

Chandni Textiles Engineering Industries Ltd.

CIN: L25209MH1986PLC040119

3rd October, 2018

BSE Limited,
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001

Scrip Code: 522292
Scrip Id: CHANDNI

Sub: Submission of Annual Report of the Company for the Financial Year 2017 -2018

Dear Sir /Madam,

Pursuant to Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2017-2018 as approved and adopted by the Members at the 32nd Annual General Meeting of the Company held on Friday, 28th September, 2018 at 03: 00 P.M. at The Park Club Limited, North Keluskar Marg, Opposite Scout Hall, Shivaji Park, Dadar (West), Mumbai -400028.

You are requested to kindly take the same on your record and oblige.

Thanking you.

Yours faithfully,
For Chandni Textiles Engineering Industries Limited

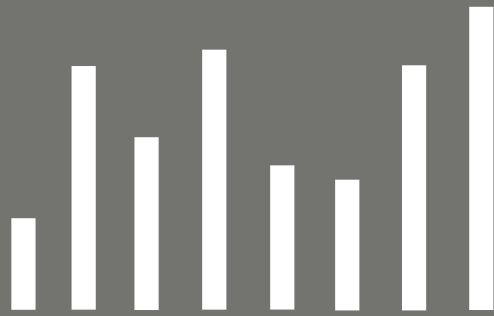

Khushboo Shah
[Company Secretary and Compliance Officer]



Encl: As above

CHANDNI

Textiles Engineering Industries Ltd



ANNUAL REPORT 2017-18



Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

BOARD OF DIRECTORS

Mr. Jayesh R. Mehta
Mrs. Amita J. Mehta
Mr. Rameshchand Garg
Dr. Bharat Sugnomal Bhatia
Mr. Vasant Gaurishankar Joshi

CHIEF FINANCIAL OFFICER

Mr. Shailesh Pandurang Sankav

COMPANY SECRETARY

Ms. GayatriValan [Resigned w.e.f. 14/12/2017]
MS. Khushboo Shah [Appointed w.e.f. 11/01/2018]

STATUTORY AUDITOR

M/s Ambavat Jain & Associates LLP
Chartered Accountants

SECRETARIAL AUDITOR

M/s. Ajay Anil Thorat & Associates
Company Secretaries

BANKERS

Union Bank of India
HDFC Bank Ltd.

REGISTRAR AND SHARE TRANSFER AGENT

Purva Sharegistry (India) Private Limited,
9, Shiv Shakti Industrial Estate, Ground Floor,
Sitaram Mill Compound, Lower Parel,
Mumbai -400011.

Tel No.: 022-23012518 / 23016761

E-mail: busicomp@gmail.com
busicomp@vsnl.com

AUDIT COMMITTEE

Dr. Bharat Sugnomal Bhatia
Rameshchand Garg [Chairman]
Vasant Gaurishankar Joshi

STAKEHOLDER RELATIONSHIP

Vasant Gaurishankar Joshi [Chairman]
Jayesh Ramniklal Mehta
Dr. Bharat Sugnomal Bhatia

NOMINATION AND REMUNERATION

Bharat Sugnomal Bhatia [Chairman]
Vasant Gaurishankar Joshi
Rameshchand Garg

FACTORY ADDRESS

- 22/1, Riganwada Kachigam Road,
Nani Daman, Daman – 396210

- Plot No. 4612/A, G.I.D.C. Estate,
Ankleshwar - 393002

- Gat No. 466/A, Plot No. 22 & 23
Shinde Naigaon Road, Shinde Village,
Nashik - 422101

REGISTERED OFFICE ADDRESS

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

INDEX

Sr. No.	Particulars	Page No.
1.	Notice to Shareholders	4-14
2.	Board Report and Relevant Annexure	15-33
3.	Report on Corporate Governance	34-45
4.	Auditors Certificate on Corporate Governance	46
5.	Management Discussion & Analysis	47-49
6.	CEO & CFO Certification	50
7.	Independent Auditor's Report for Standalone Financial Statement for the F.Y. 2017-2018	51-55
8.	Standalone Balance Sheet as at 31 st March, 2018	56
9.	Standalone Profit and Loss Account as at 31 st March, 2018	57
10.	Cash Flow Statement for the FY 2017-2018	58-60
11.	Standalone Notes on Financial Statement	61-98

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

NOTICE

Notice is hereby given that 32nd Annual General Meeting of the Members of Chandni Textiles Engineering Industries Limited will be held on Friday 28th September, 2018, at 03:00 P.M. at the The Park Club Ltd, North Keluskar Road, Shivaji Park, Opposite to Scout Hall, Dadar (West), Mumbai -400028, Maharashtra, India to transact the following business, with or without modification(s), as may be permissible;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Auditors and Board of Directors thereon;
2. To appoint a Director in place of Mrs. Amita Jayesh Mehta (DIN: 00193075), who retires by rotation and being eligible offers herself for re-appointment

SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass the following resolution as a Special Resolution for Continuation of Directorship of **MR. BHARAT SUGNOMAL BHATIA:**

RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 including any amendment, modification, variation or re –enactment thereof for the time being in force approval of the Members of the Company be and is hereby accorded for continuation of the directorship of MR. BHARAT SUGNOMAL BHATIA (DIN: 00195275) in the Company, who has attained the age of Seventy Nine years, upto the expiry of his present term as an Independent Director (Non-Executive) i.e. September 30,2019 on the existing terms and condition.

4. To consider, and if thought fit, to pass the following resolution as a Special Resolution for Continuation of Directorship of **MR. VASANT GAURISHANKAR JOSHI:**

RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations , 2015 including any amendment, modification, variation or re–enactment thereof for the time being in force approval of the Members of the Company be and is hereby accorded for continuation of the directorship of MR. VASANT GAURISHANKAR JOSHI (DIN: 00193105) in the Company, who has attained the age of Seventy Seven years, upto the expiry of his present term as an Independent Director (Non-Executive) i.e. September 30,2019 on the existing terms and condition.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and the proxy so appointed need not be a member or members, as the case may be, of the company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a Proxy to be appointed by a Member holding more than 10% of the share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form for the 32nd Annual General Meeting (AGM) is enclosed herewith.
3. Proxy holders are requested to carry an Identity proof at the time of attending the Meeting.
4. Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company's certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolutions to attend and vote on their behalf at the meeting.
5. The Registrar of Members and Share Transfer Book of the Company shall remain closed from Monday 24th September, 2018 to Friday, 28th September, 2018, both days inclusive, for the purpose of AGM of the Company.
6. Members/ Proxies should bring their duly filled Attendance Slips enclosed herewith for attending the meeting.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

7. The Notice of the 32nd Annual General Meeting is being sent by electronic mode to those members whose e-mail address are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
8. Copies of the Annual Report for Financial Year 2017-2018 along with the Notice of the AGM, Attendance Slip and Proxy Forms are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/ Depository Participant(s) ("DPs") for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc. are being sent by the permitted mode. The Annual Report are being sent to the Members, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, 21st September, 2018. However, if such a person is not a Member on the cut-off date of Friday, 21st September, 2018 such person shall not be eligible to vote via remote e-voting or at AGM and may treat this Notice for information purpose only. Members may also note that the Annual Report of the Company is also available for download from the website of the Company www.cteil.com
9. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 170 and Section 189 of the Companies Act, 2013 respectively, will be available for inspection by the members at the AGM.
10. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The voting shall be reckoned in proportion to the value of shares registered in the Member's name to the total paid up share capital of the Company as on Friday, 21st September, 2018, and as a person who is not a Member as on that date should treat this Notice for information purposes only.
12. The date of declaration of results of the e-voting, i.e. Saturday, September 29, 2018 shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
13. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 09:30 a.m. and 05:30 p.m. up to the date of the Annual General Meeting (AGM) of the Company.
14. Resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at the AGM of the Company.
15. Members having any grievances connected with the e-voting can contact M/s Purva Sharegistry (India) Private Limited Registrar and Share Transfer Agent at Shiv Shakti Industrial Estate, Unit No. 9, J. R. Boricha Marg, Sitaram Mill Compound, Mumbai -400011, Phone No.: 022-23016761/8261, E-mail Id: busicomp@gmail.com; busicomp@vsnl.com.
16. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

17. VOTING THROUGH ELECTRONIC MEANS:

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Secretarial Standard-2 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosures 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 32nd Annual General Meeting (AGM) and the business at the 32nd AGM may be transacted through such voting. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.
- (b) Members who have registered their e-mail ids with the depositories or with the Company are being sent Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice through post/courier.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

- (c) The facility for voting through ballot paper shall be made available at the AGM and the members attending meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- (d) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

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

- i. The voting period begins on September 25, 2018 at 10:00 A.M. and ends on September 27, 2018 at 05:00 P.M. During this period shareholder's of the Company, holding shares in dematerialized form, as on the cut –off date (record date) September 21, 2018, may cast their vote electronically. The e-voting module shall be disable by CDSL for voting thereafter:
- ii. The shareholders should log on to the e-voting website www.evotingindia.com
- iii. Click on Shareholders tab
- iv. Now enter your User Id
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and casted your vote earlier for any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and in Physical Form
PAN	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">• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv)

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the Electronic Voting Sequence Number (“EVS”) for the relevant “**CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED**” on which you choose to vote.
- xii. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution DETAILS.
- xiv. After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- xv. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Note for Non-Individuals Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. The Board of Directors of the Company has appointed M/s S P K G & Co. LLP, Mumbai will be acting as the Scrutinizer to scrutinize the e-voting and voting process at the AGM in a fair and transparent manner.
20. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in 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.
21. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.cteil.com and on the website of CDSL immediately after the declaration of result by the Chairman or person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.
22. A member can opt for only one mode i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at AGM meeting shall be treated as invalid

Registered Office:

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

Dated: 14th August, 2018

Place: Mumbai

By Order of the Board

Jayesh R. Mehta
(DIN: 00193029)

Chairman & Managing Director

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

Item No. 3 and 4

The Members of the Company at the 28th Annual General Meeting (AGM) held on September 30, 2014 inter alia appointed MR. BHARAT SUGNOMAL BHATIA and MR. VASANT GAURISHANKAR JOSHI as Non-Executive Independent Directors of the Company for a period of five consecutive years with effect from September 30, 2014. Based on the Report of the Committee on Corporate Governance chaired by Shri. Uday Kotak, the Securities and Exchange Board of India (SEBI) amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter referred to as "Listing Regulations") vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018. According to the new provisions, a person who has attained the age of Seventy Five Years can continue the directorship in a listed company as a non-executive director only after the concerned listed company has taken the approval of its shareholders by way of a special resolution. The said provision comes into effect from April 1, 2019.

Since MR. BHARAT SUGNOMAL BHATIA and MR. VASANT GAURISHANKAR JOSHI, Non – Executive Independent Directors of the Company have attained the age of Seventy Five years and above, their directorship can continue from April 1, 2019 only if the Company has obtained the approval of its Members by way of special resolution on or before March 31, 2019.

Mr. Bharat Sugnomal Bhatia has done PhD in investment banking. He is associated with the working of development of financial institution for medium and large scale companies throughout the country in the areas of Project Financing, Resource Mobilization and Fund Raising for Industrial and Infrastructure Projects. He also has exposure to international finance (ADB, GDR, ECB, KFW) and finalizing documentation related to project financing.

Mr. V. G. Joshi an arts graduate has an experience of almost 48 years in the field of Accounts; Administration and Indirect Taxes. He started his career in the year 1964 with associated precision Bearings Star Limited (formerly known as Suessan Textile Bearing Limited) as an accounts officer. In the year 1986 he joined a company in the textile industry. He is on board since 2003.

In the opinion of the Board of Directors of the Company, Mr. Bharat Bhatia and Mr. Vasant Joshi are persons of high repute, integrity and have rich and varied experience and hence their directorship is recommended to be continued up to the expiry of their present term as Non-Executive Independent Directors upto September 30, 2019 by passing special resolutions as set out at Items No. 3 and 4 of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item No.3 and 4 of this Notice.

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

Name of Director	Mrs. Amita Jayesh Mehta
Date of Birth	01.11.1963
Qualification	Commerce Graduate
Nationality	Indian
Date of First Appointment	17.06.1986
Designation	Non-Executive Director
Director Identification Number	00193075
Brief Profile including expertise in specific Functional Area	Mrs. Amita J Mehta deals with the sourcing of Materials. She is also active in corporate governance issues.
No. of Board Meetings attended during the Financial Year 2017-2018	Mrs. Mehta attended all the 5 Board Meetings conducted during the year.
Names of the other Public Companies in which Directorships held	Nil
Committee Membership other Companies	Nil
Total shares held by her in the Company with other Directors	27, 59, 626 (17.10%) equity shares of Re. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

PROXY FORM

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on the Friday, 28th September, 2018 at 3.00 p.m. at The Park Club Ltd, North Keluskar Road, Shivaji Park. Opp. Scout Hall, Dadar West, Mumbai – 400028 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars of Resolution	For	Against
	<u>Ordinary Business</u>		
1	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Auditors and Board of Directors thereon;		
2	To appoint a Director in place of Mrs. Amita Jayesh Mehta (DIN: 00193075), who retires by rotation and being eligible offers herself for re-appointment		
	<u>Special Business</u>		
3	Continuation of Directorship of Mr. Bharat Sugnomal Bhatia (DIN:00195275)		
4	Continuation of Directorship of Mr. Vasant Gaurishankar Joshi (DIN:00193105)		

Signed this _____ day of _____ 2018

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
ANNUAL REPORT 2017-18

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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@jirmehta.com

ATTENDANCE SLIP

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

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

I hereby record my presence at the 32nd Annual General Meeting on Friday, 28th September, 2018 at 03.00 P.M. at The Park Club Ltd, North Keluskar Road, Shivaji Park, Opposite to Scout Hall, Dadar West, Mumbai – 400028.

Signature of Shareholder / Proxy

.....Cut Here.....

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User Id	PAN/Seq. No.

Note: Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of Annual General Meeting. The voting starts from Tuesday, 25th September, 2018 from 10: 00 A.M. and ends on Thursday, 27th September, 2018 at 05:00 P.M. The voting module shall be disabled by the CDSL for voting thereafter.

