                     |
| 9       | Venkatesh Prashanth   | 2351840                                   | 1.46                     | 2188492                             | 1.35                     |
| 10      | Paramount Club LLP  | 1676858                                   | 1.04                     | 1676858                             | 1.04                     |

**\*Note: The shares are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated**

## E. Shareholding of Directors and Key Managerial Personnel (KMP)

### 1) Directors

| Particulars                                     | Mrs. Amita J Mehta | Dr. Bharat Bhatia | Mr. R.C. Garg | Mr. V.G. Joshi |
|---|--------------------|-------------------|---------------|----------------|
| At the Beginning of the year                    |                    |                   |               |                |
| Number of shares                                | 27596265           | Nil               | Nil           | 100            |
| % of total shares held                          | 17.10              |                   |               | 0.00           |
| Date wise increase/<br>Decrease in shareholding | Nil                | Nil               | Nil           | Nil            |
| At the end of the year                          |                    |                   |               |                |
| Number of Shares                                | 27596265           | Nil               | Nil           | 100            |
| % of total shares held                          | 17.10              |                   |               | 0.00           |

### 2) Key Managerial Personnel

| Particulars                                     | Mr. Jayesh R Mehta (CMD) | Mr. Shailesh Sankav (CFO) | Ms. Gayatri Valan (CS) |
|---|--------------------------|---------------------------|------------------------|
| At the Beginning of the year                    |                          |                           |                        |
| Number of shares                                | 41920910                 | 415685                    | Nil                    |
| % of total shares held                          | 25.98                    | 0.26                      |                        |
| Date wise increase/<br>Decrease in shareholding | Nil                      | Nil                       | Nil                    |
| At the end of the year                          |                          |                           |                        |
| Number of Shares                                | 41920910                 | 415685                    | Nil                    |
| % of total shares held                          | 25.98                    | 0.26                      |                        |



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## V. Indebtedness

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

|   | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits<br>(Security<br>Deposit) | Total<br>Indebtedness |
|---|-------------------------------------|--------------------|-----------------------------------|-----------------------|
| Indebtedness at the beginning of the financial year |                                     |                    |                                   |                       |
| i) Principal Amount                                 | 1,19,511                            | -                  | 10,10,000                         | 11,29,511             |
| ii) Interest due but not paid                       | -                                   | -                  | -                                 | -                     |
| iii) Interest accrued but not due                   | 1,265                               | -                  | -                                 | 1,265                 |
| <b>Total (i+ii+iii)</b>                             | <b>1,20,776</b>                     | <b>-</b>           | <b>10,10,000</b>                  | <b>11,30,776</b>      |
| Change in indebtedness during the financial year    |                                     |                    |                                   |                       |
| Addition  | -                                   | -                  | -                                 | -                     |
| Reduction   | 1,20,776                            | -                  | -                                 | 1,20,776              |
| <b>Net Change</b>                                   | <b>(1,20,776)</b>                   | <b>-</b>           | <b>-</b>                          | <b>(1,20,776)</b>     |
| Indebtedness at the end of the financial year       |                                     |                    |                                   |                       |
| i) Principal Amount                                 | -                                   | -                  | 10,10,000                         | 10,10,000             |
| ii) Interest due but not paid                       | -                                   | -                  | -                                 | -                     |
| iii) Interest accrued but not due                   | -                                   | -                  | -                                 | -                     |
| <b>Total (i+ii+iii)</b>                             | <b>-</b>                            | <b>-</b>           | <b>10,10,000</b>                  | <b>10,10,000</b>      |

## VI. Remuneration of Directors and Key Managerial Personnel

### a) Remuneration to Managing Director, Whole-time Directors and / or Manager:

| Sr. No | Particulars of Remuneration   | Amount         |
|--------|---|----------------|
| 1      | Gross Salary  | -              |
|        | (a) Salary as per provisions contained in the Section 17(1) of the Income Tax Act, 1961 | 8,40,000       |
|        | (b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961                          | -              |
|        | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961           | -              |
| 2      | Stock Option  | -              |
| 3      | Sweat Equity  | -              |
| 4      | Commission  |                |
|        | - as % of profit  | -              |
|        | - others, specify   | -              |
| 5      | Others, please specify  | -              |
|        | Total (a)   | 8,40,000       |
|        | Ceiling as per the Act  | 42,00,000 P.A. |

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b) Remuneration to Other Directors

| S. No. | Particulars of Remuneration                    | Mrs. Amita J Mehta | Mr. R.C. Garg | Mr. Bharat Bhatia | Mr. V.G. Joshi | Total Amt |
|--------|--|--------------------|---------------|-------------------|----------------|-----------|
| I      | Independent Directors                          |                    |               |                   |                |           |
| 1      | Fee for attending Board/Committee meetings/AGM |                    | 50000         | 50000             | 50000          | 150000    |
| 2      | Commission                                     |                    |               |                   |                |           |
| 3      | Others, please specify                         |                    |               |                   |                |           |
|        | Total (I)                                      |                    | 50000         | 50000             | 50000          | 150000    |
| II     | Other Non-Executive Directors                  |                    |               |                   |                |           |
| 1      | Fee for attending Board/Committee meetings/AGM | 30000              |               |                   |                | 30000     |
| 2      | Commission                                     |                    |               |                   |                |           |
| 3      | Others, please specify                         |                    |               |                   |                |           |
|        | Total (II)                                     |                    |               |                   |                |           |
|        | Total (B) = (I + II)                           | 30000              |               |                   |                | 30000     |

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

| Sr. No. | Particulars of Remuneration   | Key Managerial personnel |                   | Total  |
|---------|---|--------------------------|-------------------|--------|
|         |   | CFO                      | Company Secretary |        |
| 1       | Gross Salary  | -                        | -                 | -      |
|         | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 496200                   | 239356            | 735556 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -                 | -      |
|         | (c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961               | -                        | -                 | -      |
| 2       | Stock Option  | -                        | -                 | -      |
| 3       | Sweat Equity  | -                        | -                 | -      |
| 4       | Commission  |                          |                   |        |
|         | as % of profit  | -                        | -                 | -      |
|         | others, specify   | -                        | -                 | -      |
| 5       | Others, please specify  | -                        | -                 | -      |
|         | Total   | 496200                   | 239356            | 735556 |

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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                             |                              |                   |  |                            |                                    |
| Punishment                          |                              |                   |  |                            |                                    |
| Compounding                         |                              |                   |  |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                            |                                    |
| Penalty                             |                              |                   |  |                            |                                    |
| Punishment                          |                              |                   |  |                            |                                    |
| Compounding                         |                              |                   |  |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                            |                                    |
| Penalty                             |                              |                   |  |                            |                                    |

NIL

On behalf of the Board of Directors

Place: Mumbai

Date: May 30, 2016

Jayesh R. Mehta  
Chairman & Managing Director

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## ANNEXURE III

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

#### A. Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014

- i. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

| Name of the Director | Ratio of each Director to the median remuneration of the employee |
|----------------------|---|
| Mr. Jayesh R Mehta   | 4.41  |
| Mrs. Amita J Mehta   | 0.17  |
| Dr. Bharat Bhatia    | 0.29  |
| Mr. R.C. Garg        | 0.29  |
| Mr. V.G. Joshi       | 0.29  |

- ii. The Percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year

| Name of the Director, Chief Financial Officer and Company Secretary | % increase in the remuneration in the financial year |
|---|--|
| Mr. Jayesh R Mehta  | NA   |
| Mrs. Amita J Mehta  | NA   |
| Dr. Bharat Bhatia   | NA   |
| Mr. R.C. Garg   | NA   |
| Mr. V.G. Joshi  | NA   |
| Mr. Shailesh Sankav<br>Chief Financial Officer                      | 6.43   |
| Ms. Gayatri Valan<br>Company Secretary                              | NA   |

- iii. The percentage increase in the median remuneration of employees in the financial year was 5.67%
- iv. There were 12 permanent employees on the rolls of Company as on March 31, 2016.
- v. The Profit after Tax for the FY ended March 31, 2016 decreased by 57.2% whereas the increase in average remuneration was 5.68 %.
- vi. The profit after tax for the FY ended on March 31, 2016 decreased by 57.2% whereas the remuneration of Key Managerial Personnel, viz. [1] Managing Director was increased by 0%, [2] Chief Financial Officer by 6.43 % and [3] Company Secretary - NA
- vii. The market capitalization of the Company was Rs. 15,33,03,998.50 as on March 31, 2016 as against Rs. 15,16,90,272.2 as on March 31, 2015
- Whereas, Price Earnings Ratio of the Company was 475 as on March 31, 2016 as against 235 as at March 31, 2015
- viii. The Company came out with Initial Public Offer in 1994 at a price of Rs. 10/- per share. The market price of the share as on March 31, 2016 was Rs. 0.95/- on BSE Ltd. The variation in price is -90%. (\* The variation is due to sub-division of of 1 equity share of Rs. 10 into 10 equity shares of Re. 1/- each)

# Chandni Textiles Engineering Industries Ltd

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- ix. Average percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2015-16 was 5.67% whereas the increase in the managerial remuneration for the same financial year was 6.43%
- x. The key parameters for the variable component of remuneration availed by the directors - Not Applicable
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable
- xii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**B. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) if employed throughout the FY, was in receipt of remuneration for that year which, in aggregate was not less than 60 lacs- Not Applicable
- (ii) if employed for a part of the FY was in receipt of remuneration for any part of that year, at a rate which in the aggregate was not less than 5 lac rupees per month – Not Applicable
- (iii) if employed throughout the year or part thereof was in receipt of remuneration in that year which, in aggregate, or as the case may be at a rate which in the aggregate or as the case may be at a rate which, in the aggregate, is in excess of that drawn by the MD or WTD and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company – Not Applicable.

On behalf of the Board of Directors

**Place: Mumbai**

**Date: May 30, 2016**

Jayesh R. Mehta  
Chairman & Managing Director

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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 (five) comprising, 1 (one) Executive Director, 1 (one) Non- Executive Director, and 3 (three) Independent Directors.

The composition of the Board of Directors is as follows:

| Name of Director     | Category                   | No. of Directorship held in other public Companies | No. of Committee Membership/ Chairmanship held in other Companies |
|----------------------|----------------------------|--|---|
| Shri. Jayesh R 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   |

### Disclosure of Shareholding of Non – Executive Directors

| Name of the Director | Shares held as on 31.03.2016 |
|----------------------|------------------------------|
| Mrs. Amita J Mehta   | 27596265                     |

Mrs. Amita J Mehta is the spouse of Mr. Jayesh R Mehta, Managing Director of the Company

### Board Procedure

The Board meets at least once in every 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.

