

Chandni Machines Limited

FORMERLY KNOWN AS CHANDNI MACHINES PRIVATE LIMITED)

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

Office No: 022 - 24950328; Mobile No.: 9324802995 / 9324802991

Email: jrgroup@jrmehta.com; sales@cml.net.in

CIN: L74999MH2016PLC279940

Date: 27th August, 2021

To,
The Listing Manager,
The BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400001

Scrip ID: CHANDNIMACH
Scrip Code: 542627

Dear Sir/Madam,

Sub: Notice of 5th Annual General Meeting and Annual Report for Financial Year 2020 -2021 of Chandni Machines Limited (the "Company").

Pursuant to Regulations 30 and 34 read with Para A of Part A of Schedule III to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 5th Annual General Meeting ("AGM") of the Company is scheduled to be held on Monday, 20th September, 2021 through Video Conferencing / other Audio Visual Means at 03.00 P.M. Please find enclosed herewith the Notice of the AGM along with the Annual Report of the Company for the Financial year 2020-2021, which is being sent through email to the Members whose email ids are registered with the Company/Registrar and Transfer Agent in compliance with Ministry of Corporate Affairs, Circulars 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and 13th January, 2021.

The Annual Report for the Financial Year 2020-2021 along with the Notice of the AGM is also made available on the website of the company www.cml.net.in

Kindly take the same on your records.

Yours faithfully,
For Chandni Machines Limited


Jayesh R Mehta
Managing Director





ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

INDEX:

SR. NO.	PARTICULARS	PAGE NO.
1.	Board and Committees as on 31 st March, 2021	3
2.	Notice to Shareholders	4 - 16
3.	Director's Report	17 - 44
4.	Management Discussion and Analysis Report	45 - 47
5.	Independent Auditor Report	48 - 57
6.	Balance Sheet as on 31 st March, 2021	58
7.	Profit and Loss as on 31 st March, 2021	59
8.	Cash Flow Statement as on 31 st March, 2021	60 - 61
9.	Notes on Financials	62 - 89

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

BOARD AND COMMITTEES AS ON 31ST MARCH, 2021

THE BOARD OF DIRECTORS	COMMITTEES
JayeshRamniklal Mehta [Managing Director]	AUDIT COMMITTEE
AmitaJayesh Mehta [Non -Executive Director]	Mr. VasantGaurishankar Joshi [Chairman]
Bharat Keshavlal Shah [Director]	Mr. Bharat Sugnomal Bhatia
	Mr. JayeshRamniklal Mehta
VasantGaurishankar Joshi [Independent Director]	NOMINATION AND REMUNERATION COMMITTEE
RameshchandGarg [Independent Director]	Mr. Bharat Sugnomal Bhatia [Chairman]
	Mr. RameshchandGarg
Bharat Sugnomal Bhatia [Independent Director]	Mr. VasantGaurishankar Joshi
	STAKEHOLDERS RELATIONSHIP COMMITTEE
Chief Financial Officer	Mr. RameshchandGarg [Chairman]
	Mr. Bharat Sugnomal Bhatia
	Mr. VasantGaurishankar Joshi
Company Secretary & Compliance Officer	Mr. Bharat Keshavlal Shah
	Mr. GouravDarak
Registered Office Address	110, T.V. Industrial Estate, 52, S.K.Ahira Marg, Worli, Mumbai - 400030
Registrar and Share Transfer Agent	PurvaShareregistry (India) Private Limited
	9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Lower Parel (East), Mumbai - 400011
Secretarial Auditor	M/s AnjanaManseta & Co.
Statutory Auditor	M/s Ambavat Jain & Associates, LLP, Chartered Accountant
Banks	HDFC Bank
Website of the Company	www.cml.net.in

NOTICE TO SHAREHOLDERS

Notice is hereby given that 5th Annual General Meeting of the Members of Chandni Machines Limited will be held on Monday, 20th September, 2021, at 03:00 P.M. through Video Conferencing (VC) or other Audio Visual Means (OAVM) as per the relaxation given by Ministry of Corporate Affairs vide General Circular No. 20/ 2020 dated May 5, 2020 for transacting the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021 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 give loan, or make investment or give guarantee or provide security in connection with loan to another company or body corporate or person under Section 186 of the Companies Act, 2013:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution-

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013, read with Companies (Meetings of the Board and its Powers) Rules, 2014 made thereunder, and subject to the provisions of Articles of Association of the Company, consent of the Board of Directors of the Company be and is hereby accorded, to given loan or make investments or give guarantee or provide security in connection with loan to another company or body corporate or person under Section 186 of the Companies Act, 2013 upto an aggregate amount not exceeding Rs.3,00,00,000/-, notwithstanding that the aggregate of the investments or loan or guarantees or securities to be given and/or securities so far acquired or to be acquired by the Company is within the limits asprescribed under Section 186 (2) of the Companies Act, 2013;

RESOLVED FURTHER THAT Jayesh R Mehta, Managing Director of the Company be and is hereby authorized to negotiate and decide, time to time, terms and conditions, to execute such documents, deeds, writing papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate and settle any questions, difficulty or doubt that may arise in this regard.”

By order of the Board

**Date: 12th August, 2021
Place: Mumbai**

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

NOTES:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business set out in Item No. 3 of the accompanying Notice to be transacted at the Annual General Meeting is annexed hereto.
- In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and General Circular No. 02/2021 dated 13th January, 2021 (collectively referred to as “MCA Circulars”) and other applicable circulars issued by the Securities and Exchange Board of India (SEBI) permitted to hold the Annual General Meeting (“AGM”) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 5th AGM of the Company is being held through VC / OAVM. The deemed venue for the 5th AGM shall be deemed to be the Registered Office of the Company situated at 110, T.V.Industrial Estate, 52, S.K.Ahire Marg, Worli, Mumbai - 400030.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 5th AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this 5th AGM is being held pursuant to the MCA Circulars through VC / OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 5th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting before AGM as well as the e-voting on the date of the AGM will be provided by CDSL.
- The Board has appointed **M/s S P K G & Co. LLP, Mumbai** as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner in the Board Meeting held on 12th August, 2021.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body resolution/authorization etc., authorizing their representative to attend the 5th AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Company on Email compliance@cml.net.in
- Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 14th September, 2021 to Monday, 20th September, 2021 (both days inclusive) for the purpose of 5th AGM of the Company.
- A brief detail of the director, who is being re-appointed, is annexed hereto as per the requirements of regulation 36 (3) of the SEBI Listing Regulations and as per the provisions of the Act.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 5th AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for F.Y.2020-2021 will also be available on the Company's website www.cml.net.in, website of the Stock Exchange i.e. BSE Limited and on the website of the CDSL www.evotingindia.com
- Members attending the 5th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 13th September, 2021 being Cut-off Date.
- Since the 5th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to compliance@cml.net.in

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

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

- The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.cml.net.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING ARE AS UNDER:

(i) The voting period begins on 17th September, 2021 at 09.00 A.M and ends on 19th September, 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the AGM.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is

	<p>available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting</p>

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

in demat mode)
login through their
Depository
Participants

option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.

2. Click on "Shareholders" module.

3. Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first time user follow the steps given below:

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

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance@cml.net.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT SECTION 102 OF THE COMPANIES ACT, 2013

Section 186(2) of the Companies Act, 2013, stipulates that no Company shall directly or indirectly give any loan to any other person or other body corporate, give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital plus free reserves plus securities premium account or 100% of its free reserves plus securities premium account, whichever is more.

Though the Section 186(2) makes restrictions as above, Section 186(3), empowers a Company to give loan, guarantee or provide any security or acquisition beyond the limit but subject to prior approval of members by way of special resolution passed at the general meeting of the company. Keeping in view the loans and advances made by the Company or Investment of surplus funds of the Company or other securities from time to time or guarantee given or to provide security in connection with loan to another company or body corporate which may or will exceed the limit prescribed under Sub section 186, it is hereby proposed to authorize Board of Directors to do above transaction upto Rs. 3,00,00,000/- (Rupees Three Crores only) in any manner as the Board may think necessary or fit to do so.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in anyway, concerned or interested in the said resolution.

The Board recommends Special Resolution for approval of the Members.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

ANNEXURE - I

Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to regulation 36(3) of the Listing Regulations) and SS-2 Secretarial Standard on General Meetings seeking re-appointment at ensuing 5th Annual General Meeting.

Name of Director	Mrs. Amita Jayesh Mehta
Date of Birth	1.11.1963
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 2020 - 2021	Mrs. Mehta attended all the 5 Board Meetings conducted during the year.
Directorships in other Listed Companies	Chandni Textiles Engineering Industries Limited
Membership /Chairmanship of Committees of other Board as on 31 st March, 2021	Nil
Total shares held by her in the Company with other Directors	5,51,925(17.10%) equity shares of Rs. 10/- each. Mrs. Amita Jayesh Mehta is the spouse of Mr. Jayesh Ramniklal Mehta.

