

**ANNUAL REPORT 2014-15**

**CHANDNI**  
Textiles Engineering Industries Ltd

# Chandni Textiles Engineering Industries Ltd

ANNUAL REPORT 2014-15

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**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr. Shailesh Sankav

**COMPANY SECRETARY**

Ms. Gayatri Valan

**AUDITORS**

Chandan Parmar & Co  
Chartered Accountants

**SECRETARIAL AUDITOR**

M/s. Ajay Anil Thorat & Associates  
Company Secretaries

**BANKERS**

Union Bank of India  
HDFC Bank Ltd.

**REGISTERED OFFICE**

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

**FACTORY**

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

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

**REGISTRAR & SHARE TRANSFER  
AGENTS**

Purva Sharegistry (India) Pvt. Ltd.  
9, Shiv Shakti Industrial Estate, Ground Floor,  
Sitaram Mill Compound,  
J.R. Boricha Marg,  
Lower Parel, Mumbai – 400 011  
Tel.: 23016761, 23018261  
Email: busicomp@vsnl.com

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## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of Chandni Textiles Engineering Industries Limited will be held on Wednesday 30<sup>th</sup> September 2015 at 3.00 p.m. at The Queenie Captain Auditorium C/o the NAB Workshop for the Blind, Dr. Annie Besant Road, Prabhadevi, Mumbai – 400 030, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Amita J. Mehta (DIN00193075) who retires by rotation and being eligible offers herself for re-appointment;
3. To consider and if thought fit, to pass the following resolution by Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Chandan Parmar & Co., Chartered Accountant (ICAI FRN No. 101662W) as Statutory Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors.”

### **SPECIAL BUSINESS:**

#### **4. Mr. Jayesh Mehta – Re-appointment as Managing Director**

##### **To consider and if thought fit to pass the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded to the re-appointment of Mr. Jayesh R. Mehta (DIN 00193029) as Managing Director of the Company, designated as Chairman & Managing Director (CMD) for a period of Five (5) years with effect from 1<sup>st</sup> April, 2014, not liable to retire by rotation, upon the terms & conditions including payment of remuneration, perquisites and benefits as follows :

##### **Salary**

Basic Salary Upto Rs. 8,40,000 per annum, with an authority to the Board to grant such further increases from time to time as they may deem fit, within the limits in Schedule V of the Act, as may be amended from time to time.

In addition to salary, Mr. Jayesh Mehta will be entitled to perquisites and allowances like residential accommodation (whether furnished or unfurnished) or house rent allowance in lieu thereof, reimbursement of expenses in respect of utilities like gas, electricity and water, furnishing and repairs, medical reimbursement for self and his family, personal accidents insurance, car or conveyance allowance in lieu thereof, telephones and such other benefits in the nature of perquisites and/or allowances, as per company policy in force from time to time or as may be decided by the Board.

Mr. Jayesh Mehta will also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration referred to above:

- a) Company's contribution to Provident Fund
- b) Gratuity
- c) Leave with full pay. Encashment of Leave at the end of tenure is permitted.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary from time to time the amount and type of perquisite and allowances to be provided to Mr. Jayesh R Mehta, within applicable limits as specified in Schedule V of the Act or any amendments.

“RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Mr. Jayesh Mehta will be entitled to receive the same remuneration, perquisites and benefits as above.”