The Familiarization Programme of our Directors is also given on the website <http://www.cteil.com/pdf/Familiarization%20Program%20of%20Independent%20Director.pdf>

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## Attendance of Directors at the Board Meetings and the last AGM

The Board of Directors met 6 times during the financial year on the following dates: 29<sup>th</sup> May, 2015; 13<sup>th</sup> August, 2015; 27<sup>th</sup> August, 2015; 10<sup>th</sup> November, 2015; 12<sup>th</sup> February, 2016; 23<sup>rd</sup> March, 2016. The attendance of Directors at Board Meetings and the last Annual General Meeting was as under:

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

## 3. Audit Committee

### Composition

The Audit Committee comprises of 3 (three) Independent Directors who possess knowledge of corporate finance, accounts and company law. The Chairperson of the Committee is a Non-Executive Independent Director nominated by the Board. The Company Secretary 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 Director  | Category                                |
|-------------------|---|
| Shri. R.C. Garg   | Chairperson- Independent, Non-Executive |
| Dr. Bharat Bhatia | Independent, Non-Executive              |
| Shri. V.G. Joshi  | Independent, Non-Executive              |

### Broad terms of reference

The brief description of terms of reference of the Audit Committee is mentioned below:

- Recommending the appointment, remuneration and terms of appointment of the Statutory Auditors of the Company.
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process.
- Reviewing the Financial Statements and the Auditors Report before submission to the Board.
- Reviewing the accounting policies and practices followed by the Company.
- 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.
- Reviewing Management discussion and analysis of financial condition and results of operations.
- Reviewing the internal controls, risk management policies and practices and related party transactions.

### Meetings and Attendance

Four Meetings of the Audit Committee were held during the year on the following dates: 29<sup>th</sup> May, 2015; 13<sup>th</sup> August, 2015; 10<sup>th</sup> November, 2015 and 12<sup>th</sup> February, 2016. The details of meetings and attendance are as under:

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

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## 4. Nomination and Remuneration Committee

The Composition of the Nomination & remuneration Committee is as under

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

### Board terms of reference

The terms of reference of the Nomination & Remuneration Committee are:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board.

### Meeting and Attendance Details

One Meeting of the Nomination and remuneration Committee was held during the year.

| Name of Director  | Held during the year | Attended |
|-------------------|----------------------|----------|
| Shri. R.C. Garg   | 1                    | 1        |
| Dr. Bharat Bhatia | 1                    | 1        |
| Shri. V.G. Joshi  | 1                    | 1        |

### Independent Directors Meeting

Independent Directors are regularly updated on the performance of the Company, strategy going forward and new initiatives being taken/ proposed to be taken by the Company. The Independent Directors Dr. Bharat Bhatia, Mr. R.C. Garg, and Mr. V. G. Joshi met on 23<sup>rd</sup> March, 2016 without the attendance of non-independent directors and members of the management to:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairman of the Company of the Company, taking into account the views of executive directors and non-executive directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.



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## Remuneration Policy

The Remuneration Policy of Managing Director is recommended by the Nomination & Remuneration Committee. The details of remuneration paid to all Directors for the year ended 31<sup>st</sup> March, 2016 is as under:

| Name of the Director | Relationship with other directors | Business relationship with the company | Salary (Rs.) | Sitting Fees (Rs.) | Total (Rs.) | Stock Option |
|----------------------|-----------------------------------|--|--------------|--------------------|-------------|--------------|
| Shri. Jayesh R Mehta | Husband of Smt. Amita J Mehta     | Promoter & Managing Director           | 8,40,000     | -                  | 8,40,000    | Nil          |
| Smt. Amita J Mehta   | Wife of Shri. Jayesh R Mehta      | Promoter Group                         | -            | 30000              | 30000       | Nil          |
| Dr. Bharat Bhatia    | None                              | None                                   | -            | 50000              | 50000       | Nil          |
| Shri. R.C. Garg      | None                              | None                                   | -            | 50000              | 50000       | Nil          |
| Shri. V.G. Joshi     | None                              | None                                   | -            | 50000              | 50000       | Nil          |

Details of Remuneration of Executive Directors for the financial year 2015-16

|  |  |
|--|--|
| Name & Designation                                       | Mr. J.R. Mehta, Managing Director              |
| Tenure of Appointment                                    | 5 years ending on 31 <sup>st</sup> March, 2019 |
| Salary (₹)   | 8,40,000                                       |
| Perquisites/ Allowances (₹)                              | -  |
| Commission (₹)   | -  |
| Performance Incentives (₹)                               | -  |
| Contributions to Provident Fund/ Superannuation Fund (₹) | -  |
| Other (₹)  | -  |
| Perquisites values of ESOS (₹)                           | -  |
| Total (₹)  | 8,40,000                                       |

## 5. Stakeholder's Grievance Committee

### Composition

The Stakeholders' Grievance Committee comprises of three Directors and the Chairperson of the Committee is an Independent Director.

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

Compliance Officer of the Company- Ms. Gayatri Valan – Company Secretary

### Terms of Reference

The Committee is empowered to perform all duties of the Board in relation to approval and monitoring transfer, transmission, issue of duplicate share certificate, splitting and consolidation of shares, dematerialization, rematerialisation and other related matters. The Committees also looks after the investor grievances and Redressal mechanism and recommends measures to improve the level of investor services. Details of shares transfer/transmission, consolidation and dematerialization approved by the Committee are placed at the Board Meetings from time to time.

# Chandni Textiles Engineering Industries Ltd

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## Meetings and Attendance

The number of meetings attended by the members is as under:

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

## Shareholders' Grievances

| Nature of Compliant              | Received during the year | Received during the previous year | Pending during the year |
|----------------------------------|--------------------------|-----------------------------------|-------------------------|
| Non-receipt of Share Certificate | Nil                      | Nil                               | Nil                     |
| Others                           | Nil                      | Nil                               | Nil                     |
| Total                            | Nil                      | Nil                               | Nil                     |

The Complaints are generally responded within 7 (seven) days from their lodgment with the Company

The number of share transfers and dematerialization requests pending as on 31<sup>st</sup> March, 2016 were Nil

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

## 6. Note of Director's Appointment /Re-appointment (Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

|   |   |
|---|---|
| <b>I. NAME OF DIRECTOR</b>                                      | <b>Mrs. Amita J Mehta</b>   |
| Date of Birth   | 01.11.1963  |
| Qualification   | Commerce Graduate   |
| Expertise   | Mrs. Amita J Mehta deals with the sourcing of Materials. She is also active in corporate governance issues. |
| Names of the other Public Companies in which Directorships held | Nil   |
| Committee Membership other Companies                            | Nil   |
| Total shares held by him in the Company with other Directors    | 69517175 equity shares of Re. 1/- each.<br>Mrs. A.J Mehta is the spouse of Mr. J R. Mehta                   |

## 7. Disclosures

### a) Basis of Related Party Transactions

The particulars of transactions between the Company and its related parties are as per the Accounting Standards 18 "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 are disclosed in the Annual Accounts (Note No. 34). There were no transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis. Further, no related party transaction has been taken place which is materially significant or that may have potential conflict with the interests of the Company at large.

# Chandni Textiles Engineering Industries Ltd

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**b) Disclosure of weblink of policy for determining Material Subsidiaries and Policy on dealing with Related Party Transactions**

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, web link of website of the company where members can view or download Policy for determining Material Subsidiaries is <http://www.cteil.com/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf> and for Policy on dealing with Related Party Transactions is <http://www.cteil.com/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>

**c) Risk Management**

The Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Internal Auditor of the Company prepares quarterly risk analysis reports which are reviewed and discussed in the Board Meetings.

**d) Management Discussion and Analysis Report**

The Management Discussion and Analysis Report have been included separately in this Annual Report.

**e) Vigil Mechanism Policy**

The Vigil Mechanism Policy of the Company, which also incorporates a Whistle Blower Policy in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for directors and employees to report concern about unethical behavior, actual or suspected fraud. Protected disclosure can be made by a whistle blower in writing to the Whistle Officer and under the said mechanism no person has been denied direct access to the chairperson of the Audit Committee.

f) There is no non-compliance by the Company and no penalty, stricture imposed on the Company by BSE or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

g) Company is in compliance with the mandatory requirements in respect of Corporate Governance to the extent applicable as required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

h) The non-mandatory requirements as stipulated in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

i) Company is in compliance of the requirement of Corporate Governance specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

j) In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted procedures for Fair Disclosure and Code of Conduct to regulate, monitor and reporting trading by insiders. The codes advice procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

**7. General Body Meetings**

During the preceding three years, the Company's Annual General Meetings were held at The Quennie Captain Auditorium, C/o-The NAB-Workshop for the Blind, Dr. Annie Besant Road, Worli, Mumbai 400 030.

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

| Year      | Date                          | Special Resolution Passed  |
|-----------|-------------------------------|--|
| 2014-2015 | September 30, 2015<br>3.00 pm | Re-appointment of Managing Director (As per Companies Act, 2013)   |
| 2013-2014 | September 30, 2014 at 3.00 pm | 1. Independent Directors of the Company shall not be liable to retire by rotation.<br>2. Insert Clause 103(h) – The Managing Director of the Company can be appointed or re-appointed as the Chairman of the Company at the same time. |
| 2012-2013 | September 28, 2013 at 3.00 pm | None   |

### Special Resolutions passed through Postal Ballot

During the year, the members of the Company have approved amendment in object clause of Memorandum of Association; Adoption of new set of Articles of Association; Borrowing Limits of the Company and Creation of Charge on the assets of the Company by passing Special Resolutions through postal ballot effective 8th October, 2015.

The Board had appointed Shri. Bharat R Upadhyay, a Practicing Company Secretary, Partner, N. L. Bhatia & Associates, Mumbai as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolutions passed were as under:

| Resolutions  | Promoter/ Public              | No. of shares held | No. of votes polled | % of votes polled on outstanding shares | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of votes against on votes polled |
|--|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| To Alter the Object Clause of Memorandum of Association of Company | Promoter & Promoter Group     | 75034385           | 75034285            | 99.99                                   | 75034285                 | 0                      | 100                                  | 0                                  |
|  | Public -Institutional Holders | 4000               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|  | Public - Others               | 86334245           | 28007650            | 32.44                                   | 27997100                 | 10550                  | 99.99                                | 0.01                               |
|  | <b>Total</b>                  | <b>161372630</b>   | <b>103041935</b>    | <b>63.85</b>                            | <b>103031385</b>         | <b>10550</b>           | <b>99.99</b>                         | <b>0.01</b>                        |
| Adoption of New Set of Articles of Association of Company          | Promoter & Promoter Group     | 75034385           | 75034285            | 99.99                                   | 75034285                 | 0                      | 100                                  | 0                                  |
|  | Public -Institutional Holders | 4000               | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|  | Public - Others               | 86334245           | 28007650            | 32.44                                   | 27997100                 | 10550                  | 99.99                                | 0.01                               |
|  | <b>Total</b>                  | <b>161372630</b>   | <b>103041935</b>    | <b>63.85</b>                            | <b>103031385</b>         | <b>10550</b>           | <b>99.99</b>                         | <b>0.01</b>                        |

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|   |                               |                  |                  |              |                  |              |              |             |
|---|-------------------------------|------------------|------------------|--------------|------------------|--------------|--------------|-------------|
| Approve Borrowing Limits of Company         | Promoter & Promoter Group     | 75034385         | 75034285         | 99.99        | 75034285         | 0            | 100          | 0           |
|   | Public -Institutional Holders | 4000             | 0                | 0            | 0                | 0            | 0            | 0           |
|   | Public - Others               | 86334245         | 28007650         | 32.44        | 27997100         | 10550        | 99.99        | 0.01        |
|   | <b>Total</b>                  | <b>161372630</b> | <b>103041935</b> | <b>63.85</b> | <b>103031385</b> | <b>10550</b> | <b>99.99</b> | <b>0.01</b> |
| Creation of Charge on the Assets of Company | Promoter & Promoter Group     | 75034385         | 75034285         | 99.99        | 75034285         | 0            | 100          | 0           |
|   | Public -Institutional Holders | 4000             | 0                | 0            | 0                | 0            | 0            | 0           |
|   | Public - Others               | 86334245         | 28007650         | 32.44        | 27997100         | 10550        | 99.99        | 0.01        |
|   | <b>Total</b>                  | <b>161372630</b> | <b>103041935</b> | <b>63.85</b> | <b>103031385</b> | <b>10550</b> | <b>99.99</b> | <b>0.01</b> |

There is no immediate proposal for passing any resolution through Postal Ballot. None of business to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot

## 9. Means of Communication

- Quarterly Results: The quarterly results are published in accordance with the requirements of Listing Agreement of the BSE
- Newspapers in which results are normally published: The Free Press Journal and Navshakti.
- Any website, where displayed: www.cteil.com
- Whether it also displays official news releases; and presentations made to institutional investors or to the analysts: Relevant information is displayed on the website.