By order of the Board

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

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

**Date: 12th August, 2021
Place: Mumbai**

DIRECTORS' REPORT

To
The Members
Chandni Machines Limited,

Your Directors have pleasure in presenting the 5th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended on 31st March, 2021.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY

Financial performance of your Company for the financial year ended 31st March, 2021 is summarized below:

(In Rupees)

Particulars	Standalone	
	March 31, 2021	March 31, 2020
Revenue from Operations	43,15,11,763	48,13,64,567
Other Income	27,42,429	26,72,195
Total Revenue	43,42,54,192	48,40,36,762
Profit before Depreciation, Interest and Tax (PBDIT)	26,99,896	11,95,311
Less: Depreciation	19,76,936	7,80,204
Less: Finance Cost	2,24,044	47,240
Profit Before Tax	4,98,916	3,67,867
Provision for Tax:		
Current Tax	NIL	65,262
Deferred tax	1,55,919	1,55,105
Profit/(Loss) After Tax	3,42,996	1,47,499
Balance brought forward from previous year	1,47,84,816	1,46,37,316
Balance carried to Balance sheet	1,51,27,812	1,47,84,815

2. REVIEW OF OPERATIONS

During the year under review, the **Revenue** of the company decreased to 43,15,11,763/- as compared to 48,13,64,567/- in previous year. The **Profit before Tax** has increased to 4,98,916/- as compared to 3,67,867/- in previous year. The **Net Profit** of the Company increased from 3,42,996/- as compared to 1,47,499/- in previous year.

3. DIVIDENDS

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

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

4. TRANSFER TO RESERVES

The Directors have decided to retain the entire amount of 1,51,27,812/- in the retained earnings.

5. LISTING WITH STOCK EXCHANGE

The Company confirms that it has paid the Annual Listing Fees for the years 2020-2021 & 2021-2022 to Bombay Stock Exchange ("BSE") where the Company's Shares are listed.

6. MATERIAL CHANGES AND COMMITMENTS

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

7. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of Director	Designation	Appointment Date	Resignation Date
1.	Jayesh Ramniklal Mehta	Chairman & Managing Director	12.04.2016	-
2.	Amita Jayesh Mehta	Non- Executive Director	12.04.2016	-
3.	Vasant Gaurishankar Joshi	Non- Executive & Independent Director	20.09.2018	-
4.	Bharat Sugnomal Bhatia	Non- Executive & Independent Director	20.09.2018	-
5.	Rameshchand Garg	Non- Executive & Independent Director	20.09.2018	-
6.	Bharat Keshavlal Shah	Director & Chief Financial Officer	07.02.2018	-
7.	**Gourav Darak	Company Secretary and Compliance Officer	05.09.2020	-

As on 31st March, 2021, the following were the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013 and the rules made thereunder:

- Jayesh Ramniklal Mehta- Chairman & Managing Director
- Bharat Keshavlal Shah – Director & Chief Financial Officer
- Gourav Darak– Company Secretary & Compliance Officer

**** Mr. Gourav Darak was appointed for the position of Company Secretary and Compliance Officer of the Company with effect from 05th September, 2020.**

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

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Directors recommends her re-appointment which has been annexed to this report as 'Annexure - I'

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

8. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated under Section 149(6) of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

9. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors duly met 5 (Five) times during the financial year from 01st April, 2020 to 31st March, 2021. The dates on which meetings were held are 31st July, 2020; 05th September, 2020; 15th September, 2020; 13th November, 2020 and 14th February, 2021.

The gap between two Board Meetings didn't exceed 120 days as per Section 173 of the Companies Act, 2013 except for the first quarter due to global pandemic.

10. ATTENDANCE OF DIRECTORS

Attendance of Directors at the Board Meetings held during the financial year ended 31st March, 2021 and at last AGM are as under:

Name of Director	Category	Number of Board Meetings		Attendance at the last AGM
		Held	Attended	Held on 29.09.2020
Mr. Jayesh Ramniklal Mehta	Managing Director	5	5	Yes
Mrs. Amita Jayesh Mehta	Non- Executive Director	5	5	Yes
Mr. Bharat Keshavlal Shah	Chief Financial Officer, Executive Director	5	5	Yes
Mr. Vasant Gaurishankar Joshi	Non-Executive, Independent	5	5	No
Mr. Bharat Sugnomal Bhatia	Non-Executive, Independent	5	5	Yes
Mr. Rameshchand Garg	Non-Executive, Independent	5	5	No

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

Attendance of directors at the committee meetings held during the financial year ended 31st March, 2021:

Name of Director	Audit Committee Meeting		Nomination & Remuneration Committee Meeting		Stakeholder Relationship Committee	
	Held	Attended	Held	Attended	Held	Attended
Mr. JayeshRamniklal Mehta	4	4	NA	NA	NA	NA
Mr. VasantGaurishankar Joshi	4	4	1	1	4	4
Mr. Bharat Sugnomal Bhatia	4	4	1	1	4	4
Mr. RameshchandGarg	NA	NA	1	1	4	4

NA- Not Applicable

11. DECLARATION BY INDEPENDENT DIRECTORS

All independent directors have given declaration of compliance of Rule 6(1) & (2) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended along with the declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTOR

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Director of the Company met separately on 12th February, 2021 to inter alia review the performance of Non-Independent Director.

12.COMMITTEES

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

● **Audit Committee**

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

The composition of Audit committee is as under:

Name of the Director	Designation	Position on the Committee
VasantGaurishankar Joshi	Non Executive Independent Director	Chairman
Bharat Sugnomal Bhatia	Non Executive Independent Director	Member
JayeshRamniklal Mehta	Managing Director	Member

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

During the year 4 meetings of Audit Committee was held on 31.07.2020, 15.09.2020, 13.11.2020 and 12.02.2021 respectively.

● **Nomination and Remuneration Committee**

The composition of Nomination & Remuneration Committee is as under:

Name of the Director	Designation	Position on the Committee
Bharat Sugnomal Bhatia	Non Executive Independent Director	Chairman
VasantGaurishankar Joshi	Non Executive Independent Director	Member
RameshchandGarg	Non Executive Independent Director	Member

During the year 1 meeting of Nomination and Remuneration committee was held on 05.09.2020

● **Stakeholders' Relationship Committee**

The composition of Stakeholder Relationship Committee is as under:

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

During the year 4 meetings of Stakeholder Relationship Committee was held on 31.07.2020; 14.08.2020; 13.11.2020 and 20.01.2021 respectively.

13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

14. FAMILIARIZATION PROGRAMME

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

The details of programs for familiarization of Independent Directors with the Company, their roles, responsibilities, in the Company and related matters are put up on the website of the Company at the link

<http://www.cml.net.in/pdf/2.%20Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

15. BOARD EVALUATION

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

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

16. PARTICULARS OF EMPLOYEES

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

Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees of the Company was in receipt of the remuneration during the financial year 2020-2021, which in aggregate was in excess of 1.02 crores per year or 8.5 lakhs per month or in excess of remuneration drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

17. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. that in the preparation of the annual financial statements for the financial year ended 31st March, 2021; the applicable accounting standards had been followed along with proper explanation relating to material departures;

- b. that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended as on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements for the financial year ended 31st March, 2021 have been prepared on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f. that the proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. INTERNAL FINANCIAL CONTROLS

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

19. PUBLIC DEPOSITS

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

20. LOAN FROM DIRECTOR

During the year under review, your Company has received loan of amount 3,00,000/- from Mr. Jayesh Ramniklal Mehta, Managing Director of the Company along with a declaration in writing to the effect that the amount given by him is not from the funds acquired by him by borrowing or accepting loans from others.

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

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

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The disclosure of

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is given in “Annexure – 3” of this Report.

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

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

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

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

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

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

Particulars	F.Y. 2020-2021	F.Y. 2019-2020
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	20,41,873	29,09,299

24. RISK MANAGEMENT

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

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

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

27. STATUTORY AUDITOR AND STATUTORY AUDITOR'S REPORT

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

The Auditors' Report on Standalone Financial Statements for the financial year 2020-2021, issued by M/s. Ambavat Jain & Associates LLP, Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

28. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Anjana Manseta & Co., Practicing Company Secretaries were appointed as the Secretarial Auditor of the Company to issue the Secretarial Audit Report for the year ended 31st March, 2021. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed to this report (**Annexure- 4**).

There are no qualifications, reservations, adverse remark or disclaimer in the Secretarial Audit Report.

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

Your Directors state that the applicable Secretarial Standards have been followed during the financial year 2020-2021.

30. EXTRACT OF ANNUAL RETURN

The extract of Annual Return of the Company as on 31st March, 2020 in Form MGT-9 in accordance with section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 is annexed herewith as "**Annexure- 5**". Also as required under amended Section 134(3) (a) of the Act, amended through Companies Amendment Act, 2017, effective from 31st July, 2018, the Company will place its Annual Return as on 31st March, 2021 on its website viz. www.cml.net.in , within the prescribed time.