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

Chandni Textiles Engineering Industries Ltd
ANNUAL REPORT 2017-18

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

CIN: L25209MH1986PLC040119

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

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

Dear Shareholder(s),

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

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

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

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

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

Folio No. :

Pan No. :

E-mail ID :

Telephone No. :

Name and Signatures : (i)

(ii)

(iii)

Thanking you,

For, Chandni Textiles Engineering Industries Limited

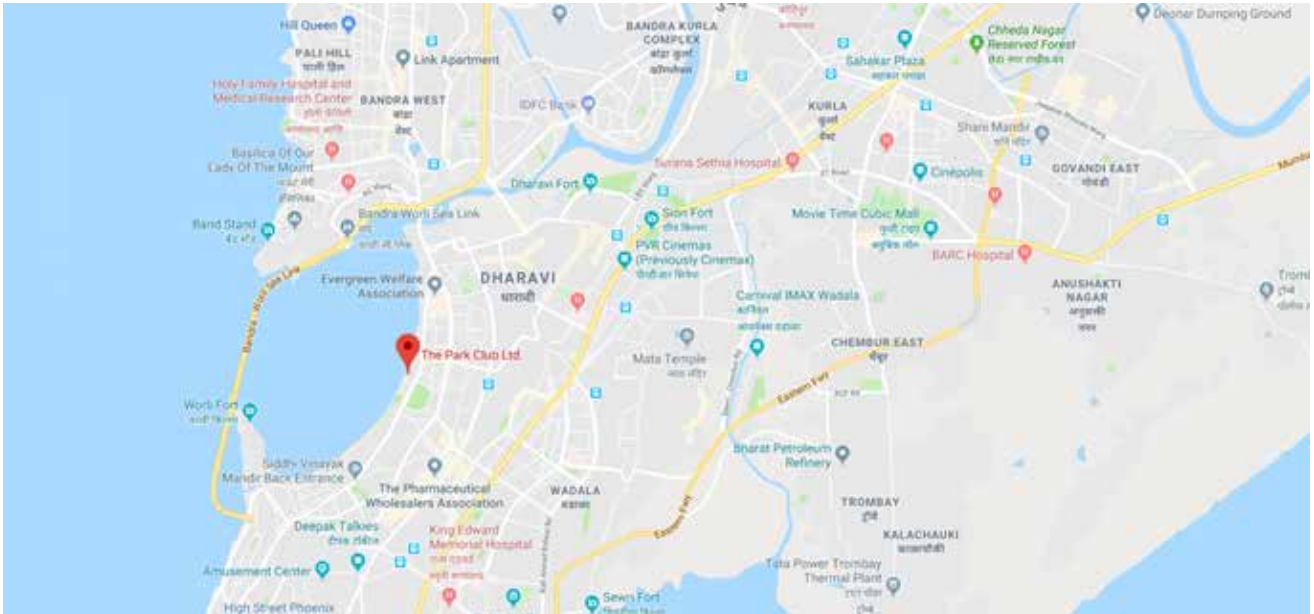
Khushboo Shah

Company Secretary & Compliance Officer

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

ROUTE MAP TO REACH THE VENUE OF THE 32ND ANNUAL GENERAL MEETING:



Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

BOARD REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report together with Audited Financial Statements for the year ended 31st March, 2018. The Financial Statements have been prepared after giving accounting effect to the demerger of the business of **CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED** (i.e. Engineering Division) along with a wholly-owned subsidiary company of your company **CHANDNI MACHINES PRIVATE LIMITED**. The Financial Results of the Company have been summarized and given below:

FINANCIAL PERFORMANCE

	(₹ In Lacs)	
	2017-2018	2016-2017
Revenue from operations	4904.35	5393.79
Other Income	107.81	88.10
Total Revenue	5021.16	5481.89
Profit before depreciation, finance costs & tax	259.52	114.42
Less: Depreciation	57.77	50.62
Finance Costs	3.68	3.70
Profit before tax	198.07	60.10
Tax Expense		
Current tax	40.61	10.24
Deferred tax	15.65	5.76
Wealth tax	0.00	0.00
Profit after tax	141.81	44.10
Balance brought forward from previous year	53.09	8.99
Less: Profit of demerged undertaking from appointed date (01/04/2016 to 31/03/2017) transferred to CMPL	(55.02)	-
Balance carried to balance sheet	139.88	53.09

FINANCIAL HIGHLIGHTS

During the year under review, the turnover of the company has decreased from 5393.78 lacs as compared to previous year to 4904.35 lacs in the current year. The Profit before tax has increased from 60.10 lacs in the previous year to 198.07 lacs in the current year. The Net Profit increased from 44.10 lacs in the previous year to 141.82 lacs in the current year.

DIVIDEND

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

SCHEME OF ARRANGEMENT / DEMERGER

Scheme of Arrangement ("Scheme") between Chandni Textiles Engineering Industries Limited ("Demerged Company") and Chandni Machines Limited ("Resulting Company") and their respective shareholders. Pursuant to the Scheme of Arrangement under section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 as sanctioned by the Hon'ble National Company Law Tribunal bench at Mumbai on 21st January, 2018, the Demerged Company i.e. Engineering Division of Chandni Textiles Engineering Industries Limited has been transferred and vested in the Resulting Company on a going concern basis with effect from July 01, 2016 i.e. the appointed date under the Scheme.

The Scheme of Arrangement became effective on 24th January, 2018, being the last date on which all the conditions and approvals referred to in the Scheme have been fulfilled / obtained and therefore, the effect of the Scheme was considered in the financial statements of the company for the year ended 31st March, 2018. In terms of the Scheme, the business and transactions of demerged undertaking were carried on and held by the Demerged Company in trust for and on account of the Resulting Company from the appointed date till the

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Scheme became effective. Pursuant thereto, all assets and liabilities have been transferred to the Resulting Company at their respective book values on the appointed date and duly adjusted by subsequent transactions carried on in trust.

Also, the profit or income accruing or expenditure or loss arising or incurred relating to the business of demerged undertaking from the appointed date are treated as the profit or income or expenditure or loss, as the case may be, of the Resulting Company. The Scheme has accordingly been given effect to in the accounts for the current year. As per the Scheme, the Resulting Company will issue equity shares in the ratio of 1:5 to the shareholders of the Demerged Company.

REORGANISATION OF SHARE CAPITAL

As per the Scheme of Arrangement the Securities Premium Account of the Demerged Company will be reduced from Rs. 3, 22, 74,330 divided into 32, 27, 433 equity shares of Rs. 10/- each in the ratio of 1:5 i.e. 1 equity shares of Chandni Machines Limited (CML) of Rs. 10/- each fully paid up for every 5 equity shares of Chandni Textiles Engineering Industries Limited (CTEIL) of Rs. 10/- each fully paid up on the Record date of 20th August, 2018.

ALLOTMENT OF SHARES BY THE RESULTING COMPANY

Chandni Machines Limited (CML), the Resulting Company will allot and issue to the shareholders of Chandni Textiles Engineering Industries Limited (CTEIL), the Demerged Company 1 (One) Equity Shares of Rs. 10/- each fully paid up for every 5 (Five) Equity Shares of Rs. 10/- each held by the shareholders of the record date. Accordingly, 32,27,433 equity shares of Rs. 10/- will be allotted and issued by Chandni Machines Limited which will be adjusted from Securities Premium Account as per the Scheme of Arrangement and after rounding off the fraction to the nearest integer.

The existing Equity Share capital for an amount of Rs. 1, 00, 000/- represented by 10,000 Equity Shares of Rs. 10/- each held by Chandni Textiles Engineering Industries Limited in Chandni Machines Limited (**Formerly known as “Chandni Machines Private Limited”**), will be cancelled and shareholders holding 10,000 Equity Shares of Rs. 10/- each of the Resulting Company on the effective date shall not be issued or allotted any new shares by the Resulting Company or by the Demerged Company against such shares upon such cancellation. Consequently, Chandni Machines Limited will cease to be the Wholly Owned Subsidiary Company of Chandni Textiles Engineering Industries Limited.

TRANSFER TO RESERVES

An amount of Rs. 139.88 lacs is proposed to be retained in the Profit & Loss Account.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Management Discussion & Analysis forms part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company, except transfer of assets and liabilities for giving effect to the order from National Company Law Tribunal, Division Bench, Mumbai was recorded after Demerger pursuant to the Scheme of Arrangement to the close of the Financial Year.

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

In line with requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is committed to the principles of good Corporate Governance and continues to adhere good corporate governance practices consistently.

A separate section is given on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance with conditions of Corporate Governance, as stipulated under Regulation 34(3) read with

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which forms part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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.

Ms. Gayatri Valan resigned as Company Secretary & Compliance Officer of the company with effect from 14th December, 2017.

Ms. Khushboo Shah was appointed as Company Secretary and Compliance Officer of the company in its Board Meeting held on 11th January, 2018.

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

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

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting without participation of Non-Independent Directors and management considered and evaluated the Boards' performance, performance of the Directors.

The Board has carried out an annual evaluation of its own performance and performance of the individual Directors as well as the Committee of Directors.

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%20Directors.pdf>

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

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.

The Company for the year under review has not paid any remuneration by way of sitting fees to Non-Executive Directors.

AUDIT COMMITTEE

The Company has in place a Board Level Audit Committee, in terms of the requirements of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Requirements) Regulations, 2015, the details in respect of which are given in Corporate Governance Report. Further, there has been no instance where the Board of Directors has not accepted the recommendation of Audit Committee.

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 and 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

During the year under review, five Board Meetings were conducted. The details of the same have been given in the Corporate Governance Report under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of this Report.

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 the payment of remuneration to Managing Director and Key Managerial Personnel. Hence, reporting under 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.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the Note No. 4 to the Financial Statements. The Company has not given any loans and guarantees under Section 186 of the Act during the Financial Year 2017-2018.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

RISK MANAGEMENT POLICY

Pursuant to section 134(3) (n) of the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has formulated a Risk Management Policy to mitigate the risks. Major risks identified by each of the businesses and functions are systematically addressed through mitigation actions on a continuing basis and are reported periodically to the Audit Committee and the Board. The details of the Risk Management functions are covered in the Corporate Governance Report.

STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013, M/s Ambavat Jain & Associates, LLP Chartered Accountants (Firm Registration No. : 109681W) were appointed as Statutory Auditors of the Company for a period of Five (5) years till the conclusion of Thirty Sixth Annual General Meeting of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed M/s Ajay Anil Thorat & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2017-2018. The report is attached herewith as **Annexure – I** to the Board's Report.

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	Auditors Qualifications	Board's explanation
1.	<i>In Form AOC-4 XBRL for FY 2016-17, date of Board Resolution is written as 29/09/2017 (which is in fact date of AGM).</i>	It should be the date of Board Resolution i.e. 30 th May, 2017, the company inadvertently wrote the date of AGM, however the e-form has been approved without any error.
2.	<i>Internal Auditor has been appointed in the last quarter of the financial year; however, Form MGT-14 for appointment of Internal Auditor has not been filed.</i>	Company has filed MGT-14 with a late fee, however, Internal Auditor was appointed during the Financial Year 2017-2018 and Internal Auditor has given report for entire year.
3.	<i>For certain remarks of us pertaining to earlier years report which was written by us in italic font, however, in the final printed and filed report the said remarks were not printed in italic fonts.</i>	The Secretarial Audit Report was incorporated in the last year's Annual Report as it is. However, some remarks which were in italic font were printed normally. The company will take care in future.
4.	<i>In NCLT order, point no 10 page no 5, it is written as conversion of public company into private company, however, as per me it should be vice-versa.</i>	Order was received from Hon'ble National Company Law Tribunal though it is obvious that a private limited company will be converted into public limited company and the same is mentioned in the Scheme of Arrangement.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status and the Company's operation in future.

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

a) Conservation of Energy

- i. In spite of not being 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.

c) Foreign Exchange Earnings and Outgo

	FY 2017-2018	FY 2016-2017
Total Foreign Exchange Outgo	2,01,95,085	23,49,052
Total Foreign Exchange earned (FOB)	NIL	4,86,281

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3) (a) along with Section 92(3) of The Companies (Amendment) Act, 2017 the details forming part of the Extract of Annual Return in Form MGT-9 is annexed herewith as Annexure –II to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details 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 are provided in the **Annexure III**.

There are no employees employed throughout the financial year who was in receipt of remuneration of INR 1.02 crore or more, or employed for part of the year and in receipt of INR 8.5 lakh or more a month, as mentioned under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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:

- The applicable accounting standards had been followed along with proper explanation relating to material departures have been given;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31st March, 2018 and of its profit for the year;
- 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;
- The annual accounts have been prepared on a going concern basis;
- The directors have laid down internal financial controls to be followed by the Company. Internal Financial Controls are adequate and were operating effectively;
- Proper Systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. 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.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the timely assistance and help extended by the Bankers for having provided the required bank facilities. Your Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the continued good performance of your company.

<p>Place: Mumbai Date: 14th August, 2018</p>	<p style="text-align: right;">For and on behalf of the Board of Directors</p> <p style="text-align: right;">Jayesh R. Mehta (DIN:00193029) Chairman & Managing Director</p>
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Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

ANNEXURE I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(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. AhireMarg,
Worli, Mumbai,
Maharashtra,
India – 400030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHANDNI 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 31st March, 2018 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 31st March, 2018 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, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the Company has not issued any further share capital during the period under review];**
 - d. 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 the financial year under review] ;**

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

- 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 the 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 the 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 the financial year under review]**
- (vi) The management has identified and confirmed the following laws as specifically applicable to the company:
- Factories Act, 1948
 - Industrial Disputes Act, 1947
 - The Payment of Wages Act, 1936
 - The Minimum Wages Act, 1948
 - The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - The Payment of Bonus Act, 1965
 - The Payment of Gratuity Act, 1972
 - The Contract Labour (Regulation & Abolition) Act, 1970
 - Employees' State Insurance Act, 1948
 - Water (Prevention and Control of Pollution) Act, 1974
 - Air (Prevention and Control of Pollution) Act, 1981

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

- 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;
- The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and committee thereof were carried out with requisite majority.

I further report that:-

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

- (a) *In Form AOC-4 XBRL for FY 2016-17, date of Board Resolution is written as 29/09/2017 (which is in fact date of AGM).*
- (b) *Internal Auditor has been appointed in the last quarter of the financial year; however, Form MGT-14 for appointment of Internal Auditor has not been filed. Further, report of the internal auditor could not be made available to us for verification and reading.*
- (c) *For certain remarks of us pertaining to earlier years report which was written by us in italic font, however, in the final printed and filed report the said remarks were not printed in italic fonts.*
- (d) *In NCLT order, point no 10 page no 5, it is written as conversion of public company into private company, however, as per me it should be vice-versa.*

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

- i. *Chandni Machines Limited ceases to be the Wholly Owned Subsidiary Company of Chandni Textiles Engineering Industries Limited subsequent to its demerger.*
- ii. *As a result of demerger, it has effected reduction in securities premium account of the company.*
- iii. *NCLT order regarding demerger received on 21.01.2018*
- iv. *Company has adopted Indian AS*

Navi Mumbai
10th August, 2018

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

ANNUAL REPORT 2017-18

Annexure A

To,
The Members,

CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED

(CIN – L25209MH1986PLC040119)

110, T.V. Industrial Estate,
52 S.K.Ahira Marg,
Worli, Mumbai,
Maharashtra
India – 400030

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

Management Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

Navi Mumbai
10th August, 2018

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

ANNEXURE II

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2018

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

I. Registration and Other Details

(i)	CIN	L25209MH1986PLC040119
(ii)	Registration Date	17 th June 1986
(iii)	Name of the Company	Chandni Textiles Engineering Industries Ltd
(iv)	Category of Company Sub-Category of the Company	Public Limited Company Indian Non-government Company
	Address of the Registered Office & Contact Details	110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai, Maharashtra – 400 030 Tele No: 022- 24950328 Email: jrgroup@jirmehta.com Website: www.cteil.com
(v)	Whether listed Company	Yes
(vi)	Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any	M/s Purva Sharegistry (India) Pvt Ltd Shiv Shakti Industrial Estate, Unit No. 9, 7-B, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai – 400 011 Tel No. : 022 23016761/ 23018261 Fax No.: 022 23012518 E-mail: busicomp@gmail.com Website: www.purvashare.com

II. Principal Business Activity of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

Name and Address of the Company	CIN/GLN Registration Number	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
NIL	NIL	NIL	NIL	NIL

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

(i). Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-03-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
A. Promoter									
(1) Indian									
a) Individual/ HUF	7081374	-	7081374	43.88	7081364	-	7081364	43.88	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp	422212	-	422212	2.62	422212	-	422212	2.62	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	7503586	-	7503586	46.50	7503576	-	7503576	46.50	-
(2) Foreign									
a) NRI – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks/ FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	7503586	-	7503586	46.50	7503576	-	7503576	46.50	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	400	400	0.00	-	400	400	0.00	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	400	400	0.00	-	400	400	0.00	-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-03-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
(2) Non Institutions									
a) Bodies Corp									
i) Indian	4547623	22600	4570223	28.32	3199507	22600	3222107	19.97	(8.35)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1 Lakh	1055600	209335	1264935	7.84	1224549	201035	1425584	8.83	1.00
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	2217295	-	2217295	13.74	3740133	-	3740133	23.18	9.44
c) Others (Specify)									
i) NRI (Repat & Non Repat)	1496	-	1496	0.01	2153	-	2153	0.01	-
ii) Hindu Undivided Family	522322	-	522322	3.24	158035	-	158035	0.98	(2.26)
iii) Clearing Members	57006	-	57006	0.35	82775	-	82775	0.51	0.16
Sub Total (B)(2)	8401342	231935	8633277	53.50	8409652	223635	8633287	53.50	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	8401342	232335	8633677	53.50	8409652	224035	8633687	53.50	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	15904928	232335	16137263	100	15913228	224035	16137263	100	-