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

## 10. Compliance Certificate by CEO/CFO

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

## 11. Certificate on Compliance with Code of Conduct

All the Board Members and Senior Management personnel have confirmed compliance with the Code of Conduct for Chandni Textiles Engineering Industries Ltd for the financial year ended 31<sup>st</sup> March, 2016.

## 12. General Shareholder's Information

- Annual General Meeting  
Day, Date, Time and Venue : 30<sup>th</sup> September, 2016; 3.00 p.m.  
The Park Club Ltd.  
North Keluskar Road, Shivaji Park,  
Opp. Scout Hall, Dadar (West),  
Mumbai - 400 028
- Financial Year : 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

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- iii Dates of Book Closure : 26th September, 2016 to 30th September, 2016 (both days inclusive)
- iv Listing of Equity Shares : BSE Limited at Mumbai. The Listing Fees for the financial year 2015 -16 has been paid to BSE
- v Scrip Code : 522292
- vi **Financial Calendar**  
 Quarter ending June, 2016 : by 14<sup>th</sup> August, 2016  
 Quarter ending September, 2016 : by 14<sup>th</sup> November, 2016  
 Quarter ending December, 2016 : by 14<sup>th</sup> February, 2016  
 Year ending March, 2017 : by 30<sup>th</sup> May, 2017  
 Annual General Meeting for the year ended March 31, 2017 : In September, 2017
- vii Corporate Identity Number (CIN) of the Company : L25209MH1986PLC040119

## 13. Market Price Information – BSE

|                |                 |                |                                | Performance in comparison to broad based indices – BSE Sensex |
|----------------|-----------------|----------------|--------------------------------|---|
| <b>Month</b>   | <b>High (₹)</b> | <b>Low (₹)</b> | <b>Volume of Shares traded</b> |   |
| April 2015     | 0.98            | 0.63           | 42860                          |   |
| May 2015       | 0.77            | 0.60           | 46770                          |   |
| June 2015      | 1.40            | 0.77           | 73500                          |   |
| July 2015      | 1.47            | 1.25           | 51979                          |   |
| August 2015    | 1.31            | 1.15           | 112628                         |   |
| September 2015 | 1.53            | 1.05           | 343591                         |   |
| October 2015   | 1.20            | 1.00           | 83558                          |   |
| November 2015  | 1.00            | 0.76           | 13086                          |   |
| December 2015  | 0.79            | 0.61           | 16443                          |   |
| January 2016   | 0.87            | 0.70           | 376750                         |   |
| February 2016  | 1.11            | 0.91           | 458098                         |   |
| March 2016     | 1.11            | 0.99           | 135075                         |   |

## 14. Registrar and Share Transfer Agents:

PURVA SHAREGISTRY (INDIA) PVT. LTD  
 Shiv Shakti Industrial Estate, Unit No. 9,  
 J.R. Boricha Marg, Opp. Kasturba Hospital Lane,  
 Mumbai – 400 011  
 Tel: 23016761/23018261  
 E-mail: busicomp@gmail.com

## 15. Share Transfer System

All the request received from Shareholders for transfer, transmission etc are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or in any other applicable law.

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## 16. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/ legal heirs be furnished to the Company while obtaining the services of transfer, transposition and transmission of shares.

## 17. Shareholding as on 31<sup>st</sup> March, 2016

### A. Distribution of Shareholding as on 31<sup>st</sup> March, 2016

| Slab of shareholdings<br>No. of Shares | No. of<br>Shareholders | %      | Amount (Rs.) | %      |
|--|------------------------|--------|--------------|--------|
| Up to 5000                             | 3144                   | 84.81  | 4492548      | 2.78   |
| 5001-10000                             | 243                    | 6.56   | 2040248      | 1.26   |
| 10001-20000                            | 139                    | 3.75   | 2110505      | 1.31   |
| 20001-30000                            | 68                     | 1.83   | 1723961      | 1.07   |
| 30001-40000                            | 26                     | 0.70   | 918867       | 0.57   |
| 40001-50000                            | 19                     | 0.51   | 890817       | 0.55   |
| 50001-100000                           | 23                     | 0.62   | 1578497      | 0.98   |
| 100001 and above                       | 45                     | 1.21   | 147617187    | 91.48  |
| Total                                  | 3707                   | 100.00 | 161372630    | 100.00 |

### B. Shareholding pattern as on 31<sup>st</sup> March, 2016

| Sr. No. | Category of shareholder   | No. of<br>share<br>holders | Total<br>number of<br>shares | %             |
|---------|---|----------------------------|------------------------------|---------------|
| (A)     | Shareholding of Promoter and Promoter Group                                   |                            |                              |               |
|         | Indian  |                            |                              |               |
| (a)     | Individuals/ Hindu Undivided Family   | 5                          | 70812275                     | 43.88         |
| (b)     | Bodies Corporate  | 1                          | 4222110                      | 2.62          |
|         | <b>Sub-Total (A)(1)</b>   | <b>6</b>                   | <b>75034385</b>              | <b>46.50</b>  |
| (B)     | Public Shareholding   |                            |                              |               |
| 1       | Institutions  |                            |                              |               |
| (a)     | Financial Institutions/ Banks   | 1                          | 4000                         | 0.00          |
|         | <b>Sub-Total (B)(1)</b>   | <b>1</b>                   | <b>4000</b>                  | <b>0.00</b>   |
| 2       | Non-institutions  |                            |                              |               |
| (a)     | Bodies Corporate  | 80                         | 45788953                     | 28.37         |
| (b)     | Individuals   |                            |                              |               |
| i.      | Individual Shareholders holding nominal share capital up to Rs. 1 lakh        | 3488                       | 12087259                     | 7.49          |
| ii.     | Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh | 25                         | 23195031                     | 14.37         |
| (c)     | Any Other (NRI Repat & Non Repat)   | 8                          | 15265                        | 0.01          |
| (d)     | Any Other (Hindu Undivided Family)  | 89                         | 5164481                      | 3.20          |
| (e)     | Any Other (Clearing Members)  | 10                         | 83256                        | 0.05          |
|         | <b>Sub-Total (B)(2)</b>   | <b>3700</b>                | <b>86334245</b>              | <b>53.50</b>  |
|         | <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                           | <b>3701</b>                | <b>86338245</b>              | <b>53.50</b>  |
|         | <b>GRAND TOTAL (A)+(B)</b>  | <b>3707</b>                | <b>161372630</b>             | <b>100.00</b> |

## 18. Dematerialization of Shares

98.50% of the Equity Shares of the Company have been dematerialized as on 31<sup>st</sup> March, 2016. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories.

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## 19. Outstanding GDRs/ADRs/WARRANTS or any Convertible Instruments, Conversion date and likely impact on Equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

## 20. Nomination facility for Shareholders

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Those members who hold shares in physical form may obtain nomination form from the Company Secretary at 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400030.

## 21. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialized form and share capital held in physical form with the total issued and listed share capital of the company.

## 22. Location of Plants of Company

- |   |  |
|---|--|
| i. 22/1, Village – Ringanwada,<br>Daman – 396210 (Union Territory)<br>Via Vapi (W. Rly)<br>Tel No – 0260-3295015, 0260-2240360<br>Fax No – 0260-2240360 | ii. Plot No. 4612/A, G.I. D.C Estate,<br>Ankleshwar - 393002 |
|---|--|

## 23. Address for Correspondence

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

M/s Purva Sharegistry (India) Private Ltd (Unit: Chandni Textiles Engineering Industries Ltd)  
Shiv Shakti Industrial Estate, Unit No. 9, J.R. Boricha Marg, Opp. Kasturba Hospital Lane,  
Mumbai – 400 011 Tel: 23016761/23018261 E-mail: busicomp@gmail.com

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

Chandni Textiles Engineering Industries Ltd  
110 T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030  
Telefax: 022-24950328 Mobile : 09324802991

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

For Chandni Textiles Engineering Industries Ltd

Place: Mumbai  
Date: May 30, 2016

Jayesh R Mehta  
Chairman



# Chandni Textiles Engineering Industries Ltd

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

- 1) We have examined the compliance of conditions of Corporate Governance by Chandni Textiles Engineering Industries Limited, for the year ended on 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 3) In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4) We further state that such compliances 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**

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

Place: Mumbai  
Date: May 30, 2016

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

#### Business Review

The Company is primarily engaged in the business of velvet fabrics. It also outsources some of the textile division products. The Company is also engaged in sourcing of all types of machinery and equipments besides assembling TFO twisting machines sold under brand name Prerna.

#### Analysis on results of Financial Operations

##### Sales

Our total sales decreased to Rs. 1261.53 lacs in fiscal 2016 from Rs. 2633.25 lacs in fiscal 2015. The primary reason for this decrease was on account of decrease in income from products outsourced by textile division of our company. During the year under review, the Textile Division achieved a turnover of Rs. 597.27 lacs as compared to Rs. 2378.16 lacs in the previous year. During the year under review, Engineering Division achieved a turnover of Rs. 664.25 lacs as compared to Rs. 236.08 lacs in the previous year.

##### Other Income

Other Income decreased to Rs. 101.79 lacs in fiscal 2016 from Rs. 116.67 lacs in fiscal 2015. The decrease in other income was mainly due to decrease in amount of profit from sale of securities to Nil in fiscal 2016 from Rs. 25.65 lacs in fiscal 2015. However the income from the interest on deposits increased to Rs. 63.80 lacs in fiscal 2016 from Rs. 60.12 lacs in fiscal 2015 and rent income increased to Rs. 31.56 lacs in fiscal 2016 from 30.05 lacs in fiscal 2015. The company also received net foreign exchange gains amounting to Rs. 2.92 lacs in fiscal 2016.