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

32. CORPORATE GOVERNANCE

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

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

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

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

34. INSIDER TRADING CODE

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

35. ACKNOWLEDGEMENT

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

By order of the Board

Date: 12/08/2021

Place: Mumbai

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

“ANNEXURE – 2”

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

Sr. No.	Requirement	Disclosure	
		Name of Director	Ratio
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. Jayesh Ramniklal Mehta	2.41 :1
		Mrs. Amita Jayesh Mehta	0.12:1
		Mr. Vasant Gaurishankar Joshi	0.20:1
		Mr. Bharat Sugnomal Bhatia	0.20:1
		Mr. Rameshchand Garg	0.12:1
		Mr. Bharat Keshavlal Shah	0.12:1
		2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and company Secretary in the financial year.
Mr. Jayesh R Mehta	-10%		
Mrs. Amita Jayesh Mehta	25%		
Mr. Vasant Gaurishankar Joshi	NIL		
Mr. Bharat Sugnomal Bhatia	NIL		
Mr. Rameshchand Garg	25%		
Mr. Bharat Keshavlal Shah	25%		
Mr. Gourav Darak	NIL		
3.	The percentage increase in the median remuneration of employees in the Financial Year	Not Applicable	

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

4.	Number of permanent employees on the rolls of Company at the end of Financial Year	07 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

“ANNEXURE – 3”

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis: NIL

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2021, which were not at arm’s length basis.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

Name of the Related parties	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
Chandni Textiles Engineering Industries Limited	Sale of Machinery	10-12-2020	1,64,00,000	N.A.
	Rent/Compensation Received	01-04-2020 to 31-03-2021	5,06,250	
	Rent/Compensation Paid	01-04-2020 to 31-03-2021	7,87,500	
Mr. Jayesh Ramniklal Mehta	Remuneration paid to Managing Director	01-04-2020 to 31-03-2021	4,86,000	
Mr. Gourav Darak	Salary & Bonus	01-04-2020 to 31-03-2021	1,26,461	
Jayesh Ramniklal Mehta	Loan from Director	N.A.	3,00,000/-	

“ANNEXURE -4”

**FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31STMARCH 2021**
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
CHANDNI MACHINES LIMITED
(CIN – L74999MH2016PLC279940)
110, T.V. Industrial Estate, 52 S.K. 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 MACHINES LIMITED** hereinafter called the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **CHANDNI MACHINES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **CHANDNI MACHINES LIMITED** (“the Company”) for the financial year ended on 31stMarch 2021 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’):-

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - iii. 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];**
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - v. 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] ;**
 - vi. 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] ;**
 - vii. 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] ;**
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review].**
- (vi) The management has identified and confirmed the following laws as specifically applicable to the company:
- (a) Factories Act, 1948
 - (b) Industrial Disputes Act, 1947
 - (c) The Payment of Wages Act, 1936
 - (d) The Minimum Wages Act, 1948
 - (e) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 - (f) The Payment of Bonus Act, 1965
 - (g) The Payment of Gratuity Act, 1972
 - (h) The Contract Labour (Regulation & Abolition) Act, 1970
 - (i) Employees' State Insurance Act, 1948
 - (j) Water (Prevention and Control of Pollution) Act, 1974
 - (k) Air (Prevention and Control of Pollution) Act, 1981

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

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

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

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and committee thereof were carried out with requisite majority.

I further report that:-

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

I further report that,

During the audit period there were no instances of:

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

Date : 31 July 2021

**For AnjanaManseta& Co.
Company secretaries**

**AnjanaManseta
(Proprietor)
FCS No. : 10078
CP No. : 10668
UDIN: F010078C000718236**

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.

Annexure A

To,
The Members,
CHANDNI MACHINES LIMITED
(CIN – L74999MH2016PLC279940)
110, T.V. Industrial Estate, 52 S.K.AhireMarg,
Worli, Mumbai,
Maharashtra
India – 400030

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

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

Date: 31 July, 2021

Anjana Manseta & Co.
Company secretaries

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

UDIN: F010078C000718236

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

“ANNEXURE - 5”

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

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

(i) Category-wise Share Holding

Category of Shareholders	No. Of Shares held at the beginning of the year				No. Of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
<i>1) Indian</i>									
a) Individual/HUF	1416243	-	1416243	43.88	1416243	-	1416243	43.88	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	84442	-	84442	2.62	84442	-	84442	2.62	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	1500685	-	1500685	46.50	1500685	-	1500685	46.50	-
<i>2) Foreign</i>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2)	-	-	-	-	-	-	-	-	-
TOTAL (A) = (A)(1) + (A)(2)	1500685	-	1500685	46.50	1500685	-	1500685	46.50	-
B. Public Shareholding									
<i>1. Institutions</i>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	80	80	0.00	-	80	80	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	80	80	0.00	-	80	80	0.00	0.00
<i>2. Non Institutions</i>									
a) Bodies Corp.									
(i) Indian Companies	10022	4520	14542	0.45	38761	4520	43281	1.34	0.89
LLPs	2500	-	2500	0.08	4300	-	4300	0.13	0.06
(ii) Overseas	-	-	-	-	-	-	-	-	-

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

b) Individuals									
(i) Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	469564	38776	508340	15.75	460379	38716	499095	15.46	(0.29)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1153863	0	1153863	35.75	1152501	0	1152501	35.71	(0.04)
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Clearing Members	2784	0	2784	0.09	172	0	172	0.01	-0.08
Non- Residential Indian	450	-	450	0.01	500	-	500	0.02	-
Hindu Undivided Family	44189	0	44189	1.37	26819	0	26819	0.83	(0.54)
Sub-total(B)(2)	1683372	44296	1726668	53.50	1683432	43236	1726668	53.50	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1683372	43376	1726748	53.50	1683432	43316	1726748	53.50	0.00
C. Shares held by Custodian for GDRs &ADRs	-	-	-	-	-	-	-	-	-
Grand Total									
(A+B+C)	3184057	43376	3227433	100	3184117	43316	3227433	100	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Jayesh Ramniklal Mehta	838418	25.98	-	838418	25.98	-	-
2	Amita Jayesh Mehta	551925	17.10	-	551925	17.10	-	-
3	Prerna Jayesh Mehta	13400	0.42	-	13400	0.42	-	-
4	Chandni Jayesh Mehta	12500	0.39	-	12500	0.39	-	-
5	J. R. Texmachtrade Private Limited	84442	2.62	-	84442	2.62	-	-
	Total	1500685	46.50	0.00	1500685	46.50	0.00	-

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

Sr. No.	Particulars	Shareholding at the beginning of	Cumulative Shareholding
---------	-------------	----------------------------------	-------------------------

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

		the year 01.04.2020		during the year 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jayesh Ramniklal Mehta				
	At the beginning of the year	838418	25.98	838418	25.98
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2021	838418	25.98	838418	25.98
2.	Amita Jayesh Mehta				
	At the beginning of the year	551925	17.10	551925	17.10
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2021	551925	17.10	551925	17.10
3.	Prerna Jayesh Mehta				
	At the beginning of the year	13400	0.42	13400	0.42
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2021	13400	0.42	13400	0.42
4.	Chandni Jayesh Mehta				
	At the beginning of the year	12500	0.39	12500	0.39
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2021	12500	0.39	12500	0.39
5.	J.R. Texmachtrade Private Limited				
	At the beginning of the year	84442	2.62	84442	2.62
	Change in shareholding during the year	0	0	0	0
	At the end of the year as on 31/03/2021	84442	2.62	84442	2.62

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	CHETAN KANTILAL MEHTA				
	At the beginning of the year	386195	11.97	0	0
	No change during the year	0	0	0	0
	At the end of the year as on 31/03/2021	0	0	386195	11.97
2.	HETAL CHETAN MEHTA				
	At the beginning of the year	210000	6.51	0	0.00
	No change during the year	0	0	0	0
	At the end of the year as on 31/03/2021	0	0	210000	6.51
3.	KARISHMA JAYESH MEHTA				
	At the beginning of the year	150000	4.65	0	0.00
	No change during the year	0	0	0	0
	At the end of the year as on 31/03/2021	0	0	150000	4.65
4.	MAHAVIRSINGH N CHAUHAN				
	At the beginning of the year	122758	3.80	0	0.00
	No change during the year	0	0	0	0
	At the end of the year as on 31/03/2020	0	0	122758	3.80
5.	GIRIDHAR GUPTA SOMISETTY				
	At the beginning of the year	65075	2.02	0	0.00
	Decrease – Transfer on 31/07/2020	100	-0.00	64975	2.01

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Increase – Transfer on 14/08/2020	100	0	65075	2.02
	Decrease – Transfer on 19/02/2021	-1873	-0.06	63202	1.96
	Decrease- Transfer on 26/02/2021	-1851	-0.06	61351	1.90
	At the end of the year as on 31/03/2021	0	0	61351	1.90
6.	NEETU ASHER				
	At the beginning of the year	32958	1.02	0	0.00
	No change during the year	0	0	0	0
	At the end of the year as on 31/03/2021	0	0	32958	1.02
7.	EKTA MAHAJAN				
	At the beginning of the year	26440	0.82	0	0.00
	Decrease – Transfer on 31/07/2020	25000	-0.77	1440	0.04
	Increase – Transfer on 28/08/2020	25000	0.77	26440	0.82
	At the end of the year as on 31/03/2021	0	0	26440	0.82
8.	MADHURI HARILAL SHAH				
	At the beginning of the year	23006	0.71	0	0.00
	Increase – Transfer on 04/09/2020	13900	0.43	36906	1.14
	Decrease – Transfer on 05/03/2021	2278	-0.09	34128	1.06
	At the end of the year as on 31/03/2021	0	0	34128	1.06
9.	KALAVATI SURESH KANAKIA				
	At the beginning of the year	19297	0.60	0	0.00
	Decrease – Transfer on 19/02/2021	1000	-0.03	18297	0.57
	Decrease – Transfer on 26/02/2021	500	-0.02	17797	0.55
	At the end of the year as on 31/03/2021	0	0	17797	0.55