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### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Mrs. Amita J Mehta retires by rotation at the meeting and being eligible, offers herself for re-appointment. Brief resume/information of Director proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement is given in the Corporate Governance Report forming part of the Annual Report.
4. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain close from 23rd September, 2015 to 30th September, 2015 (both days inclusive).
7. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
8. Members are requested to inform immediately any change in their address to the Company's Registrar & Share Transfer Agents M/s. Purva Sharegistry (India) Pvt. Ltd at Shiv Shakti Industrial Estate, Unit No. 9, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai- 400 011.
9. Voting through electronic means:
  - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and in compliance of Clause 35B of the Listing Agreement with the BSE, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by Central Depository Services India Ltd. (CDSL)
  - b. Members who have registered their email Ids with the depositories or with the Company are being sent Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice through post/courier.
  - c. The facility for voting through ballot paper shall be made available at the AGM and the members attending meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

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- d. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- e. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and the e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For any queries regarding the shares and grievances connected with e-voting, you may contact Registrar and Transfer Agent of the Company at the following address:

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

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

- i. The voting period begins on 27th September, 2015 at 10.00 A.M. and ends on 29th September, 2015 at 5.00 P.M. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Log on to the e-voting website [www.evoting.com](http://www.evoting.com)
- iii. Click on “Shareholders” tab.
- iv. Now enter your user ID: (For CDSL: 16 digit beneficiary ID, For NSDL: 8 character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below.

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

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

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employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

**Registered Office:**

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

**Dated: 13th August, 2015**

By Order of the Board

Jayesh R. Mehta  
Chairman & Managing Director



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## Item No. - 4

Members will recall that vide Special Resolution passed on 26th September, 2012, Mr. Jayesh Mehta was appointed as Managing Director for a period of five years w.e.f 1st April 2012 and the said tenure was up to 31st March, 2017.

However due to the enactment of Companies Act, 2013 the company needs to pass a fresh resolution/ ratify the previous resolution under the new act for appointment of Managing Director.

After taking into consideration the recommendation made by the Nomination & Remuneration Committee, the Board at its meeting held on 29th May, 2015 has subject to the approval of the shareholders, re-appointed Mr. Jayesh Mehta as Managing Director (designated as Chairman & Managing Director), not liable to retire by rotation, for a further period of five (5) years with effect from 1st April, 2014 on terms and conditions as set out in the resolution in accompanying notice.

Mr. Jayesh Mehta, a Textile Engineer (LTM) from VJTI, is a Promoter of the Company and has played prominent role in the growth of the company. It is under his guidance and leadership that the business of the Company has increased manifold.

Further details of Mr. Jayesh Mehta are given in the Corporate Governance Section of this Annual Report.

The terms & conditions, including remuneration payable to Mr. Jayesh Mehta are set out in the resolution at Item No. 4 of the accompanying Notice.

The Board recommends the resolution appearing at Item No. 6 of the accompanying Notice seeking your approval to the Re-appointment of Mr. Jayesh Mehta as Managing Director of the Company.

Mr. Jayesh Mehta, as it concerns him and Mrs. Amita Mehta, being his wife, are deemed to be concerned and interested in this Resolution.

By Order of the Board

Place: Mumbai

Date : 13th August, 2015

Jayesh R. Mehta  
Chairman & Managing Director

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## BOARD REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report together with Audited Financial Statements for the year ended 31st March, 2015:

### 1. Financial Results:

₹ In Lacs

		2014 - 2015	2013-2014
Revenue from operations		2633.25	1323.60
Other Income		116.68	89.00
<b>Total Revenue</b>		<b>2749.93</b>	<b>1412.60</b>
<b>Profit before depreciation, finance costs &amp; tax</b>		<b>(93.08)</b>	<b>60.30</b>
Less Depreciation		32.22	21.30
Finance Costs		8.81	4.19
<b>Profit before tax &amp; exceptional items</b>		<b>(134.11)</b>	<b>34.80</b>
Less Exceptional items		141.58	16.45
<b>Profit before tax</b>		<b>7.47</b>	<b>18.35</b>
<b>Tax Expense</b>			
Current tax		0.00	0.00
Deferred tax		1.51	6.20
Wealth tax		0.13	0.00
<b>Profit after tax</b>		<b>5.83</b>	<b>12.15</b>
Balance brought forward from previous year	23.78		11.63
Less : - Adjustments relating to fixed assets	1.85	21.93	
Balance carried to balance sheet		27.76	23.78

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

During the year under review, the turnover of the company has increased to ₹ 2633.25 lacs in the current year from ₹ 1323.60 in the last year. The Profit before tax has decreased from ₹ 18.35 lacs in the previous year to ₹ 7.47 lacs in the current year. The Net Profit decreased from ₹ 12.15 lacs in the previous year to ₹ 5.83 in the current year. A detailed analysis of performance for the year has been covered in the Management Discussion and Analysis, which forms part of the Annual Report.