(ii). 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 Ramniklal Mehta	4192238	25.98	-	4192238	25.98	-	-
Amita Jayesh Mehta	2759626	17.10	-	2759626	17.10	-	-
J.R. Texmachtrade	422212	2.62	-	422212	2.62	-	-
Prerna Jayesh Mehta	67000	0.42	-	67000	0.42	-	-
Chandni Jayesh Mehta	62500	0.39	-	62500	0.39	-	-
Lata Prakash Vankawala	10	0.00	0.00	0	0	-	-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Co.	No. of shares	% of total shares of the Co.
1.	Jayesh Ramniklal Mehta	4192238	25.98	4192238	25.80
2.	Amita Jayesh Mehta	2759626	17.10	2759626	17.10
3.	J. R. Texmachtrade	422212	2.62	422212	2.62
4.	Prerna Jayesh Mehta	67000	0.42	67000	0.42
5.	Chandni Jayesh Mehta	62500	0.39	62500	0.39
6.	Lata Prakash Vankawala (Sold on 05-05-2017)	10	0.00	0	0

(iv). 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		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Satyaprabhu Infrastructure Private Limited				
	At the beginning of the year	2743939	17.00%	-	-
	Decrease – Transfer on 26/05/2017	2743939	17.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
2.	Mahavirsingh N Chauhan				
	At the beginning of the year	613791	3.80	-	-
	No change	-	-	-	-
	At the end of the year	613791	3.80	613791	3.80
3.	Jhaveri Trading and Investments Private Limited				
	At the beginning of the year	515352	3.19	-	-
	Decrease – Transfer on 21/04/2017	9368	0.06	505984	3.14
	Decrease – Transfer on 19/05/2017	505569	3.13	415	0.00
	Decrease – Transfer on 23/06/2017	415	0.00	0.00	0.00
	Increase – Transfer on 01/12/2017	420	0.00	420	0.00
	Decrease – Transfer on 29/12/2017	420	0.00	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
4.	Adani Properties Private Limited				
	At the beginning of the year	460000	2.85	-	-
	Decrease – Transfer on 26/05/2017	460000	2.85	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
5.	Shefali D Shah				
	At the beginning of the year	412000	2.85	-	-
	Decrease – Transfer on 26/05/2017	412000	2.85	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

6.	Deepak R Shah				
	At the beginning of the year	297034	1.84	-	-
	Decrease – Transfer on 26/05/2017	297034	1.84	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
7.	Champaklal Jethalal Shah				
	At the beginning of the year	259928	1.61	-	-
	Decrease – Transfer on 26/05/2017	259928	1.61	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
8.	Aarav Financial Services Private Limited				
	At the beginning of the year	242501	1.50	-	-
	Increase – Transfer on 14/04/2017	2499	0.02	245000	1.52
	Decrease – Transfer on 19/05/2017	240000	1.49	5000	0.03
	Decrease – Transfer on 23/06/2017	2500	0.02	2500	0.02
	Decrease – Transfer on 14/07/2017	2500	0.02	0.00	0.00
	Increase – Transfer on 08/12/2017	1000	0.01	1000	0.01
	Increase – Transfer on 19/01/2018	965	0.01	1965	0.01
	Increase – Transfer on 25/01/2018	1035	0.01	3000	0.02
	Decrease – Transfer on 16/02/2018	3000	0.02	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
9.	Paramount Club LLP				
	At the beginning of the year	168185	1.04	-	-
	Decrease – Transfer on 19/05/2017	168185	1.04	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00
10.	Shree Mallikarjun Tradinvest Pvt Ltd				
	At the beginning of the year	141649	0.88	-	-
	Decrease – Transfer on 19/05/2017	141649	0.88	0.00	0.00
	At the end of the year	0.00	0.00	0.00	0.00

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No .of Shares	% of Total Shares	No. of Shares	% of Total Shares
1.	Jayesh Ramniklal Mehta – Chairman & Managing Director				
	At the beginning of the year	4192238	25.98	4192238	25.98
	Changes during the year	-	-	-	-
	At the end of the year	4192238	25.98	4192238	25.98
2.	Amita Jayesh Mehta – Non Executive Director				
	At the beginning of the year	2759626	17.10	2759626	17.10
	Changes during the year	-	-	-	-
	At the end of the year	2759626	17.10	2759626	17.10

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

3.	Bharat Sugnomal Bhatia – Non Executive Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
4.	Rameshchand Garg – Non Executive Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	Vasant Gaurishankar Joshi – Non Executive Independent Director				
	At the beginning of the year	10	0.00	10	0.00
	Changes during the year	-	-	-	-
	At the end of the year	10	0.00	10	0.00
6.	Shailesh Pandurang Sankav – Chief Financial Officer				
	At the beginning of the year	41568	0.26	41568	0.26
	Changes during the year	-	-	-	-
	At the end of the year	41568	0.26	41568	0.26
7.	Khushboo Lalit Shah – Company Secretary & Compliance Officer				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs.)
	Name	Jayesh Ramniklal Mehta	
	Designation	Managing Director	
1.	Gross Salary	12,00,000	12,00,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income – tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income –tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

4.	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	12,00,000	12,00,000

B) Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Mrs. Amita Jayesh Mehta	Mr. Rameshchand Garg	Mr. Bharat Bhatia	Mr. Vasant Gaurishankar Joshi	Total Amount
I	Independent Directors					
1	Fee for attending Board/ Committee meetings/AGM	-	45,000	45,000	45,000	1,35,000
2	Commission	-				
3	Others, please specify	-				
	Total (I)		45,000	45,000	45,000	1,35,000
II	Other Non-Executive Directors					
1	Fee for attending Board/ Committee meetings/AGM	25,000	-	-	-	25,000
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total (II)	25,000	-	-	-	-
	Total (B) = (I+ II)	25,000	-	-	-	25,000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Shailesh Sankav (CFO)	Ms. Gayatri Valan (Company Secretary & Compliance Officer) (Resigned w.e.f. 14/12/2017)	Ms. Khushboo Shah (Company Secretary & Compliance Officer) (Appointed w.e.f. 11/01/2018)	
1.	Gross Salary	562200	209178	83700	855078
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify ...	-	-	-	-
5.	Others, please specify – (Bonus)	46850	17431	-	64281
	TOTAL	609050	226609	-	919359

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

VI. Penalties/ Punishment/ Compounding of offences:

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

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

Place: Mumbai
Date: May 30, 2018

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

ANNEXURE III

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Sr. No.	Requirement	Disclosure	
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Name of Director	Ratio
		Mr. Jayesh Ramniklal Mehta	4.96:1
		Mrs. Amita Jayesh Mehta	1.24:1
		Mr. Vasant Gaurishankar Joshi	2.23:1
		Mr. Bharat Sugnomal Bhatia	2.33:1
		Mr. Rameshchand Garg	2.33:1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and company Secretary in the financial year	Name of Director/ CEO/CFO/CS	Percentage increase in their remuneration during the Financial Year ended 2018
		Mr. Jayesh R Mehta	42.86%
		Mrs. Amita Jayesh Mehta	(16.67%)
		Mr. Vasant Gaurishankar Joshi	(10%)
		Mr. Bharat Sugnomal Bhatia	(10%)
		Mr. Rameshchand Garg	(10%)
		Mr. Shailesh Sankav	6.84%
		Ms. Gayatri Valan	(24.77%)
		Ms. Khushboo Shah	NA
3.	The percentage increase in the median remuneration of employees in the Financial Year	Not Applicable	
4.	Number of permanent employees on the rolls of Company at the end of Financial Year	11 employees	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable	
6.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company	

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

**Place: Mumbai
Date: May 30, 2018**

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in widest sense. Company's primary objective is to meet stakeholder's aspirations and societal expectations. Corporate Governance has become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, and Auditors etc.

Chandni Textiles Engineering Industries Limited (hereinafter known as the "Company") has adopted a Code of Conduct which lays down standards of values, ethics and prudent business principles of management.

2. Board of Directors

The total strength of the Company's Board as of date is 5 (five) comprising of 1 (one) Executive Director, 1 (one) Non- Executive Director, and 3 (three) Non- Executive & 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 Ramniklal Mehta	Promoter, Executive	1 (Worli Industrial Properties Limited)	Nil
Smt. Amita Jayesh Mehta	Promoter, Non-Executive Director	Nil	Nil
Dr. Bharat Sugnomal Bhatia	Non-Executive –Independent Director	Nil	Nil
Shri. Rameshchand Garg	Non-Executive –Independent Director	Nil	Nil
Shri Vasant Gaurishankar Joshi	Non-Executive –Independent Director	Nil	Nil

Disclosure of Shareholding of Non – Executive Directors

Name of the Director	Shares held as on 31.03.2018
Mrs. Amita Jayesh Mehta	27,59,626

[Mrs. Amita Jayesh 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 so as 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.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Familiarisation Programme

At the time of appointment of Independent Directors a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also explained the relevant regulations. The appointments are also provided with necessary information for him to understand the Company's operation, products and events relating to the Company. The programme is put up on the website of the company.

Code of Conduct

The Company has adopted the Code of Conduct for all Board Members and Senior Management. The Code is posted on the company's website at the link <http://www.cteil.com/pdf/CODE%20OF%20CONDUCT.pdf>

Attendance of Directors at the Board Meetings and the last AGM

The Board of Directors met 5 times during the financial year on the following dates:

- 30th May, 2017;
- 14th August, 2017;
- 14th November, 2017;
- 11th January, 2018
- 14th February, 2018;

Number of meeting attended by each Director:

Name of Director	Held during the year	Attended	A.G.M
Shri. Jayesh Ramniklal Mehta	5	5	✓
Smt. Amita Jayesh Mehta	5	5	✓
Dr. Bharat Bhatia	5	5	✓
Shri. Rameshchand Garg	5	5	✓
Shri. Vasant Gaurishankar Joshi	5	5	✓

3. Audit Committee

Composition

The Audit Committee comprises of 3 (three) Non-Executive - Independent Directors who possess knowledge of corporate finance, accounts and company law. The Chairperson of the Committee is a Non-Executive 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. Rameshchand Garg	Chairperson - Non-Executive - Independent Director
Dr. Bharat Bhatia	Member Non-Executive - Independent Director
Shri. Vasant Gaurishankar Joshi	Non-Executive - Independent Director

Broad terms of reference

The terms of reference of the Audit Committee are as set out in Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

- c. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- e. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- f. Reviewing the Management discussion & analysis of financial condition and result of operations;
- g. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.
- h. Reviewing the internal controls, risk management policies and practices and related party transactions.

Meetings and Attendance:

- 30th May, 2017;
- 14th August, 2017;
- 14th November, 2017;
- 14th February, 2018

The details of meetings and attendance are as under:

Name of Director	Held during the year	Attended
Shri. Rameshchand Garg	4	4
Dr. Bharat Sugnomal Bhatia	4	4
Shri. Vasant Gaurishankar Joshi	4	4

4. Nomination and Remuneration Committee

The Composition of the Nomination & remuneration Committee is as under

Name of Director	Category
Dr. Bharat Bhatia	Chairperson - Non-Executive Independent Director
Shri. Vasant Gaurishankar Joshi	Non-Executive Independent Director
Shri. Rameshchand Garg	Non-Executive Independent Director

Board terms of reference

The terms of reference specified by Board of Directors to the Nomination & Remuneration Committee are:

- a. 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.
- b. To formulate criteria for evaluation of Independent Directors and the Board;
- c. Formulating the policy for determining qualification, positive attributes and independence of a Director;
- d. To devise a policy on Board diversity;
- e. recommend to the board, all remuneration in whatever form, payable to senior management.

Meeting and Attendance Details

The Nomination and Remuneration Committee met once i.e. on 11th January, 2018 during the financial year under review;

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Name of Director	Held during the year	Attended
Shri. Rameshchand Garg	1	1
Dr. Bharat Sugnomal Bhatia	1	1
Shri. Vasant Gaurishankar Joshi	1	1

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 31st March, 2018 is as under:

Name of the Director	Relationship with other directors	Business relationship with the company	Salary (Rs.)	Sitting Fees	Total (Rs.)	Stock Option (Rs.)
Shri. Jayesh R Mehta	Husband of Smt. Amita J Mehta	Promoter & Managing Director	12,00,000	-	12,00,000	Nil
Smt. Amita J Mehta	Wife of Shri. Jayesh R Mehta	Promoter Group	-	25,000	25,000	Nil
Dr. Bharat Sugnomal Bhatia	None	None	-	45,000	45,000	Nil
Shri. Rameshchand Garg	None	None	-	45,000	45,000	Nil
Shri. Vasant Gaurishankar Joshi	None	None	-	45,000	45,000	Nil

Details of Remuneration of Executive Directors for the financial year 2017-18

Name & Designation	Mr. Jayesh Ramniklal Mehta, Managing Director
Tenure of Appointment	5 years (Re-appointed on 29 th September, 2017) 31 st AGM
Salary	12,00,000/-
Perquisites/ Allowances	-
Commission	-
Performance Incentives	-
Contributions to Provident Fund/ Superannuation Fund	-
Other	-
Perquisites values of ESOS	-
Total	12,00,000/-

Independent Directors Meeting

During the year under review, the Independent Directors met on 14th February, 2018 without the attendance of non-independent directors and members of the management for the following purposes:

- Evaluation of performance of Non-Independent Directors and the Board as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- Evaluation of quality and flow of information to the Board as it is necessary for the Board to effectively and reasonably perform the duties.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

5. Stakeholder's Grievance Committee

Composition

The Stakeholders' Grievance Committee met four times during the financial year under review.

Name of Director	Category
Shri. Vasant Gaurishankar Joshi	Chairperson- Independent, Non-Executive
Shri. Jayesh Ramniklal Mehta	Promoter, Executive
Dr. Bharat Bhatia	Independent, Non-Executive

Terms of Reference

The Stakeholders Relationship Committee was formed to specifically look into shareholders/ investors complaints, if any, on transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend, issue of duplicate share certificate, splitting and consolidation of shares, dematerialization, rematerialisation and other related matters. The Committee 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.

Meetings and Attendance

The Stakeholder's Relationship Committee met four (4) times during the financial year under review. The meetings of the committee were held on the following dates:

- 07th April, 2017;
- 12th July, 2017;
- 12th October, 2017;
- 11th January, 2018

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

Name of Director	Held during the year	Attended
Shri. Vasant Gaurishankar Joshi	4	4
Shri. Jayesh Ramniklal Mehta	4	4
Dr. Bharat Sugnomal 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

Ms. Khushboo Shah, the Company Secretary, is the Compliance Officer (appointed w.e.f. 11th January, 2018).

The Company has not received any complaint from the Investors for Redressal during the year and there were no compliant pending at the beginning of the year for redressal. No transfer was pending as on 31.03.2018.

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

The Company has designated the e-mail-id exclusively for the purpose of registering complaints by investors electronically.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

Re-appointment of Mrs. Amita Mehta who retires by rotation:

I. NAME OF DIRECTOR	Mrs. Amita Jayesh Mehta
Date of Birth	01.11.1963
Qualification	Commerce Graduate
Expertise	Mrs. Amita Jayesh Mehta deals with the sourcing of Materials. She is also active in corporate governance issues.
Names of the other Public Companies in which Directorships held	Nil
Committee Membership other Companies	Nil
Total shares held by her in the Company with other Directors	27, 59, 626 equity shares of Rs. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta.

Continuation of Directorship of Mr. Bharat Bhatia who has attained the age of 79 years and above:

I. NAME OF DIRECTOR	Mr. Bharat Sugnomal Bhatia
Date of Birth	20/07/1939
Qualification	M.com ; L.L.B.
Expertise	Mr. Bharat Bhatia has done PhD in investment banking. He is associated with the working of development of financial institution for Medium and Large Scale companies throughout the country in the areas of Project Financing, Resource Mobilization and Fund Raising for Industrial and Infrastructure projects. He also has exposure to International Finance (ADB, GDR, ECB,KFW) and finalizing documentation related to project financing.
Names of the other Public Companies in which Directorships held	Nil
Committee Membership other Companies	Nil
Total shares held by her in the Company with other Directors	Nil

Continuation of Directorship of Mr. Vasant Joshi who has attained the age of 77 years:

I. NAME OF DIRECTOR	Mr. Vasant Gaurishankar Joshi
Date of Birth	25/12/1941
Qualification	Arts Graduate
Expertise	He has an experience of almost 48 years in the field of accounts, administration and indirect taxes. He started his career in the year 1964 with associated precision bearings Star Limited (Formerly known as Suessan Textile Bearing Limited) as an Accounts Officer. In the year 1986 he joined textile industry. He is on board since 2003.
Names of the other Public Companies in which Directorships held	Nil
Committee Membership other Companies	Nil
Total shares held by her in the Company with other Directors	10 equity shares of Re. 10/- each.