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

10	SACHIN RAMESH MHATRE				
	At the beginning of the year	16240	0.50	0	0
	Increase – Transfer on 05/02/2021	342	0.01	16582	0.51
	Increase – Transfer on 12/02/2021	316	0.01	16898	0.52
	Increase – Transfer on 19/02/2021	1000	0.03	17898	0.55
	Increase – Transfer on 19/03/2021	700	0.02	18598	0.58
	Increase – Transfer on 26/03/2021	2826	0.09	21424	0.66
	At the end of the year as on 31/03/2021	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Jayesh Ramniklal Mehta- Managing Director				
	At the beginning of the year	838418	25.98	838418	25.98
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	838418	25.98	838418	25.98
2.	Amita Jayesh Mehta – Non- Executive Director				
	At the beginning of the year	551925	17.10	551925	17.10
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	551925	17.10	551925	17.10
3.	Bharat Keshavlal Shah- Chief Financial Officer & Executive Director				
	At the beginning of the year	20	0.00	20	0.00
	Changes During the Year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	20	0.00	20	0.00

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

4.	Vasant Gaurishankar Joshi- Non- Executive Independent Director				
	At the beginning of the year	2	0.00	2	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	2	0.00	2	0.00
5.	Bharat Sugnomal Bhatia- Non- Executive Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	0	0.00	0	0.00
6.	Rameshchand Garg - Non- Executive Independent Director				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	0	0.00	0	0.00
7.	**Gourav Darak- Company Secretary & Compliance Officer				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	0	0.00	0	0.00
	At the end of the year as on 31/03/2021	0	0.00	0	0.00

****Mr. Gourav Darak is appointed for the position of Company Secretary and Compliance Officer w.e.f 05/09/2020.**

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	51,50,000	NIL	51,50,000
ii) Interest due but not paid	NIL	0	NIL	0
iii) Interest accrued but not due	NIL	0	NIL	0
Total (i+ii+iii)	NIL	51,50,000	NIL	51,50,000
Change in Indebtedness during the financial year				
- Addition	NIL	0	NIL	0
- Reduction	NIL	(48,50,000)	NIL	(48,50,000)
Net Change	NIL	(48,50,000)	NIL	(48,50,000)
Indebtedness at the end of the Financial Year				
i) Principal Amount	NIL	3,00,000	NIL	3,00,000
ii) Interest due but not paid	NIL	0	NIL	0
iii) Interest accrued but not due	NIL	0	NIL	0
Total (i+ii+iii)	NIL	3,00,000	NIL	3,00,000

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name Of MD / WTD / Manager	Total Amount (Rs.)
1.		Jayesh Ramniklal Mehta- Managing Director	

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

2.	Gross Salary		
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961	4,86,000	4,86,000
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	NIL	NIL
	(c)Profits in lieu of salary under section17(3) Income- tax Act,1961	NIL	NIL
3.	Stock Option	NIL	NIL
4.	Sweat Equity	NIL	NIL
5.	Commission - as% of profit- others, specify...	NIL	NIL
6.	Others, please specify	NIL	NIL
	Total(A)	4,86,000	4,86,000

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Mrs. Amita Jayesh Mehta	Mr. Bharat Keshavlal Shah	Mr.Ramesh chand Garg	Mr. Bharat Bhatia	Mr. Vasant Gaurishankar Joshi	Total Amount
I	Independent Directors						
1	Fee for attending Board/Committee meetings/AGM	-	25,000	25,000	40,000	40,000	1,30,000
2	Commission	-	-	-	-	-	-
3	Others, please specify	-	-	-	-	-	-
	Total (I)	-	25,000	25,000	40,000	40,000	1,30,000
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	-	-	-	-	25,000
	Total (B) = (I + II)	25,000	25,000	25,000	40,000	40,000	1,55,000

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Bharat Keshavlal Shah (CFO)	**Mr.Gourav Darak (Company Secretary & Compliance Officer)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	1,26,461	1,26,461
	(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)	-	-	-
	TOTAL	-	1,26,461	1,26,461

****Mr.GouravDarak is appointed for the position of Company Secretary and Compliance Officer w.e.f 05/09/2020.**

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended March 31, 2021

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

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

**Date: 12th August, 2021
Place: Mumbai**

“ANNEXURE - 6”

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The global injection molding machine market size was \$15.39 Bn in 2019 & is projected to reach \$20.49 Bn by 2027, at a CAGR of 4.1% in forecast period. Rising investments in technological advancements for reducing production costs and scraps, thereby shortening production cycle time, are expected to drive market growth. Injection molding machines are used to produce a variety of automotive parts such as bumpers, electrical housings, exterior body panels, and dashboards. Rising R&D expenditure has resulted in the development of new technologies such as advanced hydraulic systems for large parts, electric systems for digital processing of parts for small and complex components, and hybrid systems that can work for both large and small parts, thus saving costs.

Injection molding machines (IMM) are used in a broad range of industrial, medical, dental, aerospace, firearms, and automotive applications as it is one of the most important processes in mass production. The injection molding process is reproducible and delivers similar products at a fast rate. Furthermore, IMM can produce engineering components and small disposable consumer goods with high precision.

Manufacturers focus on producing IMM, which provides flexibility in production, has low maintenance, and is highly efficient. New injection molding processes such as gas-assisted injection molding, foam injection molding, co-injection molding, and multiple component injection molding are creating a high demand for injection-molded material.

Factors such as rapid population growth, rising industrialization, and technological advancements have augmented the demand for automotive components in emerging markets. The adoption of IMM in various applications such as interior and exterior trim components, electronic subassemblies, and under-hood applications is expected to have a positive impact on market growth.

OPPORTUNITY AND THREAT

All-electric injection molding machine has production efficiency, short injection times due to dynamic servo-motors, greater repeatability, reduced noise, and best acceleration performance. Due to the high technology of all-electric machines, the investment costs are high. Another disadvantage is the extraordinary maintenance in case of waste. In case of motor failure, the entire system must be changed, which entails significantly high maintenance costs.

There is a growing demand for large tonnage injection molding machines which are used for making large molded parts for automotive, appliances, and industrial applications. Earlier, due to plant infrastructure expenses, the demand for injection molding machines was not beyond the 400 tons range with 500 presses being the maximum limit. Over the years, the demand has changed. There is a great demand for large parts. The ability of machinery manufacturers to build a large energy-efficient machine that offers fast cycle time has increased. According to the Plastics Industry Association, the shipment of large machines has increased more than small machines. Large injection molding machines give companies good business opportunities in various markets, including sports, agriculture, and automotive.

OUTLOOK

Industries have been using injection molding machines for the past several years for manufacturing products that are made of plastic, metal, rubber, and other materials. These machines are primarily used in manufacturing small and daily-use products. They are manufactured in various sizes with innovative customizations. Moreover, such machines can be operated by multiple power sources, such as electrically and hydraulically.

Factors such as the increasing globalization and the demand for reliable and low-cost products are expected to boost this machine market revenue in the forecasted period. Furthermore, the adoption of advanced automated machines with low-cost offerings is the major trend in this market.

RISKS AND CONCERN

The coronavirus pandemic has wreaked havoc in many industries around the world. Immediate shutdowns of manufacturing plants have brought the economies of both developed and developing countries to a standstill. Moreover, the reduction in the labor workforce in the manufacturing sector has led to a decrease in the production rates, which is impacting the market growth.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Organization implements to provide direction, increase efficiency and strengthen adherence to policies. Employees discharge their assigned responsibilities to increase efficiency in the execution of work. Financial Statement provide correct and reliable information maintaining proper accounts.

DISCUSSION ON FINANCIAL PERFORMANCE

- 1. Share Capital:** As on March 31, 2021, the paid-up share capital of the Company stood at Rs. 3,22,74,330/- consisting of 32,27,433 equity shares of Rs. 10/- each.
- 2. Reserves and Surplus:** During the year, the total reserves and surplus of the Company is Rs. 1,92,30,753/- as compared to Rs. 1,88,87,756/- in the year 2019-2020.
- 3. Results:** The profit before tax increased to INR 4,98,916/- as in the year 2020-2021 to INR 3,67,867/- in the year 2019-2020.
The Profit for the period increased to INR 3,42,996 /- as in the year 2020-2021 to INR 1,47,499/- in the year 2019 - 2020.

HUMAN RESOURCE:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy & cordial throughout the year. The Management and the employees are dedicated to achieve the corporate objectives and the targets set before the company.