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

There has not been any change in the nature of business of the company.

### 3. Dividend

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

### 4. Transfer to Reserves

An Amount of ₹ 27.76 lacs is proposed to be retained in Profit & Loss Account.

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

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with BSE, is presented in a separate section forming part of the Annual Report.

### 6. Directors Responsibility Statement

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

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- a. The applicable accounting standards had been followed along with proper explanation relating to material departures have been given;
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31st March, 2015 and of its profit for the year;
- c. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down internal financial controls to be followed by the Company. Internal Financial Controls are adequate and were operating effectively;
- f. Proper Systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **7. Corporate Governance**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under the Listing Agreement forms part of this Annual Report. The requisite certificate from Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

### **8. Internal Financial Controls**

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

### **9. Risk Management**

The Board has been entrusted with the responsibility to oversee and approve the Company's enterprise wide risk management framework and oversee that all the risks that the organization faces have been identified and assessed. The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

### **10. Directors and Key Managerial Personnel**

#### **i. Retirement by Rotation**

In accordance to the provisions of section 152 (6) of Companies Act, 2013 and the Articles of Association of the Company, Mrs. Amita J. Mehta, Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment. The Board recommends her re-appointment.

#### **ii. Independent Directors**

The Independent Directors have submitted their declaration of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section 6.

#### **iii. Profile of Director Seeking re-appointment**

As required under clause 49 of the Listing Agreement, particulars of a Director retiring by rotation and seeking re-appointment as Director at the ensuing Annual General Meeting is annexed to the notice is convening 29th Annual General Meeting.

#### iv. Key Managerial Personnel

The following persons were designated/ appointed as Key Managerial Personnel during the year:

- 1) Mr. Jayesh R Mehta, Chairman and Managing Director
- 2) Mr. Shailesh P Sankav, Chief Financial Office
- 3) Ms. Gayatri Valan, Company Secretary

#### v. Board Evaluation

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

#### vi. Familiarization Programme

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

#### Vii. Nomination of Remuneration Policy

The Objective of the Policy

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

#### 11. Auditors and Auditors Report

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

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

#### 12. Secretarial Auditor

Pursuant to provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Ajay Anil Thorat & Associates, Company Secretaries, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2014-2015. The Secretarial Audit Report is annexed herewith marked as Annexure I to this Report. The Board has duly reviewed the Secretarial Audit Report and the observations and comments, appearing in the report are self explanatory.

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## Clarifications on comments by Secretarial Auditor

- a) The Company has an Internal Auditor.
- b) Pending clarification of rules, there was a delay in filing Form MGT- 15. The said form will be filed by paying the prescribed fees.
- c) The Company will look into the matter regarding satisfaction of charge at the earliest.
- d) Managing Director was duly appointed for a term of five years vide special resolution dated 26th September, 2012 at the Annual General Meeting. Due to the enactment of the New Companies Act, 2013, the Company will include the resolution for appointment of Managing Director in this year's notice convening the 29th Annual General Meeting for shareholders approval.
- e) The adoption of new set of Articles of Association pursuant to Companies Act, 2013 will be considered by way of Postal Ballot. As all the provisions of the Companies Act, 2013 were not notified, the company decided to prolong the process.
- f) The Board of Directors had passed a resolution for investment of funds of the Company as per the Companies Act, 1956 however due to the enactment of Companies Act, 2013, a fresh board resolution was passed on 13.02.2015 ratifying the investments done with effect from 1.04.2014.
- g) Company will take proper care to mention the DIN in all concerned documents.
- h) The form for Appointment of Secretarial Auditor will be filed by paying the prescribed fees.
- i) The Company already had Mr. Shailesh Sankav as Vice-President Finance who was incharge of the Financial Operations in the Company; he was re-designated as Chief Financial Officer to comply with the section 203 of the Companies Act. The existing Company Secretary of the Company had resigned and the Company had been searching for a suitable candidate for the post. All reasonable efforts to comply with the provision of the Act were taken. As soon as a suitable candidate was identified, the post was filled.