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. 47). 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.

b) Disclosure of web link of various policies:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, web link of the various policies are as under:

- **Policy for determining Material Subsidiaries**

<http://www.cteil.com/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf>

- **Policy of materiality of events**

<http://www.cteil.com/pdf/Policy%20of%20Materiality%20of%20Events.pdf>

- **Policy on dealing with Related Party Transactions**

<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 Company has established a whistle blower policy/ vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/ employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted on the company's website at the link www.cteil.com.

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 (Listing Obligations and Disclosure Requirements) 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.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

8. General Body Meetings

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

Year	Date	Venue	Special Resolution Passed
2016-2017	29/09/2017	The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai - 400028	Re-appointment of Managing Director for a period of 5 years.
2015-2016	30/09/2016	The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai - 400028	<ol style="list-style-type: none"> 1. Consolidation of 10 Equity Shares of the face value of Re. 1/- into 1 Equity Share of the face value of Rs. 10/- each. 2. Approve contribution to charitable and other funds 3. Determination of fees to be charged for service of documents in particular mode.
2014-2015	30/09/2015	The Quennie Captain Auditorium, C/o-The NAB-Workshop for the Blind, Dr. Annie Besant Road, Worli, Mumbai 400 030	Re-appointment of Managing Director (As per Companies Act, 2013)

No Special Resolutions were passed through Postal Ballot in the Financial Year 2016-2017

National Company Law Tribunal convened meeting of the Equity Shareholders of your Company:

Year	Date	Venue	Special Resolution	Voting Results
2016-2017	22/08/2017	The Park Club Ltd, North Keluskar Marg, Opp. Scout Hall, Shivaji Park, Dadar West, Mumbai - 400028	Approving Scheme of Arrangement between Chandni Textiles Engineering Industries Limited and Chandni Machines Private Limited and their respective shareholders and creditors	Total Votes Polled: 14,92,230 Votes polled for: 14,91,509 Votes polled against: 721 Neutral: NIL

Special Resolution was passed through Postal Ballot for the court convened meeting.

9. Means of Communication

- a) Quarterly Results: The quarterly/half- yearly/ Annual Financial Results of the Company are announced within stipulated period and are normally published in English and Marathi Newspapers.
- b) Newspapers in which results are normally published: The Free Press Journal (English) and Navshakti (Marathi).
- c) Any website, where displayed: www.cteil.com
- d) 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. CEO & CFO Certification

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

The Managing Director and the Chief Financial Officer of the Company have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Board took note of the same.

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 Limited for the financial year ended 31st March, 2018.

12. General Shareholder's Information

Sr. No.	Particulars	Details
1.	Annual General Meeting Day, Date, Time and Venue	AGM – 28 th September, 2018 ; 03:00 P.M.; The Park Club Ltd, North Keluskar Marg, Opposite Scout Hall, Shivaji Park, Dadar (West), Mumbai -400028
2.	Financial Year	01 st April, 2017 to 31 st March, 2018
3.	Date of Book Closure	24 th September, 2018 to 28 th September, 2018 (both days inclusive)
4.	Listing of Equity Shares	The shares of the Company are listed on Bombay Stock Exchange Limited. The listing fees for the Financial Year has been paid.
5.	Scrip Code Scrip Id	522292 CHANDNI
6.	Financial Calendar	For Quarter ending June, 2017 14 th August, 2017 For Quarter ending September, 2017 14 th November, 2017 For Quarter ending December, 2017 14 th February, 2018 For Quarter ending March, 2018 30 th May, 2018
	Annual General Meeting for the year ended March 31, 2018	28 th September, 2018
7.	Corporate Identity Number (CIN)	L25209MH21986PLC040119

13. Market Price Information– BSE

MONTH	SHARE PRICE		Volume of Shares traded
	BSE (Rs.)		
	HIGH	LOW	
April 2017	18.05	14.10	65,057
May 2017	16.22	10.93	61,54,226
June 2017	26.35	17.00	6,97,259
July 2017	28.95	24.25	2,26,028
August 2017	30.45	23.00	72,434
September 2017	30.00	24.90	78,727
October 2017	52.55	27.00	5,04,220
November 2017	60.70	43.75	2,65,531
December 2017	56.95	42.50	2,08,766
January 2018	57.90	34.00	1,19,804
February 2018	44.80	33.35	1,45,393
March 2018	45.90	38.50	6,26,203

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

14. Registrar and Share Transfer Agents: **PURVA SHAREGISTRY (INDIA) PVT. LTD**
 Shiv Shakti Industrial Estate, Unit No. 9,
 J.R. BorichaMarg, 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.

16. Shareholder References

(a) Permanent Account Number (PAN)

As per Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 it is mandatory for all physical shareholders to give a copy of PAN and bank account details for holding securities in physical form.

(b) Email Address

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs ((MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / R & T Agent (with Depository Participants in case of shares held in dematerialized form)

12. Shareholding as on 31st March, 2018

(A) Distribution of Shareholding as on 31st March, 2018

Slab of Shareholdings No. of Shares	No. of Shareholders	%	Amount	%
Up to 5000	2939	82.46	42,10,690	2.61
5,001 – 10,000	247	6.93	20,70,680	1.28
10,001 – 20,000	137	3.84	21,24,950	1.32
20,001 – 30,000	66	1.85	16,71,130	1.04
30,001 – 40,000	35	0.98	12,18,620	0.76
40,001 – 50,000	27	0.76	13,02,940	0.81
50,001 – 1,00,000	46	1.29	34,52,920	2.14
1,00,001 and above	67	1.88	14,53,20,700	90.05
TOTAL	3564	100	1,61,37,263	100

B. Shareholding pattern as on 31st March, 2018

Sr. No.	Category of shareholder	No. of share holders	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group			
	Indian			
(a)	Individuals/ Hindu Undivided Family	4	70,81,364	43.88
(b)	Bodies Corporate	1	4,22,212	2.62
	Sub-Total (A) (1)	5	75,03,576	46.5

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

(B)	Public Shareholding			
1.	Institutions			
(a)	Financial Institutions/ Banks	1	400	0.00
	Sub-Total (B) (1)	1	400	0.00
2.	Non-Institutions			
(a)	Bodies Corporate	50	32,24,522	19.99
(b)	Individuals			
i.	Individual Shareholders holding nominal share capital upto Rs. 2 lakh	3344	17,28,510	10.71
ii.	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	33	34,37,207	21.30
(c)	Any Other (NRI Repat & Non Repat)	9	2,153	0.01
(d)	Any Other (Hindu Undivided Family)	83	1,58,035	0.98
(e)	Any Other (Clearing Members)	39	82,860	0.51
	Sub- Total (B) (2)	3558	86,33,287	53.5
	Total Public Shareholding (B) = (B) (1) + (B) (2)	3559	86,33,687	53.5
	GRAND TOTAL (A) + (B)	3564	1,61,37,263	100

18. Dematerialization of Shares

98.62% of the Equity Shares of the Company have been dematerialized as on 31st March, 2018. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. The whole of the Promoters Shareholding has been dematerialized.

Status of Dematerialization of Shares:

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Security Depository Limited	23,21,462	14.39
Central Depository Services (India) Limited	1,35,91,766	84.23
TOTAL DEMATERIALIZED	1,59,13,228	98.62
PHYSICAL	2,24,035	1.38
GRAND TOTAL	1,61,37,263	100.00

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.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

22. Location of Plants of Company

1.	2.	3.
22/1, Ringanwada, Kachigam Road, Nani Daman, Daman – 396210 (Union Territory), Via Vapi (Western Railway), Tel No. 0260-3295015/2240360 Fax No. 0260-2240360	Plot No. 4612/A, G.I. D.C Estate, Ankleshwar - 393002	Gat Number 466/A/ (1+4) + 466B, Plot No. 22 & 23 Shinde Naigaon Road, Shinde Village, Taluka – Nashik - 422101 Dist – Maharashtra

23. Address for Correspondence

- 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

- For any query on any point in Annual Report, non-receipt of Annual Report, etc the complaint should be forwarded to the kind attention of Ms. Khushboo Shah, Company Secretary and 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, 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

Jayesh R Mehta
(DIN: 00193029)
Chairman
Place: Mumbai

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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 31st March, 2018, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].
- 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 as stipulated in the said Listing Regulations. 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 conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraph C, D and E of Schedule V of the Listing Regulations during the year ended 30 March 31, 2018.
- 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, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Economic & Business Overview

World economic growth, which started gaining strength since mid -2016, stood at 3.8% in 2017 as per International Monetary Fund (IMF). The upswing is attributable to a rebound in investment, manufacturing activity and trade. In the near future, rising commodity prices, particularly crude, poses a threat to the growth momentum in emerging economies, though helping commodity exporter countries. Increased protectionist tendencies and trade retaliation moves also pose serious challenges for global economic integration and a cooperative global economic order.

In FY 2017-2018, India's GDP, which grew at 6.7%, showed continuous increase every quarter. However, GDP and Index of Industrial production (IIP) showed a minor dip vis-à-vis 2016-2017. The dip in IIP is attributed to deceleration in mining and electricity sectors whereas manufacturing sector recorded growth over the previous year. In addition, there was acceleration in construction sector, which significantly contributed in maintaining country's economic growth momentum.

The Company's Business is divided into three parts:- (i) Engineering Division, (ii) Textile Division (iii) Plastic Division. The Company had already filed Scheme of Arrangement with National Company Law Tribunal for demerger of its Engineering Division into Chandni Machines Private Limited (the wholly owned subsidiary company) and the Scheme got approved on 24th January, 2018 hereby giving the demerger effect on the financial results of your Company. The Company is primarily engaged in the business of velvet fabrics. It also outsources some of the textile division products. The textile industry is also labour intensive and is one of the largest employers.

The Company has diversified into manufacturing of plastic crates other allied plastic products. The rapid increase in the demand for plastic crates for bulk packaging purposes is likely to contribute significantly towards growth of the market for returnable plastic crates in the forthcoming years. Handling convenience of returnable plastic crates has been resulting in expansion of customer –base of the global market.

Industry Structure and Developments

India's textile sector is one of the oldest industries in Indian economy dating back several centuries. There is also reduction of GST rate on velvet fabric from 12 percent to 5 percent with no refund of unutilized input tax credit. Currently, though with the development of power looms, Velvet has become more affordable and people across various sections aspire to be seen in Velvet clothing. Thus the growth and all round development of this industry has a direct bearing on the improvement of the economy of the country.

On the other side, there has been a rapid increase in the usage of plastic crates for the bulk packaging of several fresh agricultural products during several process such as harvesting, post-harvesting handling, as well as for the transportation and storage of food grains, fruits, vegetables etc. across the globe. Due to the availability of plastic crates in different capacities it is easy for the consumers to pack their products depending upon its usage.

Market Opportunities

India is going through exciting time and developing into an open market economy. India is the second largest manufacturer of textile and apparel in the world. The sector in India has been growing in double digits for the last many years despite global uncertainties and the demand slowdown. Looking at the macroeconomic factors and emerging trends, we believe that the real growth phase of the industry is about to start. Our bullish thoughts are rooted in few fundamental reasons which are somewhat unique to India. The Indian Textile Industry contributes approximately 2 percent to India's Gross Domestic Product (GDP), 10 percent of manufacturing production and 14 percent to overall Index of Industrial Production. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian Market.

Due to presence of strong fundamentals, the domestic apparel market size of India is expected to grow at 11- 12 percent CAGR and reach about USD 160 billion by 2025. India's apparel exports downturn may continue and is expected to decline by overall 10 percent in Financial Year 2019. In 2017-2018 exports declined by 4 percent to USD 16.7 billion. Country's apparel exports have taken a beating from October 2017 onwards. The introduction of GST has resulted in non-refund of several embedded taxes. Consequently, exports for the financial year 2017-2018 declined by 4 percent to USD 16.7 billion from 17.38 billion in the previous. The downturn continued in Financial Year 2018-2019 with a month on month decline of 8-10 percent and it is expected to witness overall

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

declined by 10 percent in Financial Year 2019. The industry is having talks with the textile ministry and the government has assured that embedded taxes will be refunded through a drawback route.

Opportunities and Threats

<u>STRENGTHS</u>	<u>OPPORTUNITIES</u>
<ul style="list-style-type: none"> Independent & Self Reliant Industry Low cost & Skilled Manpower Largest exporter of Yarn Manufacturing Flexibility 	<ul style="list-style-type: none"> Product development to cater global needs Market is shifting towards Branded Readymade Garment Emerging Retail Industry and Malls provide huge opportunities Market access through bilateral negotiation Integration of Information Technology
<u>WEAKNESSES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> Highly Fragmented Industry Lower Productivity Lack of Technological Development Unfavourable Labour Laws 	<ul style="list-style-type: none"> Continuous Quality Improvement Competition from other developing countries Geographical distance Not able to maintain balance between price and quality.

Sr. No.	Particulars	Year ended 2017-2018	Year ended 2016-2017
1.	Segment Revenue		
a.	Engineering Division	-	4,498.92
b.	Textile Division	4,671.23	630.09
c.	Plastic Division	233.12	264.77
	TOTAL	4,904.35	5,393.78
2.	Segment Results		
a.	Engineering Division	-	137.49
b.	Textile Division	278.00	54.00
c.	Plastic Division	(33.98)	(57.33)
	Less: Interest	(3.68)	(3.53)
	Less: Un allocable Expenditure	(42.26)	(70.51)
	TOTAL	198.07	60.12
3.	Capital Employed (Segment Assets –Segment Liabilities)		
a.	Engineering Division	-	305.56
b.	Textile Division	964.71	648.7
c.	Plastic Division	169.39	170.38
d.	Un allocable	807.83	1,099.59
	TOTAL	1,941.93	2,224.23

NOTE:

- As certain expenses are often incurred and interchangeably across segments, it is impractical to allocate such expenses. Hence, the details of the same have been considered under other un-allocable expenditure.
- Pursuant to the Scheme of Arrangement ("Scheme"), the Demerged Undertaking i.e. Engineering Division of "Chandni Textiles Engineering Industries Limited" has been transferred and vested in the Resulting Company as a going concern basis with effect from July 01, 2016 i.e. the appointed date under the scheme.
- The effect of the Scheme has been given for the Financial Year 2017-2018 and hence, the figures are not comparable with the previous year.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Outlook

The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during Financial Year 2017-2018 stood at US\$ 37.74 billion. Indian textile industry is a self reliant industry which has a complete value chain from the procurement of raw materials to the production of finished goods. India is performing remarkably in the spinning sector. As a result the export of cotton yarn to other countries is increasing enormously. The Indian government has come up with a number of export promotion policies for the textile sector. It has also allowed 100 percent Foreign Direct Investment in the Indian textile sector under the automatic route.

Internal Control Systems and their adequacy

The Company has adequate internal controls commensurate with its size and nature of operations. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting treatment. 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.

Financial Performance

1. Share Capital: As on March 31, 2018, the paid-up Share Capital of the Company stood at INR 16, 13, 72, 630 comprising of 1, 61, 37, 263 Equity Shares of Rs. 10/- each.
2. Reserves & Surplus: During the year 2017-2018 the total Reserves & Surplus of our Company decreased to INR 3, 28, 19, 824 as against INR 6, 10, 48, 931 in the year 2016-2017. The amount has been utilized as against the value of net assets transferred to the Resulting Company "Chandni Machines Private Limited" to the Scheme of Demerger.
3. Result: During the year 2017-2018 the total revenue of our company decreased to INR 50, 12, 16,220 as against INR 54, 81, 89, 226 in the year 2016-2017, representing a decrease in approximately 8.57% of the revenue from the operations.

Human Resource Development

Human resource management is an important function in the Company. The Company's aim is to create a working environment that attracts, motivate and retains the best people.

Companies Value aims to deliver value to its clients and opportunities to its employees in terms of career development and recognition.