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

KEY FINANCIAL RATIO

PARTICULARS	2020-2021	2019-2020
Debtor's turnover ratio	1.96	4.89
Interest Coverage Ratio	2.22	7.78
Current Ratio	1.06	1.15
Debt-Equity Ratio	0	0.16
Operating Profit (%)	0.12%	0.08%
Net Profit (%)	0.08%	0.03%
Return on Net Worth	0.66%	0.29%

CAUTIONARY STATEMENT:

Some of the statements made above are stated as required by applicable regulations. While they are based on the data available and the bonafide judgment of the management, the actual results may be affected by various factors, which may be different from what your management envisages in terms of future performance & outlook.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Chandni Machines Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

The key audit matters	How our audit addressed the key audit matter
External confirmations request perpetrated pursuant to SA 505	
<p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers. In view of statewide lockdowns, many offices were not functioning at the year and in the subsequent period. We had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are few confirmations not received till the date of the audit report.</p> <p>In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.</p>	<p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue and purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.</p> <p>We performed alternative audit procedures like follow-up confirmation requests, verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.</p>
Allowance for credit losses in respect of advances to foreign vendors	
<p>The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company had given advances to foreign vendors against import of engineering goods. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where these foreign vendors are located. In calculating expected credit losses in respect of these advances, the Company also considered the relevant credit information for its vendors to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.</p> <p>We identified allowance for credit losses as a key audit matter because of the significant judgement involved in calculating the expected credit losses. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimate of the expected credit losses.</p>	<p>Our audit procedures related to the allowance for credit losses for the advances to the foreign vendors and contract assets included the following, among others:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls over the (1) development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, (2) completeness and accuracy of information used in the estimation of probability of default, and (3) computation of the allowance for credit losses. • For a sample of foreign vendors, we tested the input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. • We evaluated the incorporation of the applicable assumptions into the estimate of expected credit losses and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. • We evaluated the qualitative adjustment to the historical loss rates, including assessing the basis for the adjustments and the reasonableness of the significant assumptions.
Measurement and valuation of inventory	
As at 31st March 2021, the Company has	Our audit procedures relating to the

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

<p>inventory amounting to Rs.3,68,15,364/-. (Refer Note no.8) This was determined a key audit matter, as the measurement and valuation of the inventory at the year-end involves significant judgement and estimate.</p> <p>The Company uses internal and external experts, to perform volumetric assessments, basis which the quantity for these inventories is estimated.</p>	<p>measurement of inventory included the following: Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory; Evaluation of competency and capabilities of management's experts; Observing, physically or through remote access, inventory measurement and count procedures carried out by management using experts, to ensure its appropriateness and completeness; Obtaining and inspecting, inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities.</p> <p>Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities.</p>
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Emphasis of Matter paragraph

We draw attention to note no. 43 forming part of the standalone financial statements, which describes the management's assessment of uncertainties related to COVID-19 and its consequential financial impact on its assets as at 31st March 2021 and operations of the Company. Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income),

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

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

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as on its financial position in its standalone financial statements as mentioned in Note no. 42;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) as amended:

According to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

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

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

**Place: Mumbai
Date: 24 June 2021**

ICAI UDIN No: 21111829AAAAJH3218

Annexure – A to the Auditors’ Report

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

- [i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- [ii] As informed to us, the inventory in the company’s possession has been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on verification between physical stock and book records were not material.
- [iii] The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained u/s.189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable.
- [iv] As informed to us, the Company has neither given any loans nor made any investment or provided guarantee or security during the year. Accordingly, clause 3(iv) of the Order is not applicable.
- [v] The company has not accepted any deposits from the public.
- [vi] As informed to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the product of the Company.
- [vii] (a) In our opinion and according to the information and explanations given to us, the company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues applicable to it. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, custom duty, service tax, excise duty, value added tax, which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not obtained any loans or borrowings from any banks, financial institutions, government or debenture holders during the year. Accordingly, clause 3(viii) of the order is not applicable.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

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

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

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

**Place: Mumbai
Date: 24 June 2021**

ICAI UDIN No: 21111829AAAAJH3218

Annexure - B to the Auditors' Report

(Referred to in paragraph 2 (f) under 'Report on other Legal & Regulatory Requirements' Section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Chandni Machines Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Considering the size of the company and nature of its business, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: Mumbai
Date: 24 June 2021**

ICAI UDIN No: 21111829AAAAJH

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Balance Sheet as at 31st March, 2021

	Particulars	Note No.	AS AT 31-03-2021	AS AT 31-03-2020
I	ASSETS			
(1)	NON-CURRENT ASSETS			
(a)	Property, Plant and Equipment	3	2,57,69,849	2,43,34,815
(b)	Right of use assets	4	32,10,857	26,40,343
(c)	Financial Assets			
(i)	Other Financial Assets	5	3,77,883	3,10,815
(d)	Other non-current assets	6	6,45,940	10,37,524
(e)	Income-tax Assets (net)	7	5,48,789	2,40,075
(2)	CURRENT ASSETS			
(a)	Inventories	8	3,68,15,364	5,65,51,403
(b)	Financial Assets			
(i)	Trade receivables	9	21,98,34,060	9,83,34,644
(ii)	Cash and cash equivalents	10	49,77,908	40,87,273
(iii)	Bank balances other than (ii) above	11	1,60,11,638	1,82,11,638
(iv)	Other financial assets	12	25,000	20,50,000
(c)	Other current assets	13	12,07,20,194	78,68,516
	Total Assets		42,89,37,482	21,56,67,046
II	EQUITY AND LIABILITIES			
(1)	EQUITY			
(a)	Equity Share capital	14	3,22,74,330	3,22,74,330
(b)	Other Equity	15	1,92,30,753	1,88,87,756
(2)	LIABILITIES			
(A)	NON -CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Lease liabilities	16	19,89,360	17,21,160
(b)	Deferred tax liabilities (Net)	17	2,04,725	48,806
(B)	CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Borrowings	18	3,00,000	51,50,000
(ii)	Trade payables	19		
(a)	total outstanding dues of micro enterprises & small enterprises		37,017	-
(b)	total outstanding dues of creditors other than micro enterprises & small enterprises		20,26,03,143	10,49,75,349
(iii)	Lease liabilities	20	12,85,670	9,29,488
(b)	Other Current Liabilities	21	17,10,12,483	5,16,80,157
	Total Equity and Liabilities		42,89,37,482	21,56,67,046

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

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

On behalf of the Board

Ashish J. Jain
Partner
Membership No. 111829

J.R. Mehta
Director

A.J. Mehta
Director

Place : MUMBAI
Date : 24-06-2021

Gourav Darak
Company Secretary
Place : MUMBAI
Date : 24-06-2021

Bharat Shah
Chief Financial Officer

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	2020-21	2019-20
Income			
I Revenue From Operations	22	43,15,11,763	48,13,64,567
II Other Income	23	27,42,429	26,72,195
III Total Income (I + II)		43,42,54,192	48,40,36,762
Expenses			
a) Purchases of Stock-in-Trade	24	39,95,62,526	46,54,63,130
b) Change in inventories of Stock-in-Trade	25	1,97,36,039	(13,21,292)
c) Employee benefits expense	26	40,01,899	42,78,176
d) Finance costs	27	2,24,044	47,240
e) Depreciation & amortization	3 & 4	19,76,936	7,80,204
f) Other expenses	28	82,53,832	1,44,21,436
Total Expenses (IV)		43,37,55,276	48,36,68,895
V Profit before tax (III - IV)		4,98,916	3,67,867
VI Tax expenses :	29		
(i) Current tax		-	65,262
(ii) Deferred tax		1,55,919	1,55,106
		1,55,919	2,20,368
VII Profit for the period (V - VI)		3,42,996	1,47,499
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period(VII+VIII)		3,42,996	1,47,499
X Earnings per equity share	30		
(a) Basic		0.11	0.05
(b) Diluted		0.11	0.05

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

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

On behalf of the Board

J.R. Mehta
Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829
Place :MUMBAI
Date : 24-06-2021

Gourav Darak
Company Secretary
Place :MUMBAI
Date : 24-06-2021

Bharat Shah
Chief Financial Officer

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2021

Accounting Policy

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Particulars	2020-21	2019-20
	Rupees	Rupees
Cash flow from operating activities		
Profit before Tax	4,98,916	3,67,867
Adjustment for :		
Depreciation	19,76,936	7,80,204
Preliminary Expenses W/off	90,336	90,336
Demerger Expenses Written off	2,52,884	2,52,884
Cancellation of Lease (Ind AS)	(48,102)	-
Rent Concession (Covid-19)	(80,000)	-
Interest Expense	2,24,044	47,240
Cash operating profit before working capital changes	29,15,013	15,38,531
Adjustment for :		
(Increase)/Decrease in trade receivables	(12,14,99,416)	(5,87,03,359)
(Increase)/Decrease in Inventories	1,97,36,039	(13,21,292)
(Increase)/Decrease in Other Financial Assets	42,25,000	(2,02,50,298)
(Increase)/Decrease in Other Current Assets	(11,28,51,678)	58,74,530
(Increase)/Decrease in Other Non-Current Assets	48,365	-
(Increase)/Decrease in Other Non-Current Financial Assets	(67,068)	(3,10,815)
Increase/(Decrease) in trade payables	9,76,64,812	9,84,86,151
Increase/(Decrease) in Other Non -Current Liabilities	11,93,32,326	(1,98,41,541)
Cash generated from operating activities	95,03,393	54,71,906
Income taxes paid (net of refund)	(3,08,714)	(2,47,858)
Net Cash generated from operating activities	91,94,679	52,24,048
Cash flow from Investing activities		
Purchase of Property, Plant and Equipments	(20,18,644)	(8,48,107)
Payment for Right of Use Assets	(5,400)	(6,400)
Net cash generated/(used) from investing activities	(20,24,044)	(8,54,507)
Cash flow from Financing activities		
Short term borrowings repaid	(48,50,000)	(7,00,000)
Payment of Lease liabilities	(14,30,000)	(3,33,871)
		-
Net cash generated/(used) from financing activities	(62,80,000)	(10,33,871)
Net Increase/(decrease) in cash and cash equivalents	8,90,635	33,35,670
Cash and cash equivalents at the beginning of the year	40,87,273	7,51,603
Cash and cash equivalents at end of the year	49,77,908	40,87,273