## 13. Disclosures

### Audit Committee

The Audit Committee comprises of Mr. R.C. Garg as the Chairman and Dr. Bharat Bhatia & Mr. V.G. Joshi as the members. More details on the Committee are given in the Corporate Governance Report.

### Vigil mechanism

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy on Vigil Mechanism/ Whistle Blower Policy may be accessed on the Company's website at the link <http://www.cteil.com/pdf/Vigil%20Mechanism%20or%20Whistle%20Blower%20Policy.pdf>.

### Meetings of the Board

During the year five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report, which is part of this Annual Report.

### Contracts and Arrangements with Related Parties

There were no contracts or arrangements with the related parties except for payment of remuneration to Managing Director and KMP. The Policy on Related Party Transaction may be accessed on the Company's website at the link <http://www.cteil.com/pdf/Policy%20on%20Related%20Party%20Transactions%20Policy.pdf>

### Particulars of loans, guarantees or investments

No Loans or guarantees have been given by the Company and the details of investments made are given in the notes to the Financial Statements.

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

### a) Conservation of Energy

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

### b) Technology Absorption

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

### c) Foreign Exchange Earnings and Outgo

	FY 2014-15	FY 2013-14
Total Foreign Exchange Outgo	71,31,014	94,36,334
Total Foreign Exchange earned (FOB)	6,21,293	12,41,634

## 15. Extract of Annual Return

The relevant information in the prescribed form MGT-9 pertaining to annual return is attached to this report as Annexure II.

## 16. Particulars of Employees and related disclosures

The information required under section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III.

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

## 17. General

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

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

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

## 18. Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Members, Company's Bankers HDFC Bank Ltd, Union Bank of India and Bank of India, suppliers, vendors, customers during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 29th May, 2015

Jayesh R. Mehta  
Chairman & Managing Director

# Chandni Textiles Engineering Industries Ltd

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## SECRETARIAL AUDIT REPORT

ANNEXURE I

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,  
The Members of  
Chandni Textiles Engineering Industries Ltd.  
(CIN – L70101MH1986PLC040119)  
110, T.V. Industrial Estate,  
52 S.K. Ahire Marg,  
Worli, Mumbai – 30  
Maharashtra,  
India – 400030

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chandni Textiles Engineering Industries Ltd (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

# Chandni Textiles Engineering Industries Ltd

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- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) As informed to me, the following other laws specifically applicable to the Company as under:
- (a) Factories Act, 1948
  - (b) Industrial Disputes Act, 1947
  - (c) The Payment of Wages Act, 1936
  - (d) The Minimum Wages Act, 1948
  - (e) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - (f) The Payment of Bonus Act, 1965
  - (g) The Payment of Gratuity Act, 1972
  - (h) The Contract Labour (Regulation & Abolition) Act, 1970
  - (i) Employees' State Insurance Act, 1948
  - (j) Water (Prevention and Control of Pollution) Act, 1974
  - (k) Air (Prevention and Control of Pollution) Act, 1981

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

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

- 1) Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2) The Listing Agreements entered into by the Company with BSE