##### Raw Materials Consumed

The consumption of raw materials increased to Rs. 388.83 lacs in fiscal 2016 from Rs. 215.87 lacs in fiscal 2015. As a percentage of income from products manufactured by our Company, our material consumption was 65.10 % during fiscal 2016 as against 60.92 % during fiscal 2015.

##### Purchase of traded goods

Purchases of traded goods decreased to Rs. 706.92 lacs in fiscal 2016 from Rs. 2306.78 in fiscal 2015. As a percentage of income from products traded by our Company, our purchases of traded goods were 106.42 % during fiscal 2016 as against 102.07% during fiscal 2015.

##### Other Manufacturing Expenses

Other manufacturing expenses decreased to Rs. 55.06 lacs in fiscal 2016 from Rs. 80.12 lacs in fiscal 2015. The decrease was mainly on account of decrease in labour & processing charges which decreased to Rs. 18.59 lacs in fiscal 2016 from Rs. 51.69 lacs in fiscal 2015.

##### Employee Cost

The employee cost increased to Rs. 124.71 lacs in the fiscal 2016 from Rs. 90.08 lacs in the fiscal 2015.

##### Administrative, Selling and Distribution Expenses

Our administrative, selling and distribution expenses increased to Rs. 158.75 lacs in the fiscal 2016 from Rs. 139.90 lacs in the fiscal 2015. The increase was mainly because of increase in rent, travelling & conveyance, sales-tax & service tax and general expenses.

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## Interest and Financial Charges

During the year under review our interest and financial charges decreased to Rs. 0.25 lacs in fiscal 2016 from Rs. 8.81 lacs in fiscal 2015. The decrease was due to repayment of loans.

## Depreciation

During the year under review depreciation increased to Rs. 34.68 lacs in fiscal 2016 from Rs. 32.22 lacs in fiscal 2015. The increase in depreciation was mainly due to acquisition of assets during fiscal 2016 as well as due to calculation of depreciation as per Schedule II of the Companies Act, 2013.

## Profit before tax

Profits before tax decreased to Rs. 1.38 lacs in fiscal 2016 from Rs. 7.47 lacs in fiscal 2015. The decrease was mainly on account of expenses incurred in the textile division.

## Market Opportunities

In today's cost conscious globalised economy, there are a 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. The high cost machinery makes costing of the final product uncompetitive in the market. These companies are constantly in the lookout for used machines in good condition at a reasonable cost. On the other hand, along with the growth in the economy, there is huge growth in distressed assets and distressed companies in India and overseas which provides for supply base for a wide spectrum of machinery and equipments across all industrial sectors. To add further, because of the booming infrastructure sector and steady growth in the construction business, lot of equipments viz. forklifts, seizure, lifts, dumper, excavators, cranes etc. are available all over the world at reasonable cost ready to be picked up. We can source all these at a reasonable cost for oil rigging companies, offshore companies, ports and construction companies. There is a demand for all types of latest technology machinery at a reasonable cost. As the Indian economy growing at a faster pace and moving towards globalization, there is a continuous pressure to look for equipments that as good as new but at a reasonable cost. We are ready to benefit from the 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, 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 on product group. Domestic competitors can supply 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 their adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and

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reported correctly. The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. 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. The Company conducts its business with integrity and high standard of ethical behaviour and in compliance with the laws and regulations that govern its 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 vital tool in Company's growth. The Human resource of the Company is characterized by its loyalty and long-term association.

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## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2016.

Place : Mumbai

**For Chandni Textiles Engineering Industries Limited**

Date: 30<sup>th</sup> May, 2016

**J.R. Mehta**  
Managing Director

## CEO & CFO CERTIFICATION

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief, confirm that:
- These statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading;
  - 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.
- B. There are to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- Significant changes in the internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which they 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.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

Jayesh R Mehta  
Managing Director & CEO

Shailesh Sankav  
Chief Financial Officer

### **INDEPENDENT AUDITOR'S REPORT**

**To  
The Members of  
Chandni Textiles Engineering Industries Ltd**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Chandni Textile Engineering Industries Ltd ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and the other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 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 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedure to obtain evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and

# Chandni Textiles Engineering Industries Ltd

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fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note No. 35(i)(a) to the financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 30-05-2016

### **ANNEXURE – A TO THE AUDITORS' REPORT**

*(Referred to in paragraph 1 under 'Report on the Other Legal and Regulatory Requirements'*

*Section of our report of even date)*

- [i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
  - (b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- [ii] As informed to us, the inventory in the company's possession has been physically verified at reasonable intervals during the year by the management. In respect of inventory lying with the third parties, the same have substantially been confirmed by them at reasonable intervals during the year. The discrepancies noticed on verification between physical stock and book records were not material.
- [iii] The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained u/s 189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable.
- [iv] According to the information and explanations given to us, in our opinion the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- [v] The company has not accepted 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 product of the Company.
- [vii] According to the information and explanations given to us, in our opinion the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. [v] The company has not accepted deposits from the public.
- [viii](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, wealth tax, service tax, excise duty, value added tax which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not defaulted in repayment of loans to banks during the year. The company has not obtained any loans or borrowings from any financial institutions, government or debenture holders.
- [ix] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- [x] According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit



# Chandni Textiles Engineering Industries Ltd

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- [xi] According to the information and explanation given to us, the company paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- [xii] In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- [xiii] According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- [xiv] According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- [xv] According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- [xvi] According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

Place: Mumbai  
Date: 30-05-2016

For CHANDAN PARMAR & CO.  
Chartered Accountants  
ICAI FRN No. 101662W  
Deepak H. Padachh  
Partner  
Membership No. 45741

### **ANNEXURE – B TO THE AUDITORS' REPORT**

*(Referred to in paragraph 2 (f) under 'Report on the Other Legal and Regulatory Requirements'  
Section of our report of even date)*

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

We have audited the internal financial controls over financial reporting of Chandni Textile Engineering Industries Limited (“the Company”) as of 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued 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 procedure 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 control 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 procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

# Chandni Textiles Engineering Industries Ltd

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## **ANNEXURE – B TO THE AUDITORS' REPORT**

*(Referred to in paragraph 2 (f) under 'Report on the Other Legal and Regulatory Requirements'  
Section of our report of even date)*

being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Deepak H. Padachh  
Partner**

**Membership No. 45741**

**Place: Mumbai  
Date : 30-05-2016**

# Chandni Textiles Engineering Industries Ltd

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## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016

| Particulars  | Note No. | ₹           | AS AT<br>31.03.2016<br>₹ | AS AT<br>31.03.2015<br>₹ |
|--|----------|-------------|--------------------------|--------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                  |          |             |                          |                          |
| <b>1 Shareholders' Funds</b>                                     |          |             |                          |                          |
| (a) Share Capital  | 1        | 161,372,630 |                          | 161,372,630              |
| (b) Reserves & Surplus   | 2        | 58,765,560  |                          | 58,516,038               |
|  |          |             | 220,138,190              | 219,888,668              |
| <b>2 Non-Current Liabilities</b>                                 |          |             |                          |                          |
| Long-Term Borrowings   | 3        |             | -                        | 66,601                   |
| <b>3 Current Liabilities</b>                                     |          |             |                          |                          |
| (a) Trade Payables   | 4        | 10,229,103  |                          | 55,629,618               |
| (b) Other Current Liabilities                                    | 5        | 335,976,256 |                          | 4,508,845                |
| (c) Short Term Provisions  | 6        | -           |                          | 13,400                   |
|  |          |             | 346,205,359              | 60,151,863               |
| <b>Total</b>   |          |             | <b>566,343,549</b>       | <b>280,107,132</b>       |
| <b>II ASSETS</b>   |          |             |                          |                          |
| <b>1 Non-Current Assets</b>                                      |          |             |                          |                          |
| (a) Fixed Assets   |          |             |                          |                          |
| (i) Tangible Assets  | 7        | 47,524,473  |                          | 37,341,373               |
| (ii) Capital Work-in-progress                                    |          | 4,427,300   |                          | -                        |
| (b) Non-Current Investments                                      | 8        | 3,798,102   |                          | 6,200,173                |
| (c) Deferred Tax Asset (Net)                                     | 9        | 1,561,813   |                          | 1,454,084                |
| (d) Long-Term Loans & Advances                                   | 10       | 6,412,491   |                          | 5,676,567                |
| (e) Other Non-Current Assets                                     | 11       | 543,938     |                          | 129,295                  |
|  |          |             | 64,268,117               | 50,801,492               |
| <b>2 Current Assets</b>  |          |             |                          |                          |
| (a) Inventories  | 12       | 55,912,962  |                          | 40,809,721               |
| (b) Trade Receivables  | 13       | 8,997,429   |                          | 49,853,546               |
| (c) Cash and Cash Equivalents                                    | 14       | 77,192,937  |                          | 77,622,746               |
| (d) Short-Term Loans & Advances                                  | 15       | 359,012,962 |                          | 59,815,661               |
| (e) Other Current Assets   | 16       | 959,142     |                          | 1,203,966                |
|  |          |             | 502,075,432              | 229,305,640              |
| <b>Total</b>   |          |             | <b>566,343,549</b>       | <b>280,107,132</b>       |
| Significant Accounting Policies<br>Notes of Financial Statements | 1 to 36  |             |                          |                          |

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 30-05-2016

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 30-05-2016

A. J Mehta  
Director

Gayatri Valan  
Company Secretary

# Chandni Textiles Engineering Industries Ltd

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## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

| Particulars   | Note No. | 2015-16<br>(₹)     | 2014-15<br>(₹)     |
|---|----------|--------------------|--------------------|
| <b>INCOME</b>   |          |                    |                    |
| I Revenue from Operations   | 17       | 126,152,807        | 263,325,000        |
| II Other Income   | 18       | 10,178,967         | 11,667,802         |
| <b>III Total Revenue (I+II)</b>   |          | <b>136,331,774</b> | <b>274,992,801</b> |
| <b>IV EXPENSES</b>  |          |                    |                    |
| Cost of Materials Consumed  | 19       | 38,882,991         | 21,586,753         |
| Purchases of Stock in Trade   | 20       | 70,692,236         | 230,677,892        |
| Changes in inventories of finished goods & stock in trade               | 21       | (10,884,208)       | 1,026,066          |
| Manufacturing Expenses  | 22       | 5,506,423          | 8,012,444          |
| Employee Benefit Expenses   | 23       | 12,470,537         | 9,008,230          |
| Finance Cost  | 24       | 25,675             | 880,532            |
| Depreciation  | 7        | 3,468,099          | 3,222,234          |
| Other Expenses  | 25       | 15,875,359         | 13,989,720         |
| <b>Total Expenses</b>   |          | <b>136,037,112</b> | <b>288,403,871</b> |
| V Profit/ (Loss) before exceptional items & tax (III-IV)                |          | 294,662            | (13,411,070)       |
| <b>VI Exceptional Items</b>   |          |                    |                    |
| Profit/(Loss) on disposal of Fixed Asset (Net)                          |          | (156,130)          | 14,158,472         |
| VII Profit before tax ( V + VI)   |          | 138,532            | 747,402            |
| <b>VIII Tax Expense</b>   |          |                    |                    |
| Current Tax   |          | 26,515             | 145,000            |
| Mat Entitlement Credit  |          | (26,515)           | (145,000)          |
| Income Tax/ Wealth Tax of earlier years                                 |          | (3,262)            | -                  |
| Deferred Tax  |          | (107,728)          | 150,944            |
| Wealth Tax  |          | (110,990)          | 150,944            |
|   |          | -                  | 13,400             |
| <b>IX Profit for the year (VII – VIII)</b>                              |          | <b>249,522</b>     | <b>583,058</b>     |
| X Earnings per equity share of face value of Re. 1/-<br>Basic & Diluted | 26       | <b>0.002</b>       | <b>0.004</b>       |
| Significant Accounting Policies<br>Notes on Financial Statements        | 1 to 36  |                    |                    |