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

On behalf of the Board

J.R. Mehta
Director

A.J. Mehta
Director

Ashish J. Jain
Partner
Membership No. 111829

Gourav Darak
Company Secretary

IBharat Shah
Chief Financial Officer

Place : MUMBAI
Date : 24-06-2021

Place : MUMBAI
Date : 24-06-2021

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total Equity
		Reserves and Surplus		Items of Other Comprehensive Income		
		Capital Reserve	Retained Earnings			
	A				B	(A+B)
As at 1st April 2019	3,22,74,330	41,02,941	1,46,37,317	-	1,87,40,258	5,10,14,588
Profit for the year			1,47,499		1,47,499	1,47,499
Other Comprehensive income				-		
Total comprehensive income for the year			1,47,499	-	1,47,499	1,47,499
As at 31st March 2020	3,22,74,330	41,02,941	1,47,84,816	-	1,88,87,757	5,11,62,086
Profit for the year			3,42,996		3,42,996	3,42,996
Other Comprehensive income				-		
Total comprehensive income for the year	-	-	3,42,996	-	3,42,996	3,42,996
As at 31st March 2021	3,22,74,330	41,02,941	1,51,27,812	-	1,92,30,753	5,15,05,083

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

On behalf of the Board

Ashish J. Jain
Partner
Membership No. 111829

J.R. Mehta
Director

A.J. Mehta
Director

Place : MUMBAI
Date : 24-06-2021

Gourav Darak
Company Secretary
Place : MUMBAI
Date : 24-06-2021

Bharat Shah
Chief Financial Officer

CHANDNI MACHINES LIMITED

(Formerly known as Chandni Machines Private Ltd.)

NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Chandni Machines Ltd. is a public company limited by shares, domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at 110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030, India. Its shares are listed on BSE Ltd in India.

The Company is primarily engaged in trading of engineering goods.

The financial statements are approved by the company's board of directors on 24-06-2021.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the Financial Statements of Chandni Machines 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.

(ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except otherwise stated in the financial statements.

(iii) Use of estimates

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

(b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

The Company classifies all other liabilities as non-current.

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

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

c) Fair value measurement

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

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

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

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

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

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

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

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

d) Revenue recognition

The Company earns revenue primarily from sale of products and sale of services.

Sale of Products and Services

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

Revenues are recognized when the Company satisfies the performance obligation by transferring a promised product or service to a customer. A product is transferred when the customer obtains control of that product. To recognize revenues, company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Engineering Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of reporting period

Interest Income

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

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

e) Transactions in Foreign Currency

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

f) Cash and cash equivalents

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

g) Trade receivables

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

h) Inventories

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

- Costs includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation.

Historical Cost represents direct expenses incurred on acquisition or construction of the assets and the share of indirect expenses relating to construction allocated in proportion to the direct cost involved.

Depreciation methods, estimated useful lives and residual value

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

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

j) Lease

As a Lessee

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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

The weighted average incremental borrowing rate applied to lease liabilities is 6%.

As a lessor

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

k) Financial instruments

Financial assets

Initial recognition and measurement

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

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

Classification

- Cash and Cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks.

- Debt Instruments

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

- (i) Financial assets at amortised cost

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

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

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

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

Derecognition

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

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

l) Trade and Other Payables

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

m) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

n) Employee Benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

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 recognized as employee benefit expense when they are due.

o) Tax expenses

(i) Current tax

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

(ii) Deferred Tax

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

ANNUAL REPORT 2020 - 2021 CHANDNI MACHINES LIMITED

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

p) Earnings per share

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

q) Impairment of assets

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

r) Segment Reporting

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

s) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized 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 recognized 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 recognized as an asset.

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

3. Property, Plant and Equipment

	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT		
	As at 01/04/2020	Additions	Deductions/ Adjustments	As at 31/03/2021	Upto 31/03/2020	For the year	Deductions/ Adjustments	Upto 31/03/2021	As at 31/03/2021	s at 1/03/2020
<i>Office Premises</i>	2,41,29,760	-		2,41,29,760	4,36,298	3,81,809		8,18,107	2,33,11,653	2,36,93,462
<i>Furniture & Fixtures</i>	2,36,417	-	-	2,36,417	9,384	22,708	-	32,092	2,04,325	2,27,033
<i>Office Equipments</i>	4,14,385	26,836	-	4,41,221	85,506	81,599	-	1,67,105	2,74,116	3,28,879
<i>Computer</i>	49,200	-	-	49,200	21,407	15,566	-	36,973	12,227	27,793
<i>Vehicles</i>	50,356	19,91,808	-	20,42,164	20,301	74,644	-	94,945	19,47,219	30,055
<i>Air Conditioners</i>	23,500	-	-	23,500	17,074	2,326	-	19,400	4,100	6,426
<i>Electrical Fittings</i>	51,967	-	-	51,967	30,800	4,958	-	35,758	16,209	21,167
Total	2,49,55,585	20,18,644	-	2,69,74,229	6,20,770	5,83,610	-	12,04,380	2,57,69,849	2,43,34,815
<i>Total Previous Year</i>	2,41,07,477	8,48,107	-	2,49,55,585	1,43,902	4,76,868	-	6,20,770	2,43,34,815	2,39,63,575

4. Right of use assets

Particulars	Building	
	31-03-2021	31-03-2020
Balance at the beginning	26,40,343	-
Additions	40,31,802	29,43,679
Deletion	20,67,962	-
Depreciation	13,93,326	3,03,336
Balance at the year end	32,10,857	26,40,343

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

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Notes forming part of the Financial Statements

		AT AT 31-03-2021	AT AT 31-03-2020
5	<u>OTHER NON-CURRENT FINANCIAL ASSETS</u>		
	(Unsecured considered good)		
	Security Deposits - Considered good	3,77,883	3,10,815
	Security Deposits - Considered doubtful	75,000	75,000
	Less : Allowance for doubtful deposits	(75,000)	(75,000)
		3,77,883	3,10,815
6	<u>OTHER NON-CURRENT ASSETS</u>		
	(Unsecured considered good)		
	Deposit with Government Authorities	75,000	1,23,365
	Others	5,70,940	9,14,159
		6,45,940	10,37,524
7	<u>INCOME TAX ASSETS (net)</u>		
	Advance Tax / TDS less provisions	5,48,789	2,40,075
		5,48,789	2,40,075
8	<u>INVENTORIES</u>		
	(As taken, valued and certified by the management)		
	Stock-in-trade	3,68,15,364	5,65,51,403
		3,68,15,364	5,65,51,403
9	<u>TRADE RECEIVABLES</u>		
	Trade Receivables considered good - Unsecured	21,98,34,060	9,83,34,644
		21,98,34,060	9,83,34,644
10	<u>CASH & CASH EQUIVALENTS</u>		

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Balances with banks		
	-in current accounts	38,99,906	30,95,952
	-in Fixed Deposit	6,00,000	-
	Cash on hand	4,78,002	9,91,321
		49,77,908	40,87,273
11	<u>OTHER BANK BALANCES</u>		
	Bank deposits with maturity of more than 3 months but less than 12 months	1,60,11,638	1,82,11,638
		1,60,11,638	1,82,11,638
12	<u>OTHER CURRENT FINANCIAL ASSETS</u>		
	(Unsecured, considered good)		
	Advances to Others	25,000	20,50,000
		25,000	20,50,000
13	<u>OTHER CURRENT ASSETS :</u>		
	Unsecured, Considered Good		
	Balances with Govt. Authorities	9,96,477	18,77,494
	Claims & Other Receivables	4,06,796	31,33,966
	Advances to vendors	11,92,19,340	8,80,076
	Prepaid Expenses	97,581	66,536
		12,07,20,194	59,58,072
	Unsecured, Considered Doubtful		
	Advances to vendors/others	15,08,405	46,58,098
	Less :- Allowance for doubtful advances	15,08,405	27,47,655
		-	19,10,444
		12,07,20,194	78,68,516
14	<u>EQUITY SHARE CAPITAL</u>		
(a)	<u>AUTHORISED :</u>		
	32,50,000 (32,50,000) Equity Shares of Rs. 10/- each	3,25,00,000	3,25,00,000

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

		3,25,00,000	3,25,00,000
(b)	<u>ISSUED, SUBSCRIBED AND FULLY PAID</u>		
	32,27,433 (32,27,433) Equity Shares of Rs.10/- each	3,22,74,330	3,22,74,330
		3,22,74,330	3,22,74,330
(c)	The reconciliation of the number of shares outstanding is set out below :		
	Equity Shares of Rs.10/- each at the beginning of the year	32,27,433	32,27,433
	Equity Shares of Rs.10/- each at the end of the year	32,27,433	32,27,433
(d)	The Company has only one class of equity shares. These shares rank paripassu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation.		
(e)	The details of Shareholders holding more than 5% shares		
	<u>Name of the Shareholder</u>	<u>Noof Shares</u>	<u>%</u>
	Mr. Jayesh R. Mehta	8,38,418	25.98
	Mrs. Amita J. Mehta	5,51,925	17.10
	Mr. Chetan K. Mehta	3,86,195	11.97
	Mrs. Hetal C. Mehta	2,10,000	6.51
15	<u>OTHER EQUITY</u>		
	<u>Reserves & Surplus</u>		
(a)	Capital Reserve		
	Opening Balance	41,02,941	41,02,941
	Closing Balance	41,02,941	41,02,941
(b)	Retained Earnings		
	Opening Balance	1,47,84,816	1,46,37,317
	Add : Profit for the year	3,42,996	1,47,499
	Closing Balance	1,51,27,812	1,47,84,816
		1,92,30,753	1,88,87,756