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

- (a) The appointment of Internal Auditor in terms of Section 138 read with rule 13 of the Companies (Accounts) Rules, 2014 should have been made during the financial year under audit within six months from the date of commencement of Section 138 i.e. 1st April, 2014. The Company has appointed the Internal Auditor for Financial Year 2014-15 in the Financial Year 2013-14.
- (b) The Annual General Meeting for the financial year ended on 31st March 2014 was held on 30th September, 2014 after giving notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose, however, the Company has not filed MGT-15 in Form GNL-2 with the Registrar of Companies.
- (c) In relation to charge vide charge id 80028327 in favour of the Memon Cooperative Bank Ltd, the said charge has not appearing in Company's financial statements of the financial year under audit, however, the same is appearing under Index of Charge of Ministry of Corporate Affairs. As per explanation given by the Company, the said charge has been satisfied, however Form 17/ Form CHG 4 has not been filed by the Company during the financial year under Audit
- (d) In terms of the provisions of Section 2(54), Section 196 read with the Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014 the Company has not appointment of Managing



# Chandni Textiles Engineering Industries Ltd

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Director during the period under Audit. Further, as per General Circular No. 32/2014 of Ministry of Corporate Affairs dated 23rd July, 2014, the Company has not passed resolution for appointment of Managing Director during the transitional period of 1st September, 2013 to 31st March, 2014. And hence, the Company was required to freshly appoint the Managing Director after commencement of Section 196 i.e. 1st April, 2014 and should have been approved by the Shareholders in the general meeting and accordingly, the Company should have file Form MR 1 and Form MGT 14 with the Registrar of Companies.

- (e) The Company has not altered its Articles of Association with the relevant applicable Sections of the Companies Act, 2013.
- (f) The Company has passed resolution in the Board Meeting dated 13th February, 2015 in accordance with the requirements of Section 179 (3) (e) of the Companies Act, 2013, however Form MGT 14 has not been filed by the Company with the Registrar of Companies (ROC) during the financial year under Audit. Further, resolutions has ratified the investments made by the Company with effect from 1st April, 2014 instead of taking prior approval of the Board of Directors of the Company.
- (g) In terms of Section 158 of the Companies Act, 2013, the Company has not indicated Director Identification Number in some documents relate to the director or contain any reference of any director.
- (h) The Secretarial Auditor has been appointed in the Board Meeting held on 13th February, 2015, however Form MGT 14 has not been filed by the Company during the financial year under audit.
- (i) The Company has appointed Key Managerial Personnel i.e. Company Secretary on 16th December, 2014 and Chief Financial Officer on 13th February, 2015, however the relevant provisions of the Companies Act, 2013 were became applicable to the Company with effect from 12th September, 2013.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company 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.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, as per explanation given by the Company, the special resolution proposed in the Annual General Meeting in terms of Section 180 (1) (c) of the Companies Act, 2013 got cancelled on technical grounds for votes cast against the said resolution.
- (iv) Merger / amalgamation / reconstruction, etc.

# Chandni Textiles Engineering Industries Ltd

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(v) Foreign technical collaborations

Navi Mumbai  
29<sup>th</sup> May, 2015

For Ajay Anil Thorat & Associates  
Company Secretaries

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

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

# Chandni Textiles Engineering Industries Ltd

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## Annexure A

To,  
The Members,  
CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED  
(CIN - L70101MH1986PLC040119)  
110, T.V. Industrial Estate, 52 S. K. Ahire Marg,  
Worli, Mumbai,  
Maharashtra  
India – 400030

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

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

**For Ajay Anil Thorat & Associates  
Company Secretaries**

Navi Mumbai

29<sup>th</sup> May, 2015

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

# Chandni Textiles Engineering Industries Ltd

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ANNEXURE II

## EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2015  
(Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014)