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

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

This is to certify that as provided under Regulation 26 (3) 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 31st March, 2018.

For Chandni Textiles Engineering Industries Limited

Place : Mumbai
Date: 30th May, 2018

J.R. Mehta
(DIN:00193029)
Managing Director

CHAIRMAN AND MANAGING DIRECTOR & 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: 30th May, 2018

Jayesh Ramniklal Mehta
Managing Director & CEO
(DIN: 00193029)

Shailesh Sankav
Chief Financial Officer

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Chandni Textiles Engineering Industries Ltd

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the another auditor and on which they have expressed unmodified opinions in their reports for the years ended March 31, 2016 and March 31, 2017 dated 30-05-2016 and 30-05-2017 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the company.

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

Ashish J.Jain
Partner
Membership No. 111829

Place: Mumbai
Date: 30-05-2018

ANNEXURE – A TO THE AUDITORS' REPORT

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

- [i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- [ii] As informed to us, the inventory in the company's possession has been physically verified at reasonable intervals during the year by the management. In respect of inventory lying with the third parties, the same have substantially been confirmed by them at reasonable intervals during the year. The discrepancies noticed on verification between physical stock and book records were not material.
- [iii] The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained u/s.189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable.
- [iv] According to the information and explanations given to us, in our opinion, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made during the year.
- [v] The company has not accepted any deposits from the public.
- [vi] As informed to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the product of the Company.
- [vii] (a) In our opinion and according to the information and explanations given to us, the company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues applicable to it. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, custom duty, service tax, excise duty, value added tax, which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not defaulted in repayment of loans to banks during the year. The company has not obtained any loans or borrowings from any financial institutions, government or debenture holders.
- [ix] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- [x] According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- [xi] According to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- [xii] In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- [xiii] According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- [xiv] According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- [xv] According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- [xvi] According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Ashish J.Jain
Partner

Membership No. 111829

Place: Mumbai
Date: 30-05-2018

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 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Considering the size of the company and nature of its business, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date: 30-05-2018

Ashish J.Jain
Partner
Membership No. 111829

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	AS AT 3/31/2018	AS AT 3/31/2017	AS AT 4/1/2016
I ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	3.1	67,495,993	75,846,687	47,524,473
(b) Capital work-in-progress	3.2	19,430,240	-	4,427,300
(c) Intangible assets	3.3	6,301	8,693	-
(d) Financial Assets				
(i) Investments	4	3,193,408	2,172,380	1,732,126
(ii) Other Financial Assets	5	7,797,425	2,573,912	4,883,925
(e) Other non-current assets	6	6,110,268	3,159,950	6,859,200
(f) Income-tax Assets (net)	7	927,461	1,518,056	5,885,976
(2) CURRENT ASSETS				
(a) Inventories	8	14,706,299	47,172,505	55,912,962
(b) Financial Assets				
(i) Trade receivables	9	337,613,042	37,034,846	8,997,429
(ii) Cash and cash equivalents	10	4,942,012	7,551,898	7,442,030
(iii) Bank balances other than (ii) above	11	35,056,824	71,635,359	65,942,633
(iv) Other financial assets	12	1,073,271	1,716,054	1,363,122
(c) Other current assets	13	28,678,330	18,773,102	351,113,720
Total Assets		527,030,875	269,163,442	562,084,895
II EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share capital	14	161,372,630	161,372,630	161,372,630
(b) Other Equity	15	32,819,824	61,048,931	56,639,009
(2) LIABILITIES				
(A) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	16	1,964,252	2,702,007	-
(ii) Other financial liabilities	17	142,945	210,000	-
(b) Deferred tax liabilities (Net)	18	557,334	(1,539,125)	(2,115,415)
(B) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Trade payables	19	295,911,330	30,967,811	10,229,103
(ii) Other financial liabilities	20	4,119,643	4,385,611	1,383,728
(b) Other Current Liabilities	21	27,103,660	9,655,150	334,575,840
(c) Current tax liabilities	22	3,039,256	360,427	-
Total Equity and Liabilities		527,030,875	269,163,442	562,084,895

Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

**Ashish J. Jain
Partner
Membership No. 111829
Place: MUMBAI
Date: 30-05-2018**

On behalf of the Board

**J.R. Mehta
Managing Director**

**Shailesh Sankav
Chief Financial Officer**

**A. J Mehta
Director**

**Khushboo Shah
Company Secretary**

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	2017-18 Rs.	2016-17 Rs.
Income			
I Revenue From Operation	23	490,434,932	539,378,753
II Other Income	24	10,781,288	8,810,473
III Total Income (I + II)		501,216,220	548,189,226
IV Expenses			
a) Cost of material consumed	25	46,053,633	58,664,791
b) Purchases of Stock-in-Trade	26	379,842,563	365,777,225
c) Changes in inventories of finished goods & Stock-in-Trade	27	2,168,427	11,457,800
d) Manufacturing expenses	28	13,333,530	14,331,182
e) Employee benefits expense	29	19,136,506	18,570,613
f) Finance costs	30	368,401	370,179
g) Depreciation and amortization		5,776,772	5,062,503
h) Other expenses	31	14,728,660	67,944,367
Total Expenses (IV)		481,408,493	542,178,660
V Profit before tax (III -IV)		19,807,727	6,010,566
VI Tax expenses :	32		
(i) Current tax		4,060,897	1,024,353
(ii) Deferred tax		1,565,124	576,291
		<u>5,626,021</u>	<u>1,600,644</u>
VII Profit for the year (V - VI)		14,181,706	4,409,922
VIII Other Comprehensive Income		-	-
Total Other Comprehensive Income for the year (net of tax)		<u>-</u>	<u>-</u>
IX Total Comprehensive Income for the year (VII+VIII)		14,181,706	4,409,922
X Earnings per equity share	33		
(a) Basic		0.88	0.27
(b) Diluted		0.88	0.27
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

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

**Ashish J. Jain
Partner
Membership No. 111829
Place: MUMBAI
Date: 30-05-2018**

On behalf of the Board

**J.R. Mehta
Managing Director**

**Shailesh Sankav
Chief Financial Officer**

**A. J Mehta
Director**

**Khushboo Shah
Company Secretary**

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	AS AT 31 st March 2018 Rupees	AS AT 31 st March 2017 Rupees
Cash flow from operating activities		
Profit before Tax	19,807,727	6,010,566
Adjustment for :		
Depreciation and Amortisation Expense	5,776,772	5,062,503
Preoperative Expenses written off	197,983	-
(Gain) /Loss on disposal of Property, Plant & Equipments and Capital work in progress	(2,850,931)	538,455
Gain on sale of FVTPL Investments	(764,095)	(353,033)
Changes in fair value of equity instruments though profit and loss	719,778	(634,365)
Interest Income	(3,737,164)	(5,415,055)
Dividend income	(45,035)	(3,500)
Interest Expense	368,401	370,179
Cash operaing profit before working capital changes	19,473,435	5,575,751
Adjustment for :		
(Increase)/Decrease in trade receivables	(300,578,197)	(28,037,417)
(Increase)/Decrease in Inventories	32,466,206	8,740,457
(Increase)/Decrease in Other Financial Assets	37,221,318	(6,045,658)
(Increase)/Decrease in Other Financial Assets		
(Increase)/Decrease in Other Current Assets	(9,905,228)	332,340,618
(Increase)/Decrease in Other non-current Financial Assets	(5,223,513)	2,310,013
(Increase)/Decrease in Other non-current assts	(2,190,060)	3,836,396
Increase/(Decrease) in trade payables	264,943,519	20,738,708
Increase/(Decrease) in Other non -current Lialities	(67,055)	210,000
Increase/(Decrease) in Other Financial Liabilities	(331,761)	2,329,921
Increase/(Decrease) in Other current Lialities	17,448,510	(324,920,690)
Cash generated from operating activities	53,257,173	17,078,100
Income tax paid (net of refund)	(791,493)	3,703,994
Net Cash generated from operating activities	52,465,680	20,782,094
Cash flow from Investing activities		
Purchase of Property, Plant and Equipments, Intangible assets and Capital work in progress	(27,549,486)	(29,805,676)
Payment for Purchase of investments	(29,068,567)	(99,990)
Payment for Preoperative Expenses	(958,241)	(147,147)
Proceeds from sale of investments	27,991,888	647,132
Proceeds from disposal of Property, Plant & Equipments and Capital work in progress	13,452,444	311,111
Interest received	3,737,164	5,415,055
Dividend received	45,035	3,500
Net cash generated/(used) from investing activities	(12,349,763)	(23,676,015)

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Cash flow from Financing activities		
Repayment of long term borrowings	(671,962)	3,373,968
Interest paid	(368,401)	(370,179)
Net cash generated/(used) from financing activities	(1,040,363)	3,003,789
Net cash outflow on account of Demerger of Engineering Division	(41,685,441)	-
Net Increase/(decrease) in cash and cash equivalents	(2,609,886)	109,868
Cash and cash equivalents at the beginning of the year	7,551,898	7,442,030
Cash and cash equivalents at end of the year	4,942,012	7,551,898

As per our report of even date

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

**Ashish J. Jain
Partner
Membership No. 111829
Place: MUMBAI
Date: 30-05-2018**

On behalf of the Board

**J.R. Mehta
Managing Director**

**Shailesh Sankav
Chief Financial Officer**

**A. J Mehta
Director**

**Khushboo Shah
Company Secretary**

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital		Other Equity				Total Equity
	Equity Share Capital		Reserves and Surplus		Items of Other Comprehensive Income	Total Other Equity	
			Securities Premium	Retained Earnings	Equity Instruments through other Comprehensive Income		
	A	B	(A+B)				
As at 1 April 2016	161,372,630	55,740,000	899,009	-	-	56,639,009	218,011,639
Profit for the year	-	-	4,409,922	-	-	4,409,922	4,409,922
Other Comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	4,409,922	-	-	4,409,922	4,409,922
As at 31 March 2017	161,372,630	55,740,000	5,308,931	-	-	61,048,931	222,421,561
Profit of demerged undertaking from 1-7-2016 to 31-3-2017 transferred to CMPL in pursuance to demerger	-	-	(5,502,216)	-	-	(5,502,216)	(5,502,216)
Utilised against the value of net assets transferred to CMPL in pursuance to the scheme of Demerger (Refer Note No.40)	-	(36,277,271)	-	-	-	(36,277,271)	(36,277,271)
Investment in share of CMPL cancelled in pursuance to scheme of demerger	-	(99,990)	-	-	-	(99,990)	(99,990)
Deferred Tax effect of unused tax losses due to demerger	-	(531,336)	-	-	-	(531,336)	(531,336)
Profit for the year	-	-	14,181,706	-	-	14,181,706	14,181,706
Other Comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	14,181,706	-	-	14,181,706	14,181,706
As at 31 March 2018	161,372,630	18,831,403	13,988,421	-	-	32,819,824	194,192,454

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

NOTES ON THE FINANCIAL STATEMENTS

1. **GENERAL INFORMATION**

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

2. **Significant Accounting Policies**

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

a) **Basis of preparation**

(i) **Compliance with Ind AS**

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

These Financial Statements are the first Financial Statements of the Company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards". Previous periods have been restated to comply with Ind AS requirements. In accordance with Ind AS 101, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of the Company's financial position, financial performance and cash flows.

(ii) **Historical cost convention**

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

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

(iii) **Use of estimates**

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

b) **Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Fair value measurement

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

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

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

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

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

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

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

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

d) Revenue recognition

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Sale of goods

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

Rental Income

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

Interest Income

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

Dividend Income

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

e) Transactions in Foreign Currency

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

f) Leases

As a lessee:

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

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

As a lessor:

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

g) Cash and cash equivalents

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

h) Trade receivables

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

i) Inventories

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

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

j) Property, Plant and Equipment

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

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP.

Depreciation methods, estimated useful lives and residual value

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

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

k) Intangible Assets

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

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2016 measured as per the previous GAAP.

I) Financial instruments

Financial assets

Initial recognition and measurement

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

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

Classification

- Cash and Cash equivalents

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

- Debt Instruments

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

- (i) Financial assets at amortised cost

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

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

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

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

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

Equity Instruments

The Company subsequently measures all equity investments (other than the investment in subsidiaries which are measured at cost) at fair value. On and from the date of transition to Ind AS, the company has subsequently measured all equity instruments at fair value through profit or loss.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Derecognition

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

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Impairment of financial assets

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

m) Trade and Other Payables

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

n) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

o) Employee Benefits

(i) Short-term obligations

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

Gratuity Fund –

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

Provident Fund –

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

p) Tax expenses

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

(ii) Deferred Tax

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

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

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

q) Earnings per share

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

r) Impairment of assets

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

s) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

3.1 Property, Plant and Equipment

Particulars	G R O S S C A R R Y I N G A M O U N T				D E P R E C I A T I O N / A M O R T I S A T I O N				N E T C A R R Y I N G A M O U N T	
	As at 01/04/2017	Additions	Deductions/ Adjustments	As at 31/03/2018	Upto 31/03/2017	For the year	Deductions/ Adjustments	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Freehold Land	960,000	-	-	960,000	-	-	-	-	960,000	960,000
Buildings	16,258,972	-	-	16,258,972	3,280,295	393,952	-	3,674,247	12,584,725	12,978,677
Plant & Machinery	51,178,158	1,634,197	3,086,745	49,725,610	4,726,938	3,173,387	67,379	7,832,946	41,892,664	46,451,220
Furniture & Fixtures	8,697,235	11,250	11,250	8,697,235	3,157,437	865,415	-	4,022,852	4,674,383	5,539,798
Office Equipments	1,422,257	52,558	2,188	1,472,627	663,087	208,502	-	871,589	601,038	759,170
Computers	757,249	20,000	-	777,249	632,166	52,762	-	684,928	92,321	125,083
Vehicles	9,053,150	-	3,274,122	5,779,028	2,588,677	737,718	2,066,536	1,259,859	4,519,169	6,464,473
Air Conditioners	904,660	-	67,500	837,160	336,889	90,304	35,841	391,352	445,808	567,771
Electrical Fittings	2,306,664	13,724	51,967	2,268,421	306,168	252,340	15,973	542,535	1,725,886	2,000,496
Total	91,538,345	1,731,729	6,493,772	86,776,301	15,691,657	5,774,380	2,185,729	19,280,308	67,495,993	75,846,687

Particulars	G R O S S C A R R Y I N G A M O U N T				D E P R E C I A T I O N / A M O R T I S A T I O N				N E T C A R R Y I N G A M O U N T	
	As at 01/04/2016	Additions	Deductions/ Adjustments	As at 31/03/2017	Upto 31/03/2016	For the year	Deductions/ Adjustments	Upto 31/03/2017	As at 31/03/2017	As at 31/03/2016
Freehold Land	960,000	-	-	960,000	-	-	-	-	960,000	960,000
Buildings	16,064,650	194,322	-	16,258,972	2,888,953	391,342	-	3,280,295	12,978,677	13,175,697
Plant & Machinery	24,485,215	26,692,943	-	51,178,158	2,373,748	2,353,190	-	4,726,938	46,451,220	22,111,467
Furniture & Fixtures	8,464,982	232,253	-	8,697,235	2,310,937	846,500	-	3,157,437	5,539,798	6,154,045
Office Equipments	1,010,401	411,856	-	1,422,257	502,449	160,638	-	663,087	759,170	507,952
Computers	757,249	-	-	757,249	581,502	50,664	-	632,166	125,083	175,747
Vehicles	5,911,790	5,112,628	1,971,268	9,053,150	2,715,530	994,849	1,121,702	2,588,677	6,464,473	3,196,260
Air Conditioners	904,660	-	-	904,660	243,400	93,489	-	336,889	567,771	661,260
Electrical Fittings	717,689	1,588,975	-	2,306,664	135,644	170,524	-	306,168	2,000,496	582,045
Total	59,276,636	34,232,976	1,971,268	91,538,344	11,752,163	5,061,196	1,121,702	15,691,657	75,846,687	47,524,473