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 30-05-2016

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 30-05-2016

A. J Mehta  
Director

Gayatri Valan  
Company Secretary

# Chandni Textiles Engineering Industries Ltd

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

| Particulars  | 2015-16<br>(₹)      |            | 2014-15<br>(₹)      |              |
|--|---------------------|------------|---------------------|--------------|
| <b>A Cash Flow from Operating Activities:</b>                      |                     |            |                     |              |
| <b>Profit before tax</b>   | <b>138,532</b>      |            | <b>747,402</b>      |              |
| Adjustment for:  |                     |            |                     |              |
| Depreciation   | 3,468,099           |            | 3,222,234           |              |
| Interest Paid  | 25,675              |            | 880,532             |              |
| Dividend Income  | (29,900)            |            | (83,183)            |              |
| Profit on sale of Securities                                       | 286,755             |            | (2,565,985)         |              |
| Loss/ (Profit) on disposal of Fixed Assets                         | 156,130             | 3,906,759  | (14,158,472)        | (12,704,874) |
| <b>Operating profit before working capital changes</b>             | <b>(4,045,291)</b>  |            | <b>(11,957,472)</b> |              |
| Adjustment for:  |                     |            |                     |              |
| (Increase)/ Decrease in trade and other receivables                | (258,096,360)       |            | 26,027,422          |              |
| (Increase)/ Decrease in Inventories                                | (15,103,241)        |            | 1,082,025           |              |
| Increase/ (Decrease) in Trade Payables & Other Current Liabilities | 286,119,806         | 12,920,205 | (3,486,855)         | 23,622,592   |
|  |                     | 16,965,496 |                     | 11,665,120   |
| Direct Taxes Paid  |                     | (746,062)  |                     | (1,107,696)  |
| <b>Net Cash Flow from Operating Activities</b>                     | <b>16,219,434</b>   |            | <b>10,557,424</b>   |              |
| <b>B Cash Flow from Investing Activities</b>                       |                     |            |                     |              |
| Purchase of Fixed Assets   | (18,725,629)        |            | (1,551,445)         |              |
| Expenses pending capitalization                                    | (16,119)            |            | (129,295)           |              |
| Pre-operative Expenses   | (398,524)           |            | -                   |              |
| Purchase of Investments  | -                   |            | (123,202,184)       |              |
| Sale of Investments  | 2,115,315           |            | 122,305,518         |              |
| Dividend Income  | 29,900              |            | 83,183              |              |
| Sale of Fixed Assets   | 491,000             |            | 15,803,500          |              |
| <b>Net Cash Flow from Investing Activities</b>                     | <b>(16,504,057)</b> |            | <b>13,309,277</b>   |              |
| <b>C Cash Flow from Financing Activities</b>                       |                     |            |                     |              |
| Repayment of Long Term Borrowings                                  | (119,511)           |            | (1,925,545)         |              |
| Interest Paid  | (25,675)            |            | (880,532)           |              |
| <b>Net Cash Flow from Financing Activities</b>                     | <b>(145,186)</b>    |            | <b>(2,806,077)</b>  |              |
| <b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents</b>     | <b>(429,809)</b>    |            | <b>21,060,624</b>   |              |
| <b>Cash &amp; Cash Equivalents at the beginning of the year</b>    | <b>77,622,746</b>   |            | <b>56,562,122</b>   |              |
| <b>Cash &amp; Cash Equivalent at the end of the year</b>           | <b>77,192,937</b>   |            | <b>77,622,746</b>   |              |
|  | <b>429,809</b>      |            | <b>21,060,624</b>   |              |

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 30 -05-2016

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 30-05-2016

A. J Mehta  
Director

Gayatri Valan  
Company Secretary

### **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, 2013.

#### **(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 recognized 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**

##### **Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes less accumulated depreciation. All costs including financing costs till commencement of commercial production are capitalized.

#### **(4) Depreciation**

Depreciation on Tangible Assets (other than Freehold land on which no depreciation is charged) is provided to the extent of depreciable amount on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. 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 raw materials/ components 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 restated at the applicable exchange rates prevailing on that date.

# Chandni Textiles Engineering Industries Ltd

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All exchange differences arising on transactions, not covered by forward contracts, are charged to Profit & Loss Account.

## **(8) Employee Benefits**

### **i) Short Term Employee Benefits**

- (a) 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.
- b) The employees of the company are entitled to other short term benefits in the form of Leave Encashment as per the policy of the company. Leave encashment is recognized in the Statement of Profit & Loss on payment basis.

### **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 contributed to State Plan namely Employees' State Insurance Scheme 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 comprise current tax and deferred tax charge/ credit. The deferred tax charge/ credit is recognized 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 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 date, 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.

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## Notes on Financial Statements for the year ended 31st March, 2016

|   | AS AT<br>31/03/2016<br>(₹) |          | AS AT<br>31/03/2015<br>(₹) |          |
|---|----------------------------|----------|----------------------------|----------|
| <b>1 SHARE CAPITAL</b>  |                            |          |                            |          |
| <b><u>AUTHORISED :</u></b>  |                            |          |                            |          |
| 20,00,00,000 Equity Shares of Re. 1/- each  | 200,000,000                |          | 200,000,000                |          |
|   | <b>200,000,000</b>         |          | <b>200,000,000</b>         |          |
| <b><u>ISSUED, SUBSCRIBED AND FULLY PAID</u></b>   |                            |          |                            |          |
| 16,13,72,630 Equity Shares of Re.1/- each   | 161,372,630                |          | 161,372,630                |          |
|   | <b>161,372,630</b>         |          | <b>161,372,630</b>         |          |
| <b>1.1</b> The details of Shareholders holding more than 5% shares  |                            |          |                            |          |
| <b>Name of the Shareholder</b>  | <b>No of<br/>Shares</b>    | <b>%</b> | <b>No of<br/>Shares</b>    | <b>%</b> |
| J.R. Mehta  | 41,920,910                 | 25.98    | 41,920,910                 | 25.98    |
| A.J. Mehta  | 27,596,265                 | 17.10    | 27,596,265                 | 17.10    |
| Satyaprabhu Infrastructure Pvt Ltd  | 27,439,394                 | 17.00    | 27,439,394                 | 17.00    |
| <b>1.2</b> The reconciliation of the number of shares outstanding is set out below  |                            |          |                            |          |
| Equity Shares of Re.1/- each at the beginning of the year   | 161,372,630                |          | 161,372,630                |          |
| Equity Shares of Re.1/- each at the end of the year   | <b>161,372,630</b>         |          | <b>161,372,630</b>         |          |
| <b>1.3</b> The Company has one class of equity shares having a par value of Re. 1 per share. These shares rank pari passu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation.   |                            |          |                            |          |
| <b>2 RESERVES AND SURPLUS</b>   |                            |          |                            |          |
| <b>Securities Premium Reserve</b>   |                            |          |                            |          |
| As per last Balance Sheet   | 55,740,000                 |          | 55,740,000                 |          |
| <b>Surplus as per Statement of Profit &amp; Loss</b>  |                            |          |                            |          |
| As per last Balance Sheet   | 2,776,038                  |          | 2,377,890                  |          |
| Less : Adjustments relating to fixed assets   | -                          |          | 184,910                    |          |
|   | <b>2,776,038</b>           |          | <b>2,192,980</b>           |          |
| Add : Profit for the year   | 249,522                    |          | 583,058                    |          |
|   | 3,025,560                  |          | 2,776,038                  |          |
|   | <b>58,765,560</b>          |          | <b>58,516,038</b>          |          |
| <b>3 LONG-TERM BORROWINGS</b>   |                            |          |                            |          |
| <b><u>Secured :</u></b>   |                            |          |                            |          |
| <b><u>Term Loans :</u></b>  |                            |          |                            |          |
| From Banks  | -                          |          | 66,601                     |          |
|   | -                          |          | <b>66,601</b>              |          |
| <b>3.1</b> Long-term borrowings and current maturities of Long-term borrowings include :<br>(a) Term Loans from banks to the extent of Rs. Nil (Previous year : Rs.1,19,511/-) secured by way of equitable mortgage of immoveable property of the company & directors and personal guarantees of the directors. |                            |          |                            |          |
| <b>4 TRADE PAYABLES</b>   |                            |          |                            |          |
| Trade payables  | 10,229,103                 |          | 55,629,618                 |          |
|   | <b>10,229,103</b>          |          | <b>55,629,618</b>          |          |