### I. Registration and Other Details

CIN	L70101MH1986PLC040119
Registration Date	17th June 1986
Name of the Company	Chandni Textiles Engineering Industries Ltd
Category of Company	Public Limited Company
Address of the Registered Office & Contact Details	110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai, Maharashtra - 400 030 Telefax: 022 24950328 Email: jrgroup@jrmehta.com Website: www.cteil.com
Whether listed Company	Yes
Name and Address of Registrar & Transfer Agents (RTA)	M/s Purva Sharegistry (India) Pvt Ltd Shiv Shakti Industrial Estate, Unit No. 9, B,7 - J.R. Boricha Marg, Sitaram Mill Compound, Mumbai - 400 011 Tel No. : 022 23016761/ 23018261 Fax No.: 022 23012518 E-mail: busicomp@vsnil.com

### II. Principal Business Activity of the Company

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

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

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

NIL

# Chandni Textiles Engineering Industries Ltd

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

### A. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total share	Demat	Physical	Total	% of Total share	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	70812275	-	70812275	43.88	70812275	-	70812275	43.88	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp	4222110	-	4222110	2.62	4222110	-	4222110	2.62	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>SubTotal (A)(1)</b>	<b>75034385</b>	<b>-</b>	<b>75034385</b>	<b>46.50</b>	<b>75034385</b>	<b>-</b>	<b>75034385</b>	<b>46.50</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks/ FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>SubTotal (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	<b>75034385</b>	<b>-</b>	<b>75034385</b>	<b>46.50</b>	<b>75034385</b>	<b>-</b>	<b>75034385</b>	<b>46.50</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	4000	4000	0.00	-	4000	4000	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SubTotal (B) (1)</b>	<b>-</b>	<b>4000</b>	<b>4000</b>	<b>0.00</b>	<b>-</b>	<b>4000</b>	<b>4000</b>	<b>0.00</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies Corp									
i) Indian	46117762	226000	46343762	28.72	45955239	226000	46181239	28.62	-0.10
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto 1Lakh	9961137	2192350	12153487	7.53	9667990	2186350	11854340	7.35	-0.18

# Chandni Textiles Engineering Industries Ltd

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ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	22590174	-	22590174	14.00	23148696	-	23148696	14.34	0.34
c) Others (Specify)									
i) NRI (Repat & Non Repat)	26340	-	26340	0.02	15278	-	15278	0.01	-0.01
ii) HUF	5167208	-	5167208	3.20	5134692	-	5134692	3.18	-0.02
iii) Clearing Members	53274	-	53274	0.03	-	-	-	-	-0.03
<b>Sub Total (B)(2)</b>	<b>83915895</b>	<b>2418350</b>	<b>86334245</b>	<b>53.50</b>	<b>83921895</b>	<b>2412350</b>	<b>86334245</b>	<b>53.50</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>83915895</b>	<b>2422350</b>	<b>86338245</b>	<b>53.50</b>	<b>83921895</b>	<b>2416350</b>	<b>86338245</b>	<b>53.50</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total	158950280	2422350	161372630	100	158956280	2416350	161372630		

### B. Shareholding of Promoters

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

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

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

# Chandni Textiles Engineering Industries Ltd

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

Sr. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of Co.	No. of Shares	% of total shares of Co.
1	Satyaprabhu Infrastructure Pvt Ltd	27439394	17.00	27439394	17.00
2	Mahavirsingh Chauhan	6137915	3.80	6137915	3.80
3	Jhaveri Trading & Investment Pvt Ltd	5159525	3.20	5153525	3.19
4	N to N Traders Pvt Ltd (Now merged with Adani Properties Pvt Ltd)	4600000	2.85	4600000	2.85
5	Shefali D Shah	4120000	2.55	4120000	2.55
6	Deepak R Shah	2970340	1.84	2970340	1.84
7	Venkatesh Prashanth	2745286	1.70	2351840	1.46
8	Champaklal Jethalal Shah	2599282	1.61	2599282	1.61
9	Aarav Financial Services Ltd	2400000	1.46	2400000	1.49
10	Paramount Club LLP	1676858	1.04	1676858	1.04