3.2 Capital Work-in-Progress

Particulars	As at 01/04/2016	Capitalisation/		As at 01/04/2017	Capitalisation/		As at 31/03/2018
	4,427,300	Additions	Deductions	01/04/2017	Additions	Deductions	31/03/2018
Plant & Machinery	4,427,300	-	4,427,300	-	25,831,195	6,400,955	19,430,240

3.3 Intangible Assets

Particulars	G R O S S C A R R Y I N G A M O U N T			A M O R T I S A T I O N			N E T C A R R Y I N G A M O U N T	
	As at 01/04/2017	Additions	Deductions/ Adjustments	As at 31/03/2018	For the year	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Trademark	10,000	-	-	10,000	2,392	3,699	6,301	8,693

Particulars	G R O S S C A R R Y I N G A M O U N T			A M O R T I S A T I O N			N E T C A R R Y I N G A M O U N T	
	As at 01/04/2016	Additions	Deductions/ Adjustments	As at 31/03/2017	For the year	Upto 31/03/2017	As at 31/03/2017	As at 31/03/2016
Trademark	-	10,000	-	10,000	1,307	1,307	8,693	-

Notes :-

1. Deduction / Adjustments during the year ended 31st March, 2018 include the value of property, plant & equipments transferred to CMPL in pursuance to the scheme of demerger of the engineering division of the company.
2. During the year ended on 31 March 2018 and 31 March 2017, there is no impairment loss determined at each level of Cash Generating Units. The recoverable amount was based on value in use and was determined at the level of Cash Generating Units.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Notes forming part of the Financial Statements

	AS AT 31/03/2018		AS AT 31/03/2017		AS AT 01/04/2016	
	No	Rs.	No	Rs.	No	Rs.
4 NON-CURRENT INVESTMENTS						
Investments in Equity Instruments -						
(i) Un Quoted - Wholly owned subsidiary						
(At Cost)						
Chandni Machines Private Ltd of Rs.10/- each	-	-	9,999	99,990	-	-
(ii) Quoted - Others (At Fair Value through Profit or Loss)						
Aditya Birla Capital Ltd. of Rs.10/- each	250	36,463	-	-	-	-
Asahi India Glass of Rs.2/- each	250	83,113	-	-	-	-
Balaji Telefilms of Rs.2/- each	250	32,588	-	-	-	-
Bharat Heavy Electricals Ltd of Rs.2/- each	750	61,050	-	-	-	-
Bhilwara Spinners Ltd. of Rs.10/- each	3,000	24,900	3,000	24,330	3,000	36,750
Diligent Media. of Rs.10/- each	1,477	11,476	-	-	-	-
Delta Corp Ltd of Rs. 10/- each.	-	-	-	-	500	33,050
Fortis HealthCare Ltd. of Rs.10/- each	500	61,700	-	-	-	-
Shree Rajasthan Syntex Ltd of Rs.10/- each	32,200	460,460	32,200	460,460	32,200	219,926
Garware Polyester Ltd. of Rs.10/- each.	1,000	153,400	1,000	123,400	1,000	93,550
Equity Shares of Gujarat Gas Ltd. of Rs.10/- each.	200	166,040	-	-	-	-
HCL Infosystems Ltd. of Rs.2/- each.	1,000	51,000	1,000	52,300	1,000	43,300
Heidelberg Cement Ltd. of Rs.2/- each.	-	-	-	-	500	40,550
HOV Services Ltd. of Rs. 10/- each.	-	-	1,000	178,450	1,000	78,000
Hindustan Construction Co Ltd. of Rs.10/- each.	1,000	22,300	-	-	-	-
Hudco Ltd. of Rs.10/- each.	1,750	116,113	-	-	-	-
IDFC Ltd. of Rs.10/- each.	10,000	486,500	10,000	545,000	10,000	404,000
IDFC Bank Ltd. of Rs.10/- each.	10,500	497,175	10,000	593,000	10,000	482,500
India Bulls Ventures Ltd. of Rs.10/- each.	1,000	242,500	-	-	-	-
Jaiprakash Associates Ltd. of Rs.10/- each.	5,000	94,750	-	-	-	-
Karlokar Electric Ltd. of Rs.10/- each.	1,000	28,250	-	-	-	-
Liberty Shoes Ltd. of Rs.10/- each.	500	95,800	500	87,050	500	71,000
Man Infraconstruction Ltd. of Rs.10/- each.	1,000	50,050	-	-	-	-
McDowell Holdings Ltd. of Rs.10/- each.	2,000	79,700	-	-	-	-
Mercator Lines Ltd. of Rs.10/- each.	1,900	65,930	-	-	10,000	220,500
Rei Agro Ltd. of Re. 1/- each.	20,000	4,800	20,000	8,400	20,000	9,000
Rohit Ferro Tech Ltd. of Re. 1/- each.	1,000	24,100	-	-	-	-
Rural Electrification Co Ltd. of Re. 1/- each.	1,000	125,050	-	-	-	-
Sintex Plastic Tech Co Ltd. of Re. 1/- each.	250	14,400	-	-	-	-
Vijaya Bank Ltd. of Re. 1/- each.	2,000	103,800	-	-	-	-
		3,193,408		2,072,390		1,732,126
Aggregate value of quoted investments (at fair value)		3,193,408		2,072,390		1,732,126
Aggregate market value of quoted investments		3,193,408		2,072,390		1,732,126
Aggregate value of unquoted investments		-		99,990		-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Notes forming part of the Financial Statements

	AS AT 3/31/2018 ₹	AS AT 3/31/2017 ₹	AS AT 4/1/2016 ₹
5 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good)			
Security Deposits at amortised costs	6,401,961	1,165,638	1,075,651
Bank Deposits with more than 12 months maturity	1,395,464	1,408,274	3,808,274
	<u>7,797,425</u>	<u>2,573,912</u>	<u>4,883,925</u>
6 OTHER NON-CURRENT ASSETS (Unsecured considered good)			
Capital Advances	3,801,089	1,992,919	6,077,542
Deposit with Government Authorities	29,599	152,964	168,365
Security Deposits Utility	256,662	207,862	69,355
Expenditure pending capitalisation	135,414	135,414	145,414
Others	1,887,504	670,791	398,524
	<u>6,110,268</u>	<u>3,159,950</u>	<u>6,859,200</u>
7 INCOME TAX ASSETS (net)			
Advance Tax / TDS less provisions	927,461	1,518,056	5,885,976
	<u>927,461</u>	<u>1,518,056</u>	<u>5,885,976</u>
8 INVENTORIES (As taken, valued and certified by the management)			
Raw Materials	8,801,252	7,599,885	4,866,394
Stock-in-trade	38,698	31,750,506	49,121,341
Finished Goods	5,532,079	7,700,506	1,787,471
Spares	334,270	121,608	137,756
	<u>14,706,299</u>	<u>47,172,505</u>	<u>55,912,962</u>
9 TRADE RECEIVABLES			
Unsecured, Considered Good	337,613,042	37,034,846	8,997,429
	<u>337,613,042</u>	<u>37,034,846</u>	<u>8,997,429</u>
10 CASH & CASH EQUIVALENTS			
Balances with banks			
-in current accounts	3,057,190	3,411,849	569,015
Cash on hand	596,141	1,003,233	2,251,825
Bank deposits with less than 3 months maturity	1,288,681	3,136,816	4,621,190
	<u>4,942,012</u>	<u>7,551,898</u>	<u>7,442,030</u>
11 OTHER BANK BALANCES			
Bank deposits with maturity of more than 3 months but less than 12 months	35,056,824	71,635,359	65,942,633
	<u>35,056,824</u>	<u>71,635,359</u>	<u>65,942,633</u>
11.1 Fixed deposits to the extent of Rs.Nil (2017- Rs.3,87,00,000/-; 2016 - Rs.3,87,00,000/-) are pledged to the banks against overdraft/letter of credit.			

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	AS AT 3/31/2018 ₹	AS AT 3/31/2017 ₹	AS AT 4/1/2016 ₹			
12 OTHER CURRENT FINANCIAL ASSETS						
(Unsecured, considered good)						
Security Deposits at amortised cost	388,000	775,860	278,000			
Employees Advances	40,000	20,000	127,000			
Interest Accrued on Fixed Deposits	645,271	920,194	958,122			
	<u>1,073,271</u>	<u>1,716,054</u>	<u>1,363,122</u>			
13 OTHER CURRENT ASSETS :						
Unsecured, Considered Good						
Balances with Govt. Authorities (Other than income-tax)	4,553,662	1,995,796	-			
Advances to vendors	18,083,538	15,311,527	349,556,572			
Prepaid Expenses	393,836	369,573	367,307			
Others	5,647,294	1,096,207	1,189,841			
	<u>28,678,330</u>	<u>18,773,102</u>	<u>351,113,720</u>			
14 EQUITY SHARE CAPITAL						
14.1 AUTHORISED :						
2,00,00,000 (2017- 2,00,00,000, 2016- 20,00,00,000)	200,000,000	200,000,000	200,000,000			
Equity Shares of Rs. 10/- (2017- Rs.10/-, 2016 -Re.1/-) each	<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>			
14.2 ISSUED, SUBSCRIBED AND FULLY PAID						
1,61,37,263 (2017 -1,61,37,263, 2016 - 16,13,72,630)	161,372,630	161,372,630	161,372,630			
Equity Shares of Rs.10/- (2017 -Rs.10/-, 2016 -Re.1/-) each	<u>161,372,630</u>	<u>161,372,630</u>	<u>161,372,630</u>			
14.3 The reconciliation of the number of shares outstanding is set out below :						
Equity Shares of Rs.10/- (2016- Re.1/-, 2015- Re.1/-) each at the beginning of the year	16,137,263	161,372,630	161,372,630			
Equity Shares of Rs.10/- (2016- Re.1/-) each at the end of the year	16,137,263	16,137,263	161,372,630			
14.4 The Company has only one class of equity share. These shares rank pari passu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation.						
14.5 The details of Shareholders holding more than 5% shares						
Name of the Shareholder	No of Shares	%	No of Shares	%	No of Shares	%
J.R. Mehta	4,192,091	25.98	4,192,091	25.98	41,920,910	25.98
A.J. Mehta	2,759,626	17.10	2,759,626	17.10	27,596,265	17.10
Satyaprabhu Infrastructure Pvt Ltd	-	-	2,743,939	17.00	27,439,394	17.00

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

15	OTHER EQUITY		
	Reserves & Surplus		
a)	Securities Premium Reserve		
	Opening Balance	55,740,000	55,740,000
	Less : Utilised against the value of net assets transferred to CMPL in pursuance to the scheme of Demerger (Refer Note No.40)	(36,277,271)	-
	Less : Investment in share of CMPL cancelled in pursuance to scheme of demerger	(99,990)	-
	Less : Tax effect of unused tax losses due to demerger	(531,336)	-
	Closing Balance	18,831,403	55,740,000
b)	Retained Earnings		
	Opening Balance	5,308,931	899,009
	Add : Profit for the year	14,181,706	4,409,922
	Less : Profit of demerged undertaking from appointed date i.e. 01/07/16 to 31/03/17 transferred to CMPL (Refer to Note No.40)	(5,502,216)	-
	Closing Balance	13,988,421	5,308,931
		32,819,824	61,048,931

16	NON-CURRENT BORROWINGS			
	Secured :			
	Term Loans :			
	From HDFC Bank Ltd	1,964,252	2,702,007	-
		1,964,252	2,702,007	-

16.1 Non-current borrowings and current maturities of non-current borrowings include :
Term Loans from HDFC Bank Ltd to the extent of Rs.27,02,007/- (2017-Rs.33,73,968/-) secured by way of hypothecation of vehicles.

16.2 Repayment Schedule and Interest rate of Term Loans from banks are set out below :

Rate of Interest	0-1 Year	1-2 Years	2-3 Years	Above 3 years
9.5%	737,754	809,988	889,295	264,970

17	OTHER NON- CURRENT FINANCIAL LIABILITIES			
	Rental Deposits measured at amortised costs	142,945	210,000	
		142,945	210,000	-

18	DEFERRED TAX LIABILITIES (NET)			
	Deferred tax Liabilities :			
	Timing difference on account of depreciation	3,784,441	3,412,130	2,347,687
	Financial Assets & liabilities at amortised cost	10,517	-	5,156
		3,794,958	3,412,130	2,352,843
	Deferred Tax Assets :			
	Expenses allowable on payment basis under Tax Laws	192,415	185,724	197,428
	Unabsorbed Depreciation	-	1,596,659	1,909,257

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	Business Loss/Capital Loss	-	1,571,451	1,802,816
	Financial Assets & liabilities at amortised cost	61,954	70,906	32,244
	Mat credit entitlement	2,983,255	1,526,515	526,515
		3,237,624	4,951,255	4,468,259
	Net Deferred Tax Liability	557,334	(1,539,125)	(2,115,415)
19	<u>TRADE PAYABLES</u>			
	Trade payables	295,911,330	30,967,811	10,229,103
		<u>295,911,330</u>	<u>30,967,811</u>	<u>10,229,103</u>
20	OTHER CURRENT FINANCIAL LIABILITIES			
	Current Maturities of non-current borrowings (Refer Note No. 16.1)	737,754	671,962	-
	Interest accrued but not due on borrowings	16,349	21,265	-
	Creditors for capital goods	3,365,540	1,422,331	
	Rental Deposits	-	-	993,313
	Banks - Balance as per books	-	2,270,054	390,415
		<u>4,119,643</u>	<u>4,385,611</u>	<u>1,383,728</u>
21	OTHER CURRENT LIABILITIES			
	Advances received from customers	26,847,367	9,453,720	332,538,883
	Statutory Dues payable	256,293	201,430	2,036,957
		<u>27,103,660</u>	<u>9,655,150</u>	<u>334,575,840</u>
22	CURRENT TAX LIABILITIES			
	for Income Tax	3,039,256	360,427	
		<u>3,039,256</u>	<u>360,427</u>	<u>-</u>

		2017-18 ₹	2016-17 ₹
23	REVENUE FROM OPERATIONS		
	Sales of Products	490,434,932	539,369,553
	Sales of Services	-	9,200
		<u>490,434,932</u>	<u>539,378,753</u>
23.1	PARTICULARS OF SALE OF PRODUCTS		
	Engineering Goods	-	449,883,936
	Textile Goods	467,122,789	63,009,127
	Plastic Moulded Goods	23,312,143	26,476,490
		<u>490,434,932</u>	<u>539,369,553</u>
23.2	PARTICULARS OF SALE OF SERVICES		
	Repairs Services	-	9,200
		<u>-</u>	<u>9,200</u>

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

24	OTHER INCOME :		
	Interest Income :		
	on Bank Fixed Deposits	3,737,164	5,415,055
	on Income tax refund	-	1,129,977
	on Others	1,259,195	-
	Interest on financial assets on unwinding	116,325	109,429
	Rent Income	1,966,668	1,066,666
	Bad debts /Sundry Balances w/off.	-	98,449
	Profit on sale of Property, Plant & Equipment & Capital Work-in-progress (Net)	2,850,931	-
	Profit on sale of FVTPL Investments	764,095	353,033
	Changes in FV of Equity Instruments through P&L	-	634,365
	Foreign Exchange gains - (Net)	41,875	-
	Dividend on FVTPL Investments	45,035	3,500
		<u>10,781,288</u>	<u>8,810,473</u>
25	COST OF MATERIALS CONSUMED		
	Opening Stock	7,599,885	4,866,394
	Add :- Purchases	47,255,000	61,398,282
	Less :- Closing Stock	8,801,252	7,599,885
		<u>46,053,633</u>	<u>58,664,791</u>
25.1	PARTICULARS OF MATERIAL CONSUMED		
	<u>Indigeneous Materials</u>		
	Yarn	29,087,464	35,390,375
	PP	16,966,169	23,274,416
	Total Indigenous	46,053,633	58,664,791
	<u>Imported</u>	-	-
		<u>46,053,633</u>	<u>58,664,791</u>
26	PARTICULARS OF PURCHASES OF STOCK-IN-TRADE		
	Engineering Goods	-	365,777,225
	Textile Fabrics	379,842,563	-
		<u>379,842,563</u>	<u>365,777,225</u>

		2017-18 ₹	2016-17 ₹
27	CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE		
	Opening Stock :		
	Stock-in-trade	38,698	49,121,341
	Finished Goods	7,700,506	1,787,471
		<u>7,739,204</u>	<u>50,908,812</u>