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|  | AS AT<br>31/03/2016<br>(₹) | AS AT<br>31/03/2015<br>(₹) |
|--|----------------------------|----------------------------|
| <b>5 OTHER CURRENT LIABILITIES</b>   |                            |                            |
| Current Maturities of Long-term borrowings (Refer Note No. 3.1)            | -                          | 52,910                     |
| Interest accrued but not due on borrowings                                 | -                          | 1,265                      |
| Other payables   | 2,036,957                  | 131,299                    |
| Advance from Customers   | 332,538,883                | 3,313,372                  |
| Deposits   | 1,010,000                  | 1,010,000                  |
| Banks- Balance as per books  | 390,415                    | -                          |
|  | <b>335,976,256</b>         | <b>4,508,845</b>           |
| <b>6 SHORT TERM PROVISIONS</b>   |                            |                            |
| Wealth tax   | -                          | 13,400                     |
|  | -                          | <b>13,400</b>              |
| <b>8 NON-CURRENT INVESTMENTS</b>   |                            |                            |
| <u>Other Investments - (Quoted)</u>  |                            |                            |
| 3,000 (3,000) Equity Shares of Bhilwara Spinners Ltd. of Rs.10/- each      | 60,000                     | 60,000                     |
| 32,200 (32,200) Equity Shares of Shree Rajasthan Syntex Ltd of Rs.10/ each | 966,000                    | 966,000                    |
| Nil (800) Equity Shares of 8K Miles Software Services Ltd of Rs. 10/- each | -                          | 511,886                    |
| Nil (1000) Equity Shares of Alembic Ltd of Rs. 2/- each                    | -                          | 59,037                     |
| Nil (500) Equity Shares of Ashapura Minechem Ltd of Rs. 2/- each           | -                          | 35,531                     |
| 500 (500) Equity Shares of Delta Corp Ltd of Re. 1/- each                  | 45,153                     | 45,153                     |
| Nil (500) Equity Shares of Elder Pharmaceuticals Ltd of Rs. 10/- each      | -                          | 99,570                     |
| Nil (1000) Equity Shares of GNFC Ltd of Rs. 10/- each                      | -                          | 97,621                     |
| 1000 (1000) Equity Shares of Garware Polyester Ltd of Rs. 10/- each        | 170,219                    | 170,219                    |
| Nil (500) Equity Shares of Gujarat Heavy Chemicals Ltd of Rs. 10/- each    | -                          | 49,820                     |
| 1000 (1000) Equity Shares of HCL Infosystem Ltd of Rs. 2/- each            | 81,184                     | 81,184                     |
| 500 (500) Equity Shares of Heidelberg Cement Ltd of Rs. 10/- each          | 48,362                     | 48,362                     |
| 1000 (1000) Equity Shares of HOV Services Ltd of Rs. 10/- each             | 174,228                    | 174,228                    |
| 10000 (10000) Equity Shares of IDFC Ltd of Rs. 10/- each                   | 978,764                    | 1,631,274                  |
| 10,000 (Nil) Equity Shares of IDFC Ltd. of Rs.10/- each.                   | 652,510                    | -                          |
| 1,000 (Nil) Equity Shares of Jindal Polyfilms Ltd. of Rs.10/- each.        | -                          | 333,916                    |
| 500 (Nil) Equity Shares of Liberty Shoes Ltd. of Rs.10/- each.             | 165,211                    | 165,211                    |
| 10,000 (Nil) Equity Shares of Mercator Ltd. of Re. 1/- each.               | 384,516                    | 384,516                    |
| 1,000 (Nil) Equity Shares of Mindteck (India) Ltd. of Rs.10/- each.        | -                          | 78,537                     |
| 20,000 (Nil) Equity Shares of Rei Agro Ltd. of Re. 1/- each.               | 71,956                     | 71,956                     |
| 1,000 (Nil) Equity Shares of Saregama India Ltd. of Rs.10/- each.          | -                          | 172,217                    |
| 500 (Nil) Equity Shares of Sarla Performance Fibers Ltd. of Rs.10/- each.  | -                          | 184,012                    |
| 2,000 (Nil) Equity Shares of Sharon Bio-medicine Ltd. of Rs.2/- each.      | -                          | 147,904                    |
| 6,000 (Nil) Equity Shares of Tata Power Co Ltd. of Re.1/- each.            | -                          | 632,020                    |
|  | <b>3,798,102</b>           | <b>6,200,173</b>           |
| Aggregate amount of quoted investments                                     | 3,798,102                  | 6,200,173                  |
| Market Value of quoted investments   | 1,732,126                  | 4,427,957                  |
| <b>9 DEFERRED TAX ASSETS (NET)</b>   |                            |                            |
| Timing difference on account of depreciation                               | (2,347,687)                | (2,002,390)                |
| Expenses allowable on payment basis under Tax Laws                         | 197,428                    | 102,074                    |
| Unabsorbed Depreciation  | 1,909,257                  | 1,566,361                  |
| Business Loss/ Capital Loss  | 1,802,816                  | 1,788,038                  |
| Net Deferred tax Assets  | <b>1,561,813</b>           | <b>1,454,084</b>           |

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## 7. TANGIBLE ASSETS :

| Particulars                    | GROSS BLOCK         |            |                            | DEPRECIATION        |                    |                 | NET BLOCK                  |                    |                     |                     |
|--------------------------------|---------------------|------------|----------------------------|---------------------|--------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
|                                | As at<br>01/04/2015 | Additions  | Deductions/<br>Adjustments | As at<br>31/03/2016 | Upto<br>31/03/2015 | For the<br>year | Deductions/<br>Adjustments | Upto<br>31/03/2016 | As at<br>31/03/2016 | As at<br>31/03/2015 |
| Freehold Land                  | 960,000             | -          | -                          | 960,000             | -                  | -               | -                          | -                  | 960,000             | 960,000             |
| Factory Building               | 7,102,908           | 95,000     | -                          | 7,197,908           | 496,346            | 225,172         | -                          | 721,518            | 6,476,390           | 6,606,562           |
| Flats                          | 201,180             | -          | -                          | 201,180             | 85,384             | 2,928           | -                          | 88,312             | 112,868             | 115,796             |
| Office Premises                | 4,775,800           | -          | -                          | 4,775,800           | 1,816,120          | 71,370          | -                          | 1,887,490          | 2,888,310           | 2,959,680           |
| Improvement to Leased Premises | 3,889,762           | -          | -                          | 3,889,762           | 105,257            | 86,376          | -                          | 191,633            | 3,698,129           | 3,784,505           |
| Plant & Machinery              | 11,241,147          | 13,580,383 | 336,315                    | 24,485,215          | 1,329,608          | 1,051,127       | 6,987                      | 2,373,748          | 22,111,467          | 9,911,539           |
| Furniture & Fixtures           | 8,464,982           | -          | -                          | 8,464,982           | 1,470,967          | 839,970         | -                          | 2,310,937          | 6,154,045           | 6,994,015           |
| Office Equipments              | 1,199,320           | 228,208    | 417,127                    | 1,010,401           | 629,381            | 198,194         | 325,126                    | 502,449            | 507,952             | 569,939             |
| Computers                      | 649,105             | 160,144    | 52,000                     | 757,249             | 604,010            | 27,092          | 49,600                     | 581,502            | 175,747             | 45,095              |
| Vehicles                       | 6,383,207           | 53,656     | 525,073                    | 5,911,790           | 2,213,713          | 811,855         | 310,038                    | 2,715,530          | 3,196,260           | 4,169,494           |
| Air Conditioners               | 904,660             | -          | -                          | 904,660             | 149,655            | 93,745          | -                          | 243,400            | 661,260             | 755,005             |
| Electrical Fittings            | 704,061             | 180,938    | 167,310                    | 717,689             | 234,318            | 60,270          | 158,944                    | 135,644            | 582,045             | 469,743             |
| Total Current Year             | 46,476,132          | 14,298,329 | 1,497,825                  | 59,276,636          | 9,134,759          | 3,468,099       | 850,695                    | 11,752,163         | 47,524,473          | 37,341,373          |
| Total Previous Year            | 47,264,618          | 1,551,445  | 2,339,931                  | 46,476,132          | 6,339,830          | 3,222,234       | 427,305                    | 9,134,759          | 37,341,373          | 40,924,788          |

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|  | AS AT<br>31/03/2016<br>(₹)  | AS AT<br>31/03/2015<br>(₹) |
|--|---|----------------------------|
| <b>10</b>  | <b><u>LONG TERM LOANS &amp; ADVANCES</u></b>  |                            |
|  |   |                            |
| Advance Tax / TDS less provisions                  | 5,885,976   | 5,176,567                  |
| Mat credit entitlement                             | 526,515   | 500,000                    |
|  | <b><u>6,412,491</u></b>   | <b><u>5,676,567</u></b>    |
| <b>11</b>  | <b><u>OTHER NON-CURRENT ASSETS</u></b>  |                            |
|  |   |                            |
| Expenditure pending capitalisation                 | 145,414   | 129,295                    |
| Pre-operative Expenditure                          | 398,524   | -                          |
|  | <b><u>543,938</u></b>   | <b><u>129,295</u></b>      |
| <b>12</b>  | <b><u>INVENTORIES</u></b>   |                            |
|  |   |                            |
| (As taken, valued and certified by the management) |   |                            |
| Raw Materials                                      | 4,866,394   | 785,117                    |
| Stock-in-trade                                     | 49,121,341  | 39,138,878                 |
| Finished Goods                                     | 1,787,471   | 885,726                    |
| Spares   | 137,756   | -                          |
|  | <b><u>55,912,962</u></b>  | <b><u>40,809,721</u></b>   |
| <b>13</b>  | <b><u>TRADE RECEIVABLES</u></b>   |                            |
|  |   |                            |
| (Unsecured, considered good)                       |   |                            |
| Outstanding for a period exceeding six months      | 373,324   | 3,088,600                  |
| Others   | 8,624,105   | 46,764,946                 |
|  | <b><u>8,997,429</u></b>   | <b><u>49,853,546</u></b>   |
| <b>14</b>  | <b><u>CASH &amp; CASH EQUIVALENTS</u></b>   |                            |
|  |   |                            |
| Balances with banks                                | 569,015   | 4,497,971                  |
| Cash on hand                                       | 2,251,825   | 343,968                    |
| Fixed deposits with banks                          | 74,372,097  | 72,780,807                 |
|  | <b><u>77,192,937</u></b>  | <b><u>77,622,746</u></b>   |
| <b>14.1</b>  | Fixed deposits with banks include deposits of Rs.38,08,274/- (Previous year Rs.5,45,216/- ) with maturity of more than 12 months. |                            |
| <b>14.2</b>  | Fixed deposits to the extent of Rs. 3,77,17,073/- (Previous year Rs. Nil/-) are pledged to the banks against overdraft facility.  |                            |
| <b>15</b>  | <b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>   |                            |
|  |   |                            |
| (unsecured, considered good)                       |   |                            |
| Balances with Govt. Authorities                    | 168,365   | 168,365                    |
| Deposits   | 1,527,355   | 1,391,455                  |
| Others   | 357,317,242   | 58,255,841                 |
|  | <b><u>359,012,962</u></b>   | <b><u>59,815,661</u></b>   |
| <b>16</b>  | <b><u>OTHER CURRENT ASSETS</u></b>  |                            |
|  |   |                            |
| Interest accrued on bank fixed deposits            | 958,122   | 1,161,869                  |
| Claims and other receivables                       | 1,020   | 42,097                     |
|  | <b><u>959,142</u></b>   | <b><u>1,203,966</u></b>    |