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

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

1) Directors

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

2) Key Managerial Personnel

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

# Chandni Textiles Engineering Industries Ltd

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I. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits (Security Deposits)	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,45,055		18,80,048	39,25,103
ii) Interest due but not paid				
iii) Interest accrued but not due	15,481			15,481
<b>Total (i+ii+iii)</b>	<b>20,60,536</b>		<b>18,80,048</b>	<b>39,40,584</b>
Change in indebtedness during the financial year				
Addition				
Reduction	19,39,760		8,70,048	28,09,808
<b>Net Change</b>	<b>19,39,760</b>		<b>(8,70,048)</b>	<b>(28,09,808)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,19,511		10,10,000	11,29,511
ii) Interest due but not paid				
iii) Interest accrued but not due	1,265			1,265
<b>Total (i+ii+iii)</b>	<b>1,20,776</b>		<b>10,10,000</b>	<b>11,30,776</b>

I. Remuneration of Directors and Key Managerial Personnel

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

Sr. No	Particulars of Remuneration	Amount
1	Gross Salary	8,40,000
	a) Salary as per provisions contained in the Section 17(1) of the Income Tax Act, 1961	-
	b) Value of Perquisites u/§7(2) of the Income Tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total (a)	8,40,000
	Ceiling as per the Act	42,00,000 P.A.

b) Remuneration to Other Directors

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



# Chandni Textiles Engineering Industries Ltd

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II	Other NonExecutive Directors				
1	Fee for attending Board/Committee meetings/AGM	25000			25000
2	Commission				
3	Others, please specify				
	Total (II)				
	Total (B) = (I + II)	25000			25000

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

Sr. No.	Particulars of Remuneration	Key Managerial personnel		Total
		CFO	Company Secretary	
1	Gross Salary	466200	70001	536201
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	466200	70001	536201

VII. Penalties/ Punishment/ Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>			NIL		
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					

Place: Mumbai

On behalf of the Board of Directors

Date : 29th May, 2015

Jayesh R. Mehta  
Chairman & Managing Director

# Chandni Textiles Engineering Industries Ltd

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ANNEXURE III

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Jayesh R Mehta	4.80
Mrs. Amita J Mehta	0.17
Dr. Bharat Bhatia	0.29
Mr. R.C. Garg	0.29
Mr. V.G. Joshi	0.29

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

Name of the Director, Chief Financial Officer and Company Secretary	% increase in the remuneration in the financial year
Mr. Jayesh R Mehta	0
Mrs. Amita J Mehta	0
Dr. Bharat Bhatia	0
Mr. R.C. Garg	0
Mr. V.G. Joshi	0
Mr. Shailesh Sankav Chief Financial Officer	6.87
Ms. Gayatri Valan* Company Secretary	NA

\* Joined w.e.f December 16, 2014

- i. The percentage increase in the median remuneration of employees in the financial year was 9.17%
- ii. There were 12 permanent employees on the rolls of Company as on March 31, 2015.
- iii. The Profit after Tax for the FY ended March 31, 2015 decreased by 52% whereas the decrease in average remuneration was 5.23 %.
- iv. The profit after tax for the FY ended on March 31, 2015 decreased by 52% whereas the remuneration of Key Managerial Personnel, viz. [1] Managing Director was increased by 0% respectively, [2] Chief Financial Officer by 6.87 % and [3] Company Secretary - NA
- v. The market capitalization of the Company was Rs. 15,16,90,272.2 as on March 31, 2015 as against Rs. 10,16,64,756.9 as on March 31, 2014  
  
Whereas, Price Earnings Ratio of the Company was 235 as on March 31, 2015 as against 78.75 as at March 31, 2014
- vi. The Company came out with Initial Public Offer in 1994 at a price of Rs. 10/- per share. The market price of the share as on March 31, 2015 was Rs. 0.94/- on BSE Ltd. The variation in price is -90%. (\* The variation is due to sub-division of 1 equity share of Rs. 10 into 10 equity shares of Re. 1/- each)