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

		2017-18 ₹	2016-17 ₹
	Closing Stock :		
	Stock-in-trade	38,698	31,750,506
	Finished Goods	5,532,079	7,700,506
		5,570,777	39,451,012
		2,168,427	11,457,800
28	MANUFACTURING EXPENSES		
	Stores, Spares and Packing Materials	1,893,466	1,141,165
	Central Excise Duty	813,489	3,090,793
	Labour & Processing Charges	3,609,336	3,838,592
	Power & Fuel	5,186,171	4,458,250
	Transportation Charges	515,140	299,482
	Other Manufacturing Expenses	1,315,928	1,502,900
		13,333,530	14,331,182
29	EMPLOYEE BENEFITS EXPENSES		
	Salaries, Wages, Bonus etc.	18,174,332	17,682,442
	Contribution to Provident Fund and other funds	657,419	511,085
	Employees Welfare Expenses	304,756	377,086
		19,136,506	18,570,613
30	FINANCE COSTS		
	Interest Expenses	368,401	370,179
		368,401	370,179
31	ADMINISTRATIVE & OTHER EXPENSES		
	Bank Charges	12,972	35,727
	Clearing, Forwarding & Freight	400,019	562,430
	Commission & Brokerage	2,736,021	820,755
	Travelling & Conveyance	550,071	1,297,795
	Telephone, Postage & Telegram	328,190	481,526
	Electricity Charges	65,415	103,900
	Sampling, Sales Promotion & Advertisement	296,800	800,554
	Insurance	262,664	747,167
	Legal & Professional Charges	232,135	3,100,398
	Rent	4,384,537	4,895,995
	Rates & taxes	172,950	136,307
	Repairs - Others	589,445	531,286
	General Expenses	1,664,736	2,039,886
	Sales-tax & Service-tax	624,422	50,708,654

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	2017-18 ₹	2016-17 ₹
Payment to Auditors :		
- As Auditor	155,000	230,000
- For Taxation matters	45,000	-
- For Other matters	107,000	258,627
Foreign Exchange loss/(gains) - (Net)	-	654,258
Securities Transaction Tax	33,060	648
Loss on disposal of Fixed Assets	-	538,455
Changes in FV of Equity Instruments through P&L	719,778	-
Baddebts / Sundry Balances Written off	1,150,466	-
Demerger Expenses Written off	197,983	-
	14,728,660	67,944,367
TOTAL OTHER EXPENSES	28,062,191	82,275,549

		2017-18 ₹	2016-17 ₹
32	TAX EXPENSE		
(a)	Income tax		
	Tax on profits for the year	4,049,897	1,024,353
	Adjustments for prior periods	11,000	-
	Total income tax	4,060,897	1,024,353
(b)	Deferred tax		
	Decrease / (Increase) in deferred tax assets	1,182,296	(482,997)
	(Decrease) / Increase in deferred tax liabilities	382,828	1,059,288
	Total deferred tax expense/(benefit)	1,565,124	576,291
	Total tax expense	5,626,021	1,600,644
(c)	Reconciliation of tax expense and the accounting profit multiplied by tax rate :		
	Profit before income tax expenses	19,807,727	6,010,566
	Tax at the rate of 25.75% (2017 - 30.9%)	5,100,490	1,857,265
	Tax effect of amounts which are not deductible :		
	Fair value changes in the value of equity instrument	185,343	(196,019)
	Expenses related to exempted income	25,905	12,371
	Donations	12,571	11,464
	Other expenses not deductible	188,599	34,934
	Loss on Sale of Vehicle	187,653	166,383
		600,071	29,133

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Tax effect of amounts which are not taxable :			
Dividend	(11,596)	(1,082)	
Profit on sale of securities	-	(109,087)	
Adjustment u/s.145A		(33,046)	
	(11,596)	(143,214)	
Difference in tax on capital gain on securities	(87,751)		
Tax effect on Adjustment related to Rental Income :	(111,129)	(64,726)	
Tax effect on adjustment due to change in tax rates/unused losses	135,936	(77,814)	
Tax expense as per Income Tax	5,626,021	1,600,644	

33	Earnings per Share :- Basic and Diluted			
	a) Profit after tax	Rs.	14,181,706	4,409,922
	b) Weighted Average Number of Equity shares outstanding	Nos.	16,137,263	16,137,263
	c) The nominal value per Equity Share	Rs.	10	10
	d) Earnings per Share –Basic & Diluted	Rs.	0.88	0.27

34 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules , 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements , including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemption Applied

- (i) Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption is also used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value, which has been considered as deemed cost.
- (ii) The Company has designated quoted equity shares held at 1 April 2016 as fair value through profit or loss.

Exception applied

- (i) De-recognition of financial assets and liabilities exception –

Financial assets and liabilities derecognized before 1 April 2016 are not re-recognized under Ind-AS. The Company has not chosen to apply the Ind AS 109 Financial Instruments derecognition criteria to an earlier date. No significant arrangements were identified that had to be assessed under this exception.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

(ii) Classification of debt and equity instruments –

The Company has determined the classification of debt and equity instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

(iii) Impairment of financial asset –

The Company has applied the impairment requirements of Ind AS 109 retrospectively based on facts and circumstances existing on transition date.

Reconciliation between previous Indian GAAP and IND AS

(i) Reconciliation of Equity

Particulars	Footnote No.	As at 31.03.2017	As at 01.04.2016
As reported under previous Indian GAAP		223,687,578	220,138,190
<u>Adjustments:</u>			
Less: Impact of equity instruments measured at FVTPL	1	1,247,681	2,065,977
Prepaid Rent	2	198,671	104,349
Interest on Financial Liability (SD)	2	16,687	-
Add: Deferred tax on Financial assets & liabilities at amortised cost	3	(70,906)	27,088
Rent Income on Security Deposit	2	126,116	16,687
Equity under IND AS		222,421,561	218,011,639

(ii) Reconciliation of Total Comprehensive Income

Particulars	Footnote No.	3/31/2017
Profit after tax under Previous GAAP		3,549,388
<u>Adjustments:</u>		
Add: Impact of equity instruments measured at FVTPL	1	818,296
Interest on financial assets on unwinding	2	109,429
Less: Reversal of deferred tax	3	(43,818)
Interest on Financial Liability (SD)	2	16,687
Ind As Adjustment to Rent Expenses	2	94,322
Profit after tax under IND AS		4,409,922
Other Comprehensive Income		-
Total Comprehensive Income for the period under IND AS		4,409,922

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

(iii) Reconciliation of Cash Flow

	Previous GAAP	Adjustment	IND AS
Net cash flow from operating activities	26,180,462	5,398,368	20,782,094
Net cash flow from investing activities	(29,091,070)	(5,415,055)	(23,676,015)
Net cash flow from financing activities	3,020,476	16,687	3,003,789
Net increase/(decrease) in cash and cash equivalents	109,868	-	109,868
Cash & Cash equivalents as at 01/04/2016	7,442,030	-	7,442,030
Cash & Cash equivalents as at 31/03/2017	7,551,898	-	7,551,898

(iv) Reconciliation of Equity as at 1 April 2016

Particulars	Foot Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I Assets				
(1) Non-current assets				
(a) Property, Plant and Equipment		47,524,473	-	47,524,473
(b) Capital work-in-progress		4,427,300	-	4,427,300
(c) Financial Assets				
(i) Investments	1	3,798,102	(2,065,976)	1,732,126
(ii) Other Financial Assets	2	4,988,274	(104,349)	4,883,925
(d) Other non-current assets		6,859,200	-	6,859,200
(e) Income-tax Assets (net)		5,885,976	-	5,885,976
(2) Current assets				
(a) Inventories		55,912,962	-	55,912,962
(b) Financial Assets				
(i) Trade receivables		8,997,429	-	8,997,429
(ii) Cash and cash equivalents		7,442,030	-	7,442,030
(iii) Bank balances other than (ii) above		65,942,633	-	65,942,633
(iv) Other financial assets		1,363,122	-	1,363,122
(c) Other current assets			-	
		<u>351,113,720</u>		<u>351,113,720</u>
Total Assets		<u>564,255,221</u>	<u>(2,170,325)</u>	<u>562,084,895</u>
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital		161,372,630	-	161,372,630
(b) Other Equity	1,2,3	58,765,560	(2,126,551)	56,639,009

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Particulars	Foot Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
(2) LIABILITIES				
Non-current Liabilities				
(a) Deferred tax liabilities (Net)	3	(2,088,327)	(27,088)	(2,115,415)
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables		10,229,103	-	10,229,103
(ii) Other financial liabilities	2	1,400,415	(16,687)	1,383,728
(b) Other Current Liabilities		334,575,840	-	334,575,840
Total Equity and Liabilities		564,255,221	(2,170,326)	562,084,895

(v) Reconciliation of Equity as on 31.03.2017

Particulars	Foot Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I Assets				
(1) Non-current assets				
(a) Property, Plant and Equipment		75,846,687	-	75,846,687
(b) Intangible assets		8,693	-	8,693
(c) Financial Assets				
(i) Investments	1	3,420,061	(1,247,681)	2,172,380
(ii) Other Financial Assets	2	2,788,274	(214,362)	2,573,912
(d) Other non-current assets	2	3,034,830	125,120	3,159,950
(e) Income-tax Assets (net)		1,518,057	-	1,518,056
(2) Current assets				
(a) Inventories		47,172,505		47,172,505
(b) Financial Assets				
(i) Trade receivables		37,034,846		37,034,846
(ii) Cash and cash equivalents		7,551,897		7,551,898
(iii) Bank balances other than (ii) above		71,635,359		71,635,359
(iv) Other financial assets		1,716,054		1,716,054
(c) Other current assets		18,773,102		18,773,102
Total Assets		270,500,365	(1,336,923)	269,163,442
II EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital		161,372,630	-	161,372,630
(b) Other Equity	1,2,3	62,314,948	(1,266,017)	61,048,931
(2) LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,702,007	-	2,702,007

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Particulars	Foot Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
(ii) Other financial liabilities		210,000	-	210,000
(d) Deferred tax liabilities (Net)	3	(1,468,219)	(70,906)	(1,539,125)
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables		30,967,811	-	30,967,811
(ii) Other financial liabilities		4,385,611	-	4,385,611
(b) Other Current Liabilities		9,655,150	-	9,655,150
(c) Current tax liabilities		360,427	-	360,427
			-	
Total Equity and Liabilities		270,500,365	(1,336,923)	269,163,442

(vi) Reconciliation of Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
I Revenue From Operation		539,378,753	-	539,378,753
II Other Income	1,2	7,882,748	927,725	8,810,473
III Total Income (I + II)		547,261,501	927,725	548,189,226
IV Expenses				
a) Cost of material consumed		58,664,791	-	58,664,791
b) Purchases of Stock-in-Trade		365,777,225	-	365,777,225
c) Change in inventories of finished goods & Stock-in-Trade		11,457,800	-	11,457,800
d) Manufacturing expenses		14,331,182	-	14,331,182
e) Employee benefits expense		18,570,613	-	18,570,613
f) Finance costs	2	353,492	16,687	370,179
g) Depreciation and amortization		5,062,503	-	5,062,503
h) Other expenses	2	67,850,045	94,322	67,944,367
Total Expenses (IV)		542,067,651	111,009	542,178,660
V Profit before tax (III - IV)		5,193,850	816,716	6,010,566
VI Tax expenses :				
(i) Current tax		1,024,353	-	1,024,353
(ii) Deferred tax	3	620,109	(43,818)	576,291
		1,644,462	(43,818)	1,600,644
VII Profit for the year (V - VI)		3,549,388	860,534	4,409,922
VIII Other Comprehensive Income Items that will not be reclassified to profit & loss				
(i) Remeasurement gains on defined benefit plans		-	-	-
(ii) Income-tax on above		-	-	-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Particulars		Note No.	Regrouped Indian GAAP	Ind AS adjustments	Ind AS
	Total Other Comprehensive Income for the year (net of tax)		-	-	-
IX	Total Comprehensive Income for the year (VII+VIII)		3,549,388	860,534	4,409,922

Notes:

1 Fair valuation of equity investments

The company holds investment in equity shares of entities other than associate and joint venture. Under previous Indian GAAP such investments were measured at cost less provision for diminution in the value of investment other than temporary nature. Under Ind AS, these investments has been measured at fair value. The company has categorised these investments other than in subsidiaries as fair value through profit and loss (FVTPL) and any changes in fair value of these investments has been recognised in the statement of profit and loss.

2 Fair valuation of security deposits

Under the previous GAAP, interest free lease security deposits assets (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Under the previous GAAP, interest free lease security deposits liability (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, these financial liabilities are required to be recognised at fair value at initial recognition and subsequently at amortised cost. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as advance rent.

3 Tax effects of adjustments

Additional deferred tax asset/(liability) has been recognised corresponding to the adjustments to retained earnings/profit and loss as a result of Ind AS Implementation.

35 FAIR VALUE MEASUREMENTS

(a) Financial instruments by category

	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial Assets						
Investment						
Equity instrument	3,193,408		2,172,380		1,732,126	
Trade receivables		337,613,042		37,034,846		8,997,429
Bank Deposits		1,395,464		1,408,274		3,808,274
Cash & Cash Equivalents		4,942,012		7,551,898		7,442,030
Other Bank balances		35,056,824		71,635,359		65,942,633
Security Deposits		6,789,961		1,941,498		1,353,651
Other Receivables		685,271		940,194		1,085,122
Total Financial Assets	3,193,408	386,482,574	2,172,380	120,512,069	1,732,126	88,629,139

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	As at 31/03/2018		As at 31/03/2017		As at 01/04/2016	
	FVPL	Amortised cost	FVPL	Amortised cost	FVPL	Amortised cost
Financial Liabilities						
Borrowings		2,702,007		3,373,968		-
Security Deposits		142,945		210,000		993,313
Trade payables		295,911,330		30,967,811		10,229,103
Capital creditors		3,365,540		1,422,331		-
Others		16,349		2,291,319		390,415
Total Financial Liability	-	302,138,171	-	38,265,429	-	11,612,832

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

	As at 31/03/2018			As at 31/03/2017			As at 01/04/2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets									
Equity instrument at FVTPL	3,188,608	4,800	-	2,072,390	-	99,990	1,732,126	-	-
Total Financial Assets	3,188,608	4,800	-	2,072,390	-	99,990	1,732,126	-	-

(c) Fair value hierarchy

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

	Date of valuation	Fair value measurement using			Total
		Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
Financial Assets					
Equity instruments measured at FVTPL	3/31/2018	3,188,608	4,800		3,193,408
Financial Assets at amortised cost					
Trade Receivables	3/31/2018		337,613,042		337,613,042
Bank Deposits	3/31/2018		1,395,464		1,395,464
Other Bank Balances	3/31/2018		35,056,824		35,056,824
Security Deposits	3/31/2018		6,789,961		6,789,961
Other Receivables	3/31/2018		685,271		685,271
Financial Liabilities at amortised cost					
Trade payable	3/31/2018	295,911,330			295,911,330

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

	Date of valuation	Fair value measurement using			Total
		Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
<u>Other Financial liabilities</u>					
Borrowings	3/31/2018		2,702,006		2,702,006
Deposits against rental agreement	3/31/2018		142,945		142,945
Other interest accrued	3/31/2018		16,349		16,349
Creditors for capital expenditure	3/31/2018		3,365,540		3,365,540

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

	Date of valuation	Fair value measurement using			Total
		Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
<u>Financial Assets</u>					
Equity instruments measured at FVTPL	3/31/2017	2,072,390		99,990	2,172,380
<u>Financial Assets at amortised cost</u>					
Trade Receivables	3/31/2017		37,034,846		37,034,846
Bank Deposits	3/31/2017		1,408,274		1,408,274
Other Bank Balances	3/31/2017		71,635,359		71,635,359
Security Deposit	3/31/2017		1,941,498		1,941,498
Other receivables	3/31/2017		940,194		940,194
<u>Financial Liabilities at amortised cost</u>					
Borrowing	3/31/2017		3,373,968		3,373,968
Trade payable	3/31/2017		30,967,811		30,967,811
<u>Other Financial liabilities</u>					
Other interest accrued	3/31/2017		21,265		21,265
Creditors for capital expenditure	3/31/2017		1,422,331		1,422,331