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

16	<u>NON- CURRENT FINANCIAL LIABILITIES</u>		
	Lease Liabilities	19,89,360	17,21,160
		19,89,360	17,21,160
(a)	The following is the movement in lease liabilities during the year ended March 31, 2021		
	Balance as at beginning	26,50,648	-
	Additions	40,26,402	29,37,279
	Finance cost accrued during the period	2,24,044	47,240
	Deletions	(21,16,064)	-
	Rent concession (Covid-19)	(80,000)	-
	Payment of lease liabilities	(14,30,000)	(3,33,871)
	Balance at the end	32,75,030	26,50,648
(b)	Maturity analysis of lease liabilities		
	Contractual undiscounted cash flows		
	Less than one year		10,80,000
		14,40,000	
	One to five years		18,26,129
		20,72,000	
	More than five years		-
		-	
	Total undiscounted lease liabilities at 31 March		29,06,129
		35,12,000	
	Lease liabilities included in the Statement of Financial position at 31 March		26,50,648
		32,75,030	
	Current		9,29,488
		12,85,670	
	Non-Current		17,21,160
		19,89,360	
(c)	The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.		
17	<u>DEFERRED TAX LIABILITIES/(ASSETS) (NET)</u>		
	<u>Deferred tax Liabilities :</u>		
	Timing difference on account of depreciation	12,00,145	6,96,987
		12,00,145	6,96,987
	<u>Deferred Tax Assets :</u>		
	Expenses allowable on payment basis under Tax Laws	55,174	-

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Unabsorbed Depreciation	5,41,734	-
	Allowances for doubtful advances / deposits	3,98,511	6,45,823
	Others	-	2,358
		9,95,420	6,48,181
	Net Deferred Tax Liabilities/(Assets)	2,04,725	48,806
18	<u>CURRENT BORROWINGS</u>		
	<u>Unsecured :</u>		
	From Director	3,00,000	51,50,000
		3,00,000	51,50,000
19	<u>TRADE PAYABLES</u>		
	Outstanding dues to micro enterprises & small enterprises	37,017	-
	Outstanding dues of creditors other than micro enterprises & small enterprises	20,26,03,143	10,49,75,349
		20,26,40,160	10,49,75,349
	(Refer note No. 35 for additional information under the MSMED Act, 2006)		
20	<u>OTHER CURRENT FINANCIAL LIABILITIES</u>		
	Lease Liabilities (Refer note No. 16)	12,85,670	9,29,488
		12,85,670	9,29,488
21	<u>OTHER CURRENT LIABILITIES</u>		
	Advances received from customers	17,07,90,654	5,13,67,190
	Statutory Dues payable	2,21,829	3,12,967
		17,10,12,483	5,16,80,157
22	<u>REVENUE FROM OPERATIONS</u>		
	Sales of Products	43,15,11,763	48,12,99,567
	Sales of Services	-	65,000
		43,15,11,763	48,13,64,567
22.1	<u>PARTICULARS OF SALE OF PRODUCTS</u>		

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Engineering Goods	43,15,11,763	48,09,43,567
	Others	-	3,56,000
		43,15,11,763	48,12,99,567
22.2	<u>PARTICULARS OF SALE OF SERVICES</u>		
	Engineering Services	-	65,000
		-	65,000
23	<u>OTHER INCOME :</u>		
	Interest Income :		
	on Bank Fixed Deposits	7,05,249	7,04,849
	on Others	3,747	12,23,656
	on Unwinding	20,224	4,382
	Foreign Exchange gains - (Net)	1,38,806	1,99,308
	Rent Concession (Covid-19)	80,000	-
	Miscellaneous Income	5,55,153	5,40,000
	Provisions for doubtful advances no longer required	12,39,250	-
		27,42,429	26,72,195
24	<u>PURCHASES OF STOCK-IN-TRADE</u>		
	Engineering Goods	39,95,62,526	46,51,71,130
	Others	-	2,92,000
		39,95,62,526	46,54,63,130
25	<u>CHANGES IN INVENTORIES OF STOCK-IN-TRADE</u>		
	Opening Stock		
	Stock-in-trade	5,65,51,403	5,52,30,111
	Less : Closing Stock :		
	Stock-in-trade	3,68,15,364	5,65,51,403
		1,97,36,039	(13,21,292)
26	<u>EMPLOYEE BENEFITS EXPENSES</u>		

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Salaries, Wages, Bonus etc.	38,65,233	41,33,192
	Contribution to Provident Fund and other funds	44,595	45,264
	Employees Welfare Expenses	92,071	99,720
		40,01,899	42,78,176
27	<u>FINANCE COSTS</u>		
	Interest on lease liabilities	2,24,044	47,240
		2,24,044	47,240
28	<u>OTHER EXPENSES</u>		
	Bank Charges	-	8,319
	Clearing, Forwarding & Freight	2,17,600	2,83,000
	Commission on sales	34,15,840	50,07,875
	Security Service charges	-	2,31,000
	Contract labour charges	2,24,000	
	Travelling & Conveyance	2,85,546	11,02,088
	Telephone, Postage & Telegram	54,390	61,301
	Electricity Charges	1,31,893	1,17,193
	Sales Promotion & Advertisement	2,15,136	3,51,687
	Insurance	25,289	44,732
	Legal & Professional Charges	4,85,800	2,63,250
	Rent	8,09,165	10,84,772
	Rates & taxes	57,546	72,284
	Repairs - Others	6,96,807	2,68,318
	General Expenses	8,89,498	15,71,862
	Payment to Auditors :		
	- As Auditor	2,00,500	2,00,500
	Business Loss / Sundry Balance W/off	2,01,602	14,99,591
	Allowance for doubtful advances/deposits	-	19,10,444
	Preliminary Expenses written off	90,336	90,336
	Demerger Expenses written off	2,52,884	2,52,884
		82,53,832	1,44,21,436
29	<u>TAX EXPENSE</u>		
(a)	Income tax		

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	Tax on profits for the year	-	65,262
	Tax for prior year	-	-
	Total income tax	-	65,262
(b)	Deferred tax		
	Decrease / (Increase) in deferred tax assets	(347,239)	(244,018)
	(Decrease) / Increase in deferred tax liabilities	503,158	399,124
	Total deferred tax expense/(benefit)	155,919	155,106
	Total tax expense	155,919	220,368
(c)	Reconciliation of tax expense and the accounting profit multiplied by tax rate :		
	Profit before income tax expenses	4,98,916	3,67,867
	Tax at the current tax rate	1,25,567	84,168
	Tax effect of expenses which are not deductible :	7,801	3,569
	Tax effect on adjustment due to change in tax rates	7,473	(3,591)
	Reversal of Mat Credits	-	1,36,222
	Tax effect due to Ind AS adjustments	15,078	-
	Tax expense as per Income Tax	1,55,919	2,20,368
30	<u>Earnings per Share :- Basic and Diluted</u>		
	a) Profit after tax	Rs.	3,42,996
			1,47,499
	b) Weighted Average Number of Equity shares outstanding	Nos.	32,27,433
			32,27,433
	c) The nominal value per Equity Share	Rs.	10
			10
	d) Earnings per Share –Basic & Diluted	Rs.	0.11
			0 .05

Measurement

Financial instruments by category

	As at 31-03-2021		As at 31-03-2020	
	FVPL	Amortised cost	FVPL	Amortised cost
<u>Financial Assets</u>				
Trade receivables	-	21,98,34,060	-	9,83,34,644
Cash & Cash Equivalents	-	49,77,908	-	40,87,273
Other Bank Balances	-	1,60,11,638	-	1,82,11,638
Security Deposit	-	3,77,883	-	3,10,815
Advances to Others	-	25,000	-	20,50,000
Total Financial Assets	-	24,12,26,489	-	12,29,94,370
<u>Financial Liability</u>				
Borrowings	-	3,00,000	-	51,50,000
Trade payables	-	20,26,40,160	-	10,49,75,349
Lease Liability	-	32,75,030	-	26,50,648
Total Financial Liability	-	20,62,15,190	-	11,27,75,997

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

32. FAIR VALUE HIERARCHY

(i) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31-03-2021:

	Fair value measurement using				Total
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
<u>Financial Assets at amortised cost</u>					
Trade Receivables	31-03-2021		21,98,34,060		21,98,34,060
Bank Balances	31-03-2021		44,99,906		44,99,906
Other Bank Balances	31-03-2021		1,60,11,638		1,60,11,638
Security Deposits	31-03-2021		3,77,883		3,77,883
Advances to Others	31-03-2021		25,000		25,000
<u>Financial Liabilities at amortised cost</u>					
Borrowings	31-03-2021		3,00,000		3,00,000
Trade payable	31-03-2021		20,26,40,160		20,26,40,160
Lease Liabilities	31-03-2021		32,75,030		32,75,030

(ii) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31-03-2020:

	Fair value measurement using				Total
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
<u>Financial Assets at amortised cost</u>					
Trade Receivables	31-03-2020		9,83,34,644		9,83,34,644
Bank Balances	31-03-2020		30,95,952		30,95,952
Other Bank Balances	31-03-2020		1,82,11,638		1,82,11,638
Security Deposits	31-03-2020		3,10,815		3,10,815
Advances to Others	31-03-2020		20,50,000		20,50,000
<u>Financial Liabilities at amortised cost</u>					
Borrowings	31-03-2020		51,50,000		51,50,000
Trade payable	31-03-2020		10,49,75,349		10,49,75,349
Lease Liabilities	31-03-2020		26,50,648		26,50,648

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

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

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

33. Financial Risk Management

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

The Company's risk management is carried out by chief financial officer under policies approved by the Board of Directors. The Company's chief financial officer identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity. The risk management includes identification, evaluation and identifying the best possible option to reduce such risk. The Board has been monitoring the risks that the Company is exposed to due to outbreak of COVID 19 closely. The Board has taken all necessary actions to mitigate the risks identified basis the information and situation present.