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|   | AS AT<br>31/03/2016<br>(₹) | AS AT<br>31/03/2015<br>(₹) |
|---|----------------------------|----------------------------|
| <b>17 REVENUE FROM OPERATIONS</b>                                       |                            |                            |
| Sales of Products   | 126,152,807                | 261,425,000                |
| Sales of Services   | -                          | 2,134,840                  |
|   | 126,152,807                | 263,559,840                |
| Less : Excise duty/Service tax recovered                                | -                          | 234,840                    |
|   | <b>126,152,807</b>         | <b>263,325,000</b>         |
| <b>17.1 PARTICULARS OF SALE OF PRODUCTS</b>                             |                            |                            |
| Engineering Goods   | 66,425,237                 | 23,608,895                 |
| Textile Goods   | 59,727,570                 | 237,816,105                |
|   | <b>126,152,807</b>         | <b>261,425,000</b>         |
| <b>17.2 PARTICULARS OF SALE OF SERVICES</b>                             |                            |                            |
| Repairs Services  | -                          | 2,134,840                  |
|   | -                          | <b>2,134,840</b>           |
| <b>18 OTHER INCOME</b>  |                            |                            |
| Interest Income   | 6,380,113                  | 6,012,752                  |
| Rent Income   | 3,156,176                  | 3,005,882                  |
| Bad Debts/ Sundry Balances w/off  | 320,398                    | -                          |
| Foreign exchange gains (Net)  | 292,380                    | -                          |
| Profit on sale of securities (Net)                                      | -                          | 2,565,985                  |
| Dividend  | 29,900                     | 83,183                     |
|   | <b>10,178,967</b>          | <b>11,667,802</b>          |
| <b>19 COST OF MATERIALS CONSUMED</b>                                    |                            |                            |
| <b><u>Yarn &amp; Components</u></b>                                     |                            |                            |
| Indigenous  | 38,882,991                 | 21,586,753                 |
| Imported  | -                          | -                          |
|   | <b>38,882,991</b>          | <b>21,586,753</b>          |
|   | 100.00                     | 100.00                     |
| <b>20 PARTICULARS OF PURCHASES OF STOCK-IN-TRADE</b>                    |                            |                            |
| Engineering Goods   | 70,692,236                 | 14,322,768                 |
| Textile Goods   | -                          | 216,355,124                |
|   | <b>70,692,236</b>          | <b>230,677,892</b>         |
| <b>21 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</b> |                            |                            |
| <b>Opening Stock :</b>  |                            |                            |
| Stock-in-trade  | 39,138,878                 | 40,292,227                 |
| Finished Goods  | 885,726                    | 758,443                    |
|   | 40,024,604                 | 41,050,670                 |
| <b>Closing Stock :</b>  |                            |                            |
| Stock-in-trade  | 49,121,341                 | 39,138,878                 |
| Finished Goods  | 1,787,471                  | 885,726                    |
|   | 50,908,812                 | 40,024,604                 |
|   | <b>(10,884,208)</b>        | <b>1,026,066</b>           |

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|  | AS AT<br>31/03/2016<br>(₹) | AS AT<br>31/03/2015<br>(₹) |
|--|----------------------------|----------------------------|
| <b>22</b>                                      |                            |                            |
| <b><u>MANUFACTURING EXPENSES</u></b>           |                            |                            |
| Stores, Spares and Packing Materials           | 719,854                    | 873,144                    |
| Labour & Processing Charges                    | 1,859,350                  | 5,169,424                  |
| Power & Fuel                                   | 1,547,285                  | 960,365                    |
| Transportation Charges                         | 206,730                    | 361,172                    |
| Other Manufacturing Expenses                   | 1,173,204                  | 648,339                    |
|  | <b><u>5,506,423</u></b>    | <b><u>8,012,444</u></b>    |
| <b>23</b>                                      |                            |                            |
| <b><u>EMPLOYEE BENEFITS EXPENSES</u></b>       |                            |                            |
| Salaries and Wages                             | 12,023,116                 | 8,721,944                  |
| Contribution to Provident Fund and other funds | 231,521                    | 101,264                    |
| Employees Welfare Expenses                     | 215,900                    | 185,022                    |
|  | <b><u>12,470,537</u></b>   | <b><u>9,008,230</u></b>    |
| <b>24</b>                                      |                            |                            |
| <b><u>FINANCE COSTS</u></b>                    |                            |                            |
| Interest Expenses                              | 25,675                     | 880,532                    |
|  | <b><u>25,675</u></b>       | <b><u>880,532</u></b>      |
| <b>25</b>                                      |                            |                            |
| <b><u>OTHER EXPENSES</u></b>                   |                            |                            |
| Bank Charges                                   | 10,174                     | 123,944                    |
| Clearing, Forwarding & Freight                 | 303,006                    | 305,587                    |
| Commission & Brokerage                         | 488,252                    | 2,757,000                  |
| Travelling & Conveyance                        | 1,172,293                  | 1,611,240                  |
| Telephone, Postage & Telegram                  | 419,125                    | 487,383                    |
| Electricity Charges                            | 101,800                    | 81,426                     |
| Exhibition Expenses                            | -                          | 157,200                    |
| Sampling, Sales Promotion & Advertisement      | 322,587                    | 775,025                    |
| Insurance                                      | 755,879                    | 771,588                    |
| Legal & Professional Charges                   | 232,038                    | 289,197                    |
| Rent   | 3,336,099                  | 2,745,926                  |
| Rates & taxes                                  | 175,146                    | 163,292                    |
| Repairs - Others                               | 321,692                    | 421,261                    |
| General Expenses                               | 1,483,517                  | 1,312,356                  |
| Sales-tax & Service-tax                        | 6,015,092                  | 582,218                    |
| Payment to Auditors :                          |                            |                            |
| - As Auditor                                   | 229,000                    | 168,540                    |
| - For Taxation matters                         | 146,560                    | 28,090                     |
| - For Other matters                            | 74,225                     | 61,798                     |
|  | 449,785                    | 258,428                    |
| Bad debts /Sundry Balances w/off.              | -                          | 516,136                    |
| Foreign Exchange loss (Net)                    | -                          | 482,144                    |
| Securities Transaction Tax                     | 2,120                      | 148,370                    |
| Loss on sale of Securities (Net)               | 286,755                    | -                          |
|  | <b><u>15,875,359</u></b>   | <b><u>13,989,720</u></b>   |

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26. Earnings per Share: - Basic and Diluted

|   |      | <u>Current Year</u> | <u>Previous Year</u> |
|---|------|---------------------|----------------------|
| a) Profit after tax                                     | Rs.  | 2,49,522            | 5,83,059             |
| b) Weighted Average Number of Equity shares outstanding | Nos. | 16,13,72,630        | 16,13,72,630         |
| c) The nominal value per Equity Share                   | Rs.  | 1/-                 | 1/-                  |
| d) Earnings per Share –Basic & Diluted                  | Rs.  | 0.002               | 0.004                |

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

|   | <u>31-3-2016</u> | <u>31-3-2015</u> |
|---|------------------|------------------|
| 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              |

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

|            | <u>2015-16</u>  |               | <u>2014-15</u>  |               |
|------------|-----------------|---------------|-----------------|---------------|
|            | <u>Rs.</u>      | <u>%</u>      | <u>Rs.</u>      | <u>%</u>      |
| Imported   | 0.00            | 0.00          | 0.00            | 0.00          |
| Indigenous | 7,19,854        | 100.00        | 8,73,144        | 100.00        |
|            | <b>7,19,854</b> | <b>100.00</b> | <b>8,73,144</b> | <b>100.00</b> |

29. VALUE OF IMPORTS ON CIF BASIS

|                   | <u>2015-16</u> | <u>2014-15</u> |
|-------------------|----------------|----------------|
|                   | <u>(Rs.)</u>   | <u>(Rs.)</u>   |
| Engineering Goods | 21,13,518      | 69,99,434      |
| Plant & Machinery | 23,332         | Nil            |

30. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

|                    |          |          |
|--------------------|----------|----------|
| Foreign Travelling | 2,12,202 | 1,31,580 |
|--------------------|----------|----------|

31. EARNING IN FOREIGN CURRENCY

|                             |          |          |
|-----------------------------|----------|----------|
| Export Sales (F.O.B. basis) | 4,86,281 | 6,21,293 |
|-----------------------------|----------|----------|



# Chandni Textiles Engineering Industries Ltd

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

(i) Short Term Employee Benefits

- I. The Company has provided for bonus amounting to Rs. 8,40,421/- (Previous year Rs. 5,23,016/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Profit & Loss Account for the year.
- II. During the year the company has recognized Leave Salary amounting to Rs. 1,43,421/- (Previous year Rs. NIL) in the statement of Profit & Loss on payment basis.

(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
- c) Employers' Contribution to Employees' State Insurance Scheme

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

|  | 2015-16 (Rs.) | 2014-15 (Rs.) |
|--|---------------|---------------|
| - Employers' Contribution to Provident Fund                    | 90,838        | 51,299        |
| - Employers' Contribution to Pension Scheme                    | 59,804        | 38,829        |
| - Employers' Contribution to Employers' State Insurance Scheme | 57,739        | -             |

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   | 31-03-2016 | 31-03-2015 |
|---|------------|------------|
| 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. | 2,35,741   | 2,18,433   |
| Interest cost   | 18,859     | 17,475     |
| Current Service Cost                                  | 12,036     | 12,048     |
| Benefits Paid   | (0)        | (0)        |
| Actuarial (gain)/ loss on obligations                 | (13,413)   | (12,215)   |
| Present Value of Obligations as at Year end           | 2,53,493   | 2,35,741   |

# Chandni Textiles Engineering Industries Ltd

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|           |  |          |          |
|-----------|--|----------|----------|
| <b>3.</b> | <b>Changes in the Fair Value of Plan Assets</b>                              |          |          |
|           | Fair value of plan assets at beginning of year                               | 5,96,405 | 5,47,161 |
|           | Expected return on plan assets   | 49,800   | 49,244   |
|           | Contributions  | 0        | 0        |
|           | Benefits Paid  | (0)      | (0)      |
|           | Actuarial gain/(loss) on Plan assets   | NIL      | NIL      |
|           | Fair Value of Plan Assets at Year end  | 6,46,205 | 5,96,405 |
| <b>4</b>  | <b>Fair value of Plan Assets</b>   |          |          |
|           | Fair value of plan assets at beginning of year                               | 5,96,405 | 5,47,161 |
|           | Actual return on plan assets   | 49,800   | 49,244   |
|           | Contributions  | 0        | 0        |
|           | Benefits Paid  | (0)      | (0)      |
|           | Fair value of plan assets at the end of year                                 | 6,46,205 | 5,96,405 |
|           | Funded status  | 3,92,712 | 3,60,664 |
|           | 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) |          |          |
| <b>5.</b> | <b>Actuarial Gain/Loss recognized</b>  |          |          |
|           | Actuarial (gain)/ loss on obligations  | 13,413   | 12,215   |
|           | Actuarial (gain)/ loss for the year - plan assets                            | NIL      | NIL      |
|           | Total (gain)/ loss for the year  | (13,413) | (12,215) |
|           | Actuarial (gain)/ loss recognized in the year                                | (13,413) | (12,215) |
| <b>6.</b> | <b>Amounts Recognized in the Balance Sheet</b>                               |          |          |
|           | Present value of obligations as at the end of year                           | 2,53,493 | 2,35,741 |
|           | Fair value of plan assets as at the end of the year                          | 6,46,205 | 5,96,405 |
|           | Funded status  | 3,92,712 | 3,60,664 |
|           | Net asset/(liability) recognized in balance sheet                            | 3,92,712 | 3,60,664 |
| <b>7.</b> | <b>Expenses Recognised in the Profit and Loss Account</b>                    |          |          |
|           | Current Service cost   | 12,306   | 12,048   |
|           | Interest Cost  | 18,859   | 17,475   |
|           | Expected return on plan assets   | (49,800) | (49,244) |
|           | Net Actuarial (gain)/ loss recognized in the year                            | (13,413) | (12,215) |
|           | Expenses recognised in statement of Profit and loss Account                  | (32,048) | (31,936) |