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

(iii) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 01/04/2016:

	Date of valuation	Fair value measurement using			Total
		Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
Financial Assets					
Equity instruments measured at FVTPL	4/1/2016	1,732,126			1,732,126
Financial Assets at amortised cost					
Trade Receivables	4/1/2016		8,997,429		8,997,429
Bank Deposits	4/1/2016		3,808,274		3,808,274
Other Bank Balances	4/1/2016		65,942,633		65,942,633
Security Deposit	4/1/2016		1,353,651		1,353,651
Other Receivables	4/1/2016		1,085,122		1,085,122
Financial Liabilities at amortised cost					
Trade payable	4/1/2016		10,229,103		10,229,103
Other Financial liabilities					
Deposits against rental agreement	4/1/2016		993,313		993,313

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

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

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

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

Unquoted securities

	Rupees
As at 01/04/2016	-
Add: Acquisitions	99,990
As at 31/03/2017	99,990
As at 01/04/2017	99,990
Less: Cancelled on demerger of Engineering division (Refer Note No.40)	99,990
As at 31/03/2018	-

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

36. Financial Risk Management

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

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

(A) Market risk

(i) Foreign currency risk

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

Currency	Asset (Receivable)	Liability (Payable)	Net Receivable/ (Payable)
3/31/2018	1,503,223	-	1,503,223
Great Britain Pound (GBP)	2,257,614	-	2,257,614
Euro	1,614,981	-	1,614,981
AUD	15,035,790	-	15,035,790
Exposure to foreign currency risk	20,411,609	-	20,411,609
3/31/2017			
US Dollar (USD)	603,062	-	603,062
Great Britain Pound (GBP)	2,014,112	-	2,014,112
Euro	1,720,680	-	1,720,680
Exposure to foreign currency risk	4,337,854	-	4,337,854
4/1/2016			
US Dollar (USD)	277,091	-	277,091.19
Great Britain Pound (GBP)	2,357,498	-	2,357,498.43
Euro	1,879,881	-	1,879,880.51
Exposure to foreign currency risk	4,514,470	-	4,514,470

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Sensitivity

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

	Impact on profit Increase/(Decrease)	
	March 31, 2018	March 31, 2017
EURO sensitivity	80,749	86,034
INR/EURO Increases by 5%	(80,749)	(86,034)
INR/EURO Decreases by 5%		
USD sensitivity	75,161	30,153
INR/USD Increases by 5%	(75,161)	(30,153)
INR/USD Decreases by 5%		
GBP sensitivity		
INR/GBP Increases by 5%	112,881	100,706
INR/GBP Decreases by 5%	(112,881)	(100,706)
AUD sensitivity		
INR/AUD Increases by 5%	751,790	-
INR/AUD Decreases by 5%	(751,790)	-

Holding all other variables constant

(ii) Interest rate risk

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

(iii) Price risk

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

	Impact on profit Increase/(Decrease)	
	March 31, 2018	March 31, 2017
Price sensitivity		
Investment value Increases by 5%	159,670	108,619
Investment value Decreases by 5%	(159,670)	(108,619)

(B) Credit risk

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

(C) Liquidity risk

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

(i) Maturities of Financial Liabilities

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

Contractual maturities of Financial Liabilities:

	Not later than 1 year	Between 1 to 5 years	Later than 5 years	Total
31-Mar-18				
Non-derivatives				
Borrowings	737,754	1,699,283	264,970	2,702,007
Trade Payables	295,911,330	-	-	295,911,330
Security Deposits	142,945			142,945
Liability for Capital Expenditure	3,365,540			3,365,540
Other Financial Liabilities	16,349			16,349
	300,173,918	1,699,283	264,970	302,138,171
31-Mar-17				
Non-derivatives				
Borrowings	671,962	2,702,007		3,373,968
Trade Payables	30,967,811			30,967,811
Security Deposits	-	210,000	-	210,000
Liability for Capital Expenditure	1,422,331			1,422,331
Other Financial Liabilities	2,291,319			2,291,319
	35,353,423	2,912,007	-	38,265,429
1-Apr-16				
Non-derivatives				
Trade Payables	10,229,103			10,229,103
Security Deposits	993,313			993,313
Other Financial Liabilities	390,415			390,415
	11,612,832	-	-	11,612,832

37. Capital management

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

In order to achieve the aforesaid objectives, the Company has not sanctioned any major capex on new expansion projects in last two to three years. However, modernization, upgradation and continued marginal expansions have been to remain competitive and improve product quality through efficient machinery. There

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Debt-to-equity ratio are as follows:	3/31/2018	3/31/2017	4/1/2016
Debt (A)	2,702,007	3,373,968	-
Equity (B)	194,192,454	222,421,561	218,011,639
Debt/Equity (A/B)	0.01	0.02	-

38. Commitments

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	2,924,000	1,052,120	-

39 LEASES

(a) Non-cancellable operating leases

As a Lessee

The Company has entered into operating lease arrangements primarily for office premises, factory premises and residential premises for its employees. These leases are generally not non-cancellable in nature and may generally be terminated by either party by serving a notice. During the year, the company has recognised lease rent expense of Rs.47,03,202/- (2017 Rs.47,95,173/- 2016: Rs33,16,664/-) related to such non-cancelable operating lease. The future minimum lease payments payable by the company taken under non-cancellable operating lease, are as under:-

	31-Mar-18	31-Mar-17	1-Apr-16
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	4,349,368	4,689,150	3,749,520
Later than one year but not later than five years	4,300,498	8,623,866	7,375,824

As a Lessor

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

	31-Mar-18	31-Mar-17	1-Apr-16
Minimum lease payments in relation to non-cancellable operating leases are receivable as follows:			
Within one year	2,196,250	-	106,666
Later than one year but not later than five years	7,482,576	-	-

(b) Finance lease

As a Lessee

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

Particulars	As at 3/31/2018	As at 3/31/2017	As at 4/1/2016
Assets taken on lease			
Total Minimum lease payments at the year end	3,150,606	4,105,678	-
Present value of Minimum lease payments	2,702,007	3,373,969	-
Not later than one year			
Minimum lease payments	959,988	955,072	-
Present Value	737,754	671,962	-
Later than one year but not later than five years			
Minimum lease payments	2,190,618	3,150,606	-
Present Value	1,964,252	2,702,007	-

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

- (a) Pursuant to the Scheme of Arrangement under sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 1956 as sanctioned by the Hon'ble National Company law Tribunal bench at Mumbai on 21st January, 2018, the Demerged Undertaking i.e the Engineering Division of Chandni Textiles Engineering Industries Ltd has been transferred and vested in the Resulting Company on a going concern basis with effect from July 1, 2016 i.e. the appointed date under the scheme.
- (b) The Scheme of Arrangement became effective on 24th January, 2018, being the last date on which all the conditions and approvals referred to in the Scheme have been fulfilled/obtained and therefore, the effect of the Scheme was not considered in the financial statements of the company for the year ended 31st March, 2017. In terms of the Scheme, the business and transactions of demerged undertaking were carried on and held by the Demerged Company in trust for and on account of the Resulting Company from the appointed date till the Scheme became effective. Pursuant thereto, all assets and liabilities have been transferred to the Resulting Company at their respective book values on the appointed date and duly adjusted by subsequent transactions carried on in trust. Also, the profit or income accruing or expenditure or loss arising or incurred relating to the business of demerged undertaking from the appointed date are treated as the profit or income or expenditure or loss, as the case may be, of the Resulting Company. The Scheme has accordingly been given effect to in the accounts for the current year.
- (c) In terms of the Scheme, the resulting company will issue equity shares in the ratio of 1:5 to the shareholders of the demerged company.
- (d) As per the Scheme, the amount representing the excess of assets over liabilities transferred, is adjusted against the Securities premium account.
- (e) The resulting company is a wholly owned subsidiary of the Demerged Company and upon coming into effect of this scheme, the investment in equity shares of resulting company has been cancelled.
- (f) The profit or loss pertaining to the demerged undertaking from the appointed date till 31st March, 2017 has been adjusted in the retained earnings during the current year.

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

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

	31-3-2018	31-3-2017
i) Principal amount remaining unpaid on	Nil	Nil
ii) Interest due thereon as on	Nil	Nil
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
v) Interest accrued and remaining unpaid as at	N	Nil
	il	
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

42. Value Of Stores, Spares & Packing Materials Consumed :

	2017-18		2016-17	
	Rs.	%	Rs.	%
Imported	0	0	0	0
Indigenous	18,93,466	100.00	11,41,165	100.00
	18,93,466	100.00	11,41,165	100.00

43. Value Of Imports On Cif Basis

	2017-18	2016-17
	Rs.	Rs.
Engineering Goods	Nil	1,78,74,976
Plant & Machinery (CWIP)	78,65,130	18,72,945
Moulds	13,22,658	Nil
Moulds (CWIP)	11,68,200	Nil

44. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Foreign Travelling	Nil	4,47,164
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45. Disclosures as per IND AS-19, "Employee Benefits" are given below :

(i) Short Term Employee Benefits

- I. The Company has provided for bonus amounting to Rs. 8,14,115/- (Previous year Rs. 5,24,889/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit and Loss for the year.
- II. During the year the company has recognized Leave Salary amounting to Rs.5,52,638/- (Previous year Rs.960/-) in the Statement of Profit and Loss on payment basis.
- III. During the year the company has made contribution to Employees State Insurance Scheme amounting to Rs.1,56,975/- (Previous year Rs.1,04,888/-) which has been recognized in the Statement of Profit and Loss.

(ii) Long Term Employee Benefits

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

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

I. Defined Contribution Plans

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

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

	2017-18 Rs.	2016-17 Rs.
- Contribution to Provident Fund	1,54,605	1,69,631
- Contribution to Pension Scheme	2,99,322	1,91,810

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:-

Assumption		31-03-2018	31-03-2017
1	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.		
	Interest cost	2,72,270	2,53,493
	Current Service Cost	21,782	20,279
	Benefits Paid	12,835	12,560
	Actuarial (gain)/ loss on obligations	(23,802)	0
	Present Value of Obligations as at Year end	8,961	(14,062)
		2,92,046	2,72,270
3	Changes in the Fair Value of Plan Assets		
	Fair value of plan assets at beginning of year	6,99,517	6,46,205
	Expected return on plan assets	52,200	53,312
	Contributions	289	0
	Benefits Paid	(23,802)	0
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair Value of Plan Assets at Year end	7,28,204	6,99,517
4	Fair value of Plan Assets		
	Fair value of plan assets at beginning of year	6,99,517	6,46,205
	Actual return on plan assets	52,200	53,312
	Contributions	289	0
	Benefits Paid	(23,802)	0
	Fair value of plan assets at the end of year	7,28,204	6,99,517
	Funded status	4,36,158	4,27,247
	Excess of Actual over estimated return on plan assets		
	Actual rate of return = Estimated rate of return as ARD falls on 31 st March)		
5	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(8,961)	14,062
	Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
	Total (gain)/ loss for the year	8,961	(14,062)
	Actuarial (gain)/ loss recognized in the year	8,961	(14,062)

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Assumption		31-03-2018	31-03-2017
6	Amounts Recognized in the Balance Sheet		
	Present value of obligations as at the end of year	2,92,046	2,72,270
	Fair value of plan assets as at the end of the year	7,28,204	6,99,517
	Funded status	4,36,158	4,27,247
	Net asset/(liability) recognized in balance sheet	4,36,158	4,27,247
7	Expenses Recognised in the Profit and Loss Account		
	Current Service cost	12,835	12,560
	Interest Cost	21,782	20,279
	Expected return on plan assets	(52,200)	(53,312)
	Net Actuarial (gain)/ loss recognized in the year		
	Expenses recognised in statement of Profit and loss Account	8,961	(14,062)
		(8,622)	(34,535)

46. Segment Reporting

The Company has disclosed and reported Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisational structure and internal reporting system. Accordingly the company has identified Engineering Division and Textile Division as the main business segments as per the IND AS on "Operating Segments" (IND AS-108) 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.

a) Information about Primary Segments : (Business Segments)

		Year ended 31-3-2018	Year ended 31-3-2017
1	Segment Revenue		
	a. Engineering Division	Nil	44,98,93,136
	b. Textile Division	46,71,22,789	6,30,09,127
	c. Plastic Division	2,33,12,143	2,64,76,490
	d. Others	Nil	Nil
	Total	49,04,34,932	53,93,78,753
	Less : Inter Segment Revenue	-	-
	Net Sales/Income from Operations	49,04,34,932	53,93,78,753
2	Segment Results		
	Profit/(loss) before tax and Interest		
	a. Engineering Division	Nil	1,37,48,859
	b. Textile Division	2,77,99,501	53,99,573
	c. Plastic Division	(33,98,232)	(57,32,692)
	Total	2,44,01,269	1,34,15,740
	Less :(i) Interest	3,68,401	3,70,179
	(ii) Other un-allocable expenditure net off un-allocable income	42,25,141	70,34,995
	Total Profit Before Tax	1,98,07,727	60,10,566

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

		Year ended 31-3-2018	Year ended 31-3-2017
3	Capital Employed (Segment Assets - Segment Liabilities)		
	a. Engineering Division	Nil	3,05,55,114
	b. Textile Division	9,64,71,296	6,48,69,265
	c. Plastic Division	1,69,38,543	1,70,38,141
	Add /(Less):- Un-allocable Assets less Liabilities	8,07,82,615	10,99,59,041
	Total Capital Employed in the Company	19,41,92,454	22,24,21,561

b) Information about Geographical Segments :

	Year ended 31-3-2018	Year ended 31-3-2017
Revenue		
India	49,04,34,932	53,93,78,753
Outside India	Nil	Nil
	49,04,34,932	53,93,78,753
Assets		
India	52,69,52,786	26,76,80,905
Outside India	78,089	43,45,975
	52,70,30,875	27,20,26,880
Capital Expenditure		
India	2,75,62,924	2,98,15,676
Outside India	-	-
	2,75,62,924	2,98,15,676

47. Disclosure of Related parties & related party transactions

a) List of parties where control exists/existed

Wholly owned subsidiary

i) Chandni Machines Pvt Ltd (till 30-06-2016)

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

i) Chandni Machines Pvt Ltd (since 01-07-2016)

c) Key Management Personnel:

i) Jayesh R.Mehta – Managing Director

ii) Amita J.Mehta – Director

iii) Shailesh P.Sankav – Chief Financial Officer

iv) Khushboo Shah – Company Secretary & Compliance Officer (since 11/01/2018)

v) Gayatri Valan – Company Secretary & Compliance Officer (till 14/12/2017)

Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2017-18

Transactions	Key Management Personnel	Wholly Owned Subsidiary/ Others
	2017-18 (2016-17)	2017-18 (2016-17)
Directors Remuneration	12,00,000 (8,40,000)	- -
Salary & Bonus	9,19,359 (8,50,691)	- -
Director Sitting Fees	25,000 -30,000	- -
Purchase of machinery	-	23,60,000 -
Rent Received	-	34,975 -

Balances outstanding at the year end	Key Management Personnel		
	31.03.2018	31.03.2017	01.04.2016
Advances given	1,55,57,582	4,51,682	-
Trade receivables	34,975	-	-
Trade payables	23,60,000	-	-

48. 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.Nil (Previous Year Rs.24,40,084/-)

49. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them in compliance with disclosure requirement of Indian Accounting Standards. Previous year's figures including assets, liabilities, revenue and expenditure relating to the engineering division of the company which has been demerged with effect from 1st July ,2016 i.e. the appointed date, in pursuance of the scheme of arrangement approved by the Honorable NCLT, Mumbai and therefore the same are not comparable with the current year's figures.

As per our report of even date

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

**Ashish J. Jain
Partner
Membership No. 111829
Place: MUMBAI
Date: 30-05-2018**

On behalf of the Board

**J.R. Mehta
Managing Director**

**Shailesh Sankav
Chief Financial Officer**

**A. J Mehta
Director**

**Khushboo Shah
Company Secretary**

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Registered Office :

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