(A) Market Risk

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

(i) Foreign Currency Risk

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

Currency	31-03-2021 Asset (Receivable)	31-03-2020 Asset (Receivable)	31-03-2021 Liability (Payable)	31-03-2020 Liability (Payable)	31-03-2021 Net Receivable/ (Payable)	31-03-2020 Net Receivable/ (Payable)
US Dollar (USD)	4,22,242	6,10,742	-	-	4,22,242	6,10,742
Great Britain Pound (GBP)	-	23,13,608	-	-	-	23,13,608
Euro	2,48,952	10,85,038	-	-	2,48,952	10,85,038
Exposure to foreign currency risk	6,71,194	40,09,388	-	-	6,71,194	40,09,388

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

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, 2021	March 31, 2020
USD sensitivity		
INR/USD Increases by 5%	21,112	30,537
INR/USD Decreases by 5%	(21,112)	(30,537)
EURO sensitivity		
INR/EURO Increases by 5%	12,448	54,252
INR/EURO Decreases by 5%	(12,448)	(54,252)
GBP sensitivity		
INR/GBP Increases by 5%	-	1,15,680
INR/GBP Decreases by 5%	-	(1,15,680)

Holding all other variables constant

(ii) Interest Risk

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

(B) Credit Risk

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

(C) Liquidity Risk

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

Maturities of Financial Liabilities

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

	Not later than 1 year	Between 1 to 5 years	Later than 5 years	Total
31-03-2021				
Non-derivatives				
Borrowings	3,00,000	-	-	3,00,000
Trade Payables	20,26,40,160	-	-	20,26,40,160
Lease Liabilities	12,85,670	19,89,360	-	32,75,030
	<u>20,42,25,830</u>	<u>19,89,360</u>	<u>-</u>	<u>20,62,15,190</u>
31-03-2020				
Non-derivatives				
Borrowings	51,50,000	-	-	51,50,000
Trade Payables	10,49,75,349	-	-	10,49,75,349
Lease Liabilities	9,29,488	17,21,160	-	26,50,648
	<u>11,10,54,837</u>	<u>17,21,160</u>	<u>-</u>	<u>11,27,75,997</u>

(D) Risk due to outbreak of COVID 19 pandemic

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

34 Capital management

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

In order to achieve the aforesaid objectives, the Company has not sanctioned any major capex since inception. However, modernization, upgradation and continued marginal expansions have been to remain competitive and improve product quality through efficient machinery. There is constant endeavour to reduce debt as much as feasible and practical by improving operational and working capital management.

Debt-to- equity ratio are as follows:

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

	31-03-2021	31-03-2020
Debt (A)	300,000	5,150,000
Equity (B)	51,505,083	51,162,086
Debt/Equity (A/B)	0.01	0.10

35. Movement in Deferred Tax Liabilities / (Assets)

Particulars	As on 31-03-2019	Charge/(Credit) to Statement of P&L	Charge/(Credit) to OCI	As on 31-03-2020	Charge/(Credit) to Statement of P&L	Charge/(Credit) to OCI	As on 31-03-2021
		2019-20	2019-20		2020-21	2020-21	
Deferred Tax Liability -							
Timing difference on account of depreciation	2,97,863	3,99,124	-	6,96,987	5,03,158	-	12,00,145
	2,97,863	3,99,124	-	6,96,987	5,03,158	-	12,00,145
Deferred Tax Assets -							
Expenses allowable on payment basis under Tax Laws	30,766	30,766	-	-	(55,174)	-	55,174
Unabsorbed Depreciation	-	-	-	-	(5,41,734)	-	5,41,734
Allowance for doubtful advances / deposits	2,37,175	(4,08,648)	-	6,45,823	2,47,312	-	3,98,511
Others	-	(2,358)	-	2,358	2,358	-	-
Mat credit entitlement	1,36,222	1,36,222	-	-	-	-	-
	4,04,163	(2,44,018)	-	6,48,181	(3,47,239)	-	9,95,420
Net Deferred Tax (Assets) / Liabilities	(1,06,300)	1,55,106	-	48,806	1,55,919	-	2,04,725

36. Additional information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 in respect of amount outstanding to Micro and Small Enterprises based on the information available with the Company are given below :-

	31-03-2021	31-3-2020
i) Principal amount remaining unpaid on	37,017	Nil
ii) Interest due thereon as on	Nil	Nil
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
v) Interest accrued and remaining unpaid as at	Nil	Nil
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

37. VALUE OF IMPORTS ON CIF BASIS

	<u>2020-21</u>	<u>2019-20</u>
	<u>(Rs.)</u>	<u>(Rs.)</u>
Engineering Goods	20,41,873	29,09,299

38. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Foreign Travelling	Nil	4,34,350
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39. **Employee Benefits:**

I. Defined Benefits Plans

The Company has provided for bonus amounting to Rs. 2,19,474/- (Previous year Rs. 2,00,343/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit & Loss for the year.

II. Defined Contribution Plans

a) Employers' Contribution to Provident Fund/Pension Scheme

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

	2020-21	2019-20
	Rs.	Rs.
- Employers' Contribution to Provident Fund/ Pension Scheme	37,023	37,692

40. **Lease**

Amounts recognized in the Statement of Profit & Loss

	2020-21	2019-20
	Rs.	Rs.
(i) Rental expense for small value or short-term operating leases	7,87,500	8,40,000
(ii) Interest on Lease Liabilities	2,24,044	47,240
(iii) Depreciation on Right of Use Assets	13,93,326	3,03,336
(iv) Rental income from operating leases	5,06,250	5,40,000

41. **Segment Reporting**

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

**ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED**

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

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

b) **Key Management Personnel:**

- i) Mr. Jayesh R. Mehta – Managing Director
- ii) Mrs. Amita J. Mehta - Director
- iii) Mr. Bharat K. Shah – Director and Chief Financial Officer
- iv) Mr. Gourav Darak – Company Secretary & Compliance Officer (w.e.f. 05-09-2020)

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

Nature of Transactions	Key-management Personnel		Companies/ Enterprises in which Key Management personnel have significant influence	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
<u>Sale of goods</u>				
Chandni Textile Engineering Industries Ltd.			1,64,00,000	54,600
<u>Sale of Services</u>				
Chandni Textile Engineering Industries Ltd.			Nil	50,000
<u>Rent / Compensation Paid</u>				
Chandni Textile Engineering Industries Ltd.			7,87,500	8,40,000
<u>Rent/ Compensation Received</u>				
Chandni Textile Engineering Industries Ltd.			5,06,250	5,40,000
<u>Director Remuneration</u>				
Mr.J.R.Mehta	4,86,000	5,40,000		
<u>Directors Sitting Fees</u>				
Mrs.Amita J. Mehta	25,000	20,000		
<u>Salary & Bonus</u>				
Ms.EktaKheria	Nil	2,09,651		
Mr.GouravDarakw.e.f 5-9-2020	1,26,461	Nil		
<u>Unsecured Loans repaid</u>				
Mr. J.R Mehta	48,50,000	7,00,000		

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

Outstanding at the year end:-				
i. Trade Payable				
Mr.J.R.Mehta	3,51,101	4,17,832		
Chandni Textile Engineering Industries Ltd.			Nil	53,342
ii. Trade Receivable				
Chandni Textile Engineering Industries Ltd.			64,78,698	Nil
iii. Unsecured Loan				
Mr. J.R. Mehta	3,00,000	51,50,000		

43. Contingent liability

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

44. The outbreak of coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has assessed the impact of COVID-19 on all aspects of its business. The management has considered internal and external sources of information up to the date of approval of these standalone financial statements and exercised due care, in concluding on significant accounting judgements and estimates, in assessing the recoverability of receivables, inventories, impairment of assets, liquidity, financial position and operations of the Company, while preparing the financial statements as of and for the year ended 31 March 2021.

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

ANNUAL REPORT 2020 - 2021
CHANDNI MACHINES LIMITED

45. The previous year's figures are grouped / regrouped or arranged / rearranged wherever necessary to make them comparable with the current period's figures.
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As per our report of even date
For Ambavat Jain & Associates LLP.
Chartered Accountants
ICAI FRN No: 109681W

On Behalf of the Board

Ashish J. Jain
Partner
Membership No. 111829

J.R. Mehta
Managing Director

A.J. Mehta
Director

PLACE: MUMBAI
DATE: 24-06-2021

Gourav Darak
Company Secretary

Bharat K. Shah
Chief Financial Officer