### 33. Segment Reporting

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

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## a) Information about Primary Segments: (Business Segments)

|    |   | Year ended<br>31-3-2016 | Year ended<br>31-3-2015 |
|----|---|-------------------------|-------------------------|
| 1  | Segment Revenue   |                         |                         |
| a. | Engineering Division  | 6,64,25,237             | 2,55,08,895             |
| b. | Textile Division  | 5,97,27,570             | 23,78,16,105            |
| c. | Others  | Nil                     | Nil                     |
|    | <b>Total</b>  | <b>12,61,52,807</b>     | <b>26,33,25,000</b>     |
|    | Less : Inter Segment Revenue                                    | -                       | -                       |
|    | Net Sales/Income from Operations                                | <b>12,61,52,807</b>     | <b>26,33,25,000</b>     |
| 2  | Segment Results   |                         |                         |
|    | Profit/(loss) before tax and Interest                           |                         |                         |
| a. | Engineering Division  | (35,78,319)             | (5,07,439)              |
| b. | Textile Division  | 56,28,659               | (1,32,21,431)           |
|    | <b>Total</b>  | <b>20,50,340</b>        | <b>(1,37,28,870)</b>    |
|    | Less : (i) Interest   | 25,675                  | 8,80,532                |
|    | (ii) Other un-allocable expenditure net off un-allocable income | 18,86,133               | (1,53,56,804)           |
|    | Total Profit Before Tax   | <b>1,38,532</b>         | <b>7,47,402</b>         |
| 3  | Capital Employed  |                         |                         |
|    | (Segment Assets - Segment Liabilities)                          |                         |                         |
| a. | Engineering Division  | 2,86,76,952             | 4,80,42,110             |
| b. | Textile Division  | 4,77,19,275             | 65,96,939               |
|    | Add /(Less):- Un-allocable Assets less Liabilities              | 14,37,41,963            | 16,52,49,619            |
|    | Total Capital Employed in the Company                           | <b>22,01,38,190</b>     | <b>21,98,88,668</b>     |

## b) Information about Geographical Segments :

|  |                            | Year ended<br>31-3-2016 | Year ended<br>31-3-2015 |
|--|----------------------------|-------------------------|-------------------------|
|  | <b>Revenue</b>             |                         |                         |
|  | India                      | 12,56,66,526            | 26,27,03,707            |
|  | Outside India              | 4,86,281                | 6,21,293                |
|  |                            | <b>12,61,52,807</b>     | <b>26,33,25,000</b>     |
|  | <b>Assets</b>              |                         |                         |
|  | India                      | 56,18,28,278            | 27,58,93,856            |
|  | Outside India              | 45,15,271               | 42,13,536               |
|  |                            | <b>56,63,43,549</b>     | <b>28,01,07,132</b>     |
|  | <b>Capital Expenditure</b> |                         |                         |
|  | India                      | 1,87,25,629             | 15,51,445               |
|  | Outside India              | -                       | -                       |
|  |                            | <b>1,87,25,629</b>      | <b>15,51,445</b>        |

# Chandni Textiles Engineering Industries Ltd

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34. 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
- iii) Shailesh P. Sankav - Chief Financial Officer
- iv) Gayatri Valan - Company Secretary & Compliance Officer

**b) Companies in which Directors are Interested**

- i) Kareshma Dentals Private Limited.
- ii) J.R. Texmachtrade Private Limited.
- iii) Jumping Genius School Private Limited
- iv) Humans of Bombay Stories 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 |         |
|----------------------------------|--------------------------|----------|---------------------|---------|
|                                  | 2015-16                  | 2014-15  | 2015-16             | 2014-15 |
| Directors Remuneration           | 8,40,000                 | 8,40,000 | -                   | -       |
| Salary                           | 7,96,906                 | 5,75,051 | -                   | -       |
| <b>Outstanding at year end :</b> |                          |          |                     |         |
| Sundry Creditors                 | 1,07,719                 | 5,555    | -                   | -       |

35. 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.24,40,084/- (Previous Year Rs.25,45,484/-)

36. 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**

**J.R. Mehta  
Managing Director**

**Shailesh Sankav  
Chief Financial Officer**

**A. J Mehta  
Director**

**Gayatri Valan  
Company Secretary**

**Place: Mumbai  
Date: 30-05-2016**

**Place: Mumbai  
Date: 30-05-2016**

## Chandni Textiles Engineering Industries Ltd

(CIN: L25209MH1986PLC040119)

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

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

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Reg. Folio No. / DP-ID/ Client ID: \_\_\_\_\_

No. of Shares: \_\_\_\_\_

Name & Address of the Shareholder: \_\_\_\_\_

\_\_\_\_\_

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

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting on Friday, 30<sup>th</sup> September, 2016 at 3.00 P.M. at Park Club Ltd., North Keluskar Road, Shivaji Park, Opp. Scout Hall, Dadar (West), Mumbai - 400 028

\_\_\_\_\_  
Signature of Shareholder / Proxy

# Chandni Textiles Engineering Industries Ltd

(CIN: L25209MH1986PLC040119)

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

Telefax: 022 24950328 E-mail: jrgroup@jrmehta.com

## PROXY FORM

|                               |
|-------------------------------|
| Name of the Member (s): _____ |
| Registered Address: _____     |
| Email Id: _____               |
| Folio No/ Client Id: _____    |
| DP ID: _____                  |

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

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her;

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her;

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company to be held on the Friday, 30<sup>th</sup> September, 2016 at 3.00 p.m. at Park Club Ltd., North Keluskar Road, Shivaji Park, Opp. Scout Hall, Dadar (West), Mumbai - 400 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Particulars of Resolution   | For | Against |
|----------|---|-----|---------|
|          | <b>Ordinary Business</b>  |     |         |
| 1        | Adoption of Financial Statements (including Cash Flow Statements) for the year ended 31 <sup>st</sup> March, 2016 |     |         |
| 2        | Re-appointment of Mrs. Amita J Mehta, who retires by rotation   |     |         |
| 3        | Re-appointment of M/s Chandan Parmar & Co. Chartered Accountants, Mumbai as Statutory Auditors of the Company     |     |         |
|          | <b>Special Business</b>   |     |         |
| 4        | To approve consolidation of the Equity Shares of the Company  |     |         |
| 5        | To approve contribution to charitable and other funds   |     |         |
| 6        | Determination of fees to be charged for service of document in a particular mode.                                 |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of the Shareholder

Signature of Proxy Holder(s)

Affix ₹ 1/-  
Revenue  
Stamp

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

## Chandni Textiles Engineering Industries Ltd

CIN: L25209MH1986PLC040119

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

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

Dear Shareholder(s),

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

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

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

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No. :

PAN No. :

E-mail ID :

Telephone No. :

Name and Signature: i.

ii.

iii.

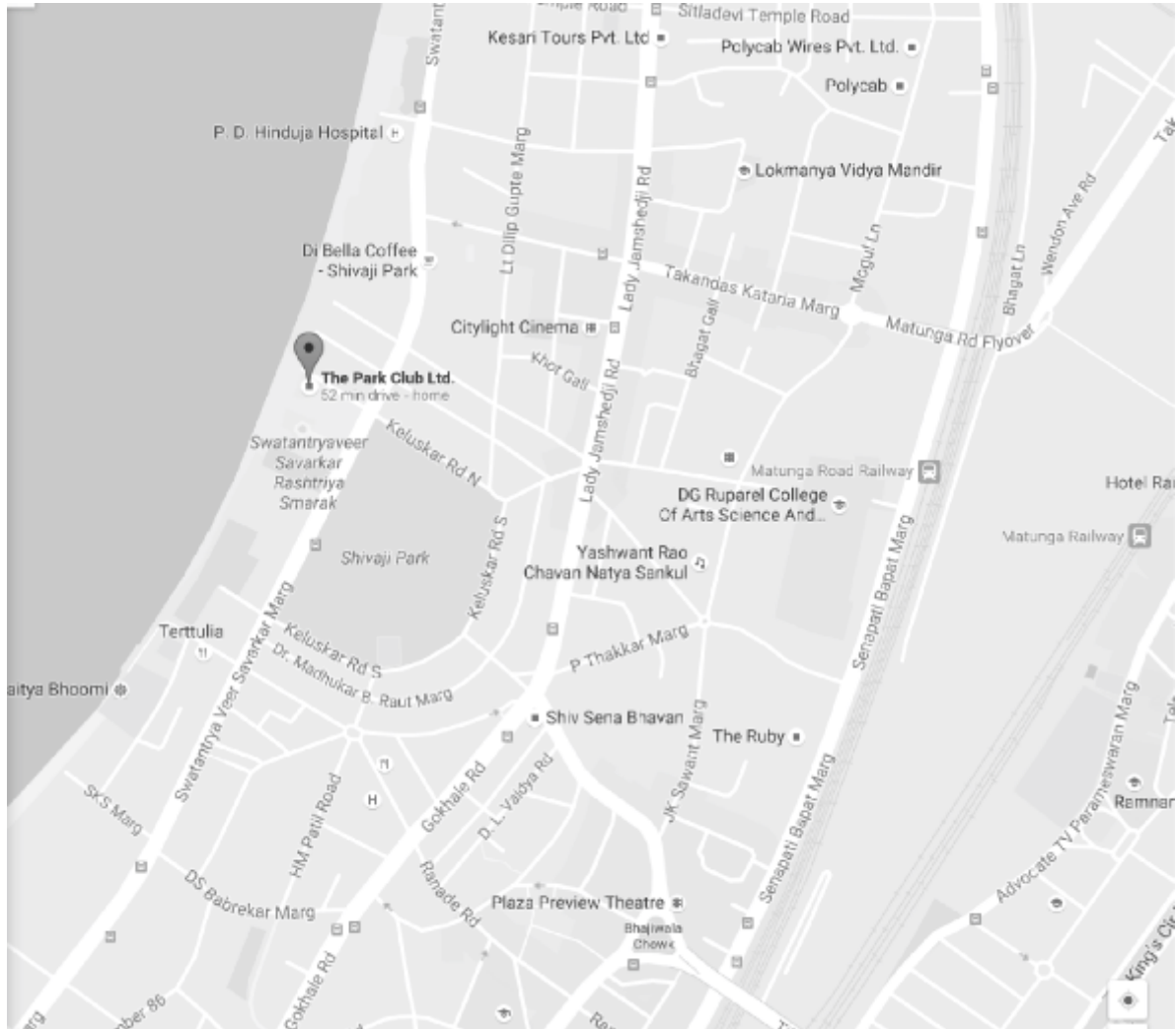
Thanking you,

For Chandni Textiles Engineering Industries Ltd.

Compliance Officer / Company Secretary\  
Gayatri Valan

# Chandni Textiles Engineering Industries Ltd

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# Book Post

If undelivered please return to :

**CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD**

Registered Office :

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