# Chandni Textiles Engineering Industries Ltd

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- vii. Average percentage decrease made in the salaries of employees other than the managerial personnel in last financial year i.e. 2014-15 was -5.23% whereas the increase in the managerial remuneration for the same financial year was 6.87%
- viii. The key parameters for the variable component of remuneration availed by the directors - Not Applicable
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable
- x. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

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

**Place: Mumbai**

On behalf of the Board of Directors

**Date : 29th May, 2015**

Jayesh R. Mehta  
Chairman & Managing Director

# Chandni Textiles Engineering Industries Ltd

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## CORPORATE GOVERNANCE REPORT

### 1. Company's philosophy on Corporate Governance

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

### 2. Board of Directors

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

**The composition of the Board of Directors is as follows:**

Name of Director	Category	No. of Directorship held in other public Companies	No. of membership of Board Committees held in other Companies
Shri. Jayesh R Mehta	Promoter, Executive	Nil	Nil
Smt. Amita J Mehta	Promoter, Non-Executive	Nil	Nil
Dr. Bharat Bhatia	Independent, Non Executive	Nil	Nil
Shri. R.C. Garg	Independent, Non Executive	Nil	Nil
Shri V. G. Joshi	Independent, Non Executive	Nil	Nil

### Board Procedure

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

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

The Board of Directors met 5 times during the financial year on the following dates: 26th May, 2014; 13th August, 2014; 14th November, 2014; 16th December, 2014; 13th February, 2015. The attendance of Directors at Board Meetings and the last Annual General Meeting was as under:

Name of Director	Held during the year	Attended	A.G.M
Shri. Jayesh R Mehta	5	5	✓
Smt. Amita J Mehta	5	5	✓
Dr. Bharat Bhatia	5	5	✓
Shri. R.C. Garg	5	5	✓
Shri. V.G. Joshi	5	5	✓

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## 3. Audit Committee

### Composition

The Audit Committee comprises of 3 (three) Independent Directors who possess knowledge of corporate finance, accounts and company law. The Chairperson of the Committee is a Non-Executive Director nominated by the Board. The Company Secretary of the Company is Secretary to Audit Committee. The Statutory Auditors are also invited to the Meeting. The constitution of the committee is given below:

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

### Broad terms of reference

The terms of reference of the Audit Committee includes those specified under Clause 49 of the Listing Agreement and those under Section 177 of the Companies Act, 2013. A few of them are given below:

- Recommending the appointment, remuneration and terms of appointment of the Statutory Auditors of the Company.
- Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process.
- Reviewing the Financial Statements and the Auditors' Report before submission to the Board.
- Reviewing the accounting policies and practices followed by the Company.
- Reviewing the Annual Financial Statements. Also reviewing the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year. Compliance of the AS as applicable to the Company.
- Reviewing Management discussion and analysis of financial condition and results of operations
- Reviewing the internal controls, risk management policies and practices and related party transactions and other terms of reference as specified under Clause 49 of the Listing Agreement to the extent applicable to the Company.

### Meetings and Attendance

Four Meetings of the Audit Committee were held during the year on the following dates: 26th May, 2014; 13th August, 2014; 14th November, 2014 and 13th February, 2015. The details of meetings and attendance are as under:

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

## 4. Stakeholders' Grievance Committee

### Composition

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

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

# Chandni Textiles Engineering Industries Ltd

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

### Terms of Reference

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

### Meetings and Attendance

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

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

### Shareholders' Grievances

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

The Complaints are generally responded within 7 (seven) days from their lodgment with the Company  
The number of share transfers and dematerialization requests pending as on 31st March, 2015 were Nil  
The Company has designated the e-mail-id 'compliance@cteil.com' exclusively for the purpose of registering complaints by investors electronically.

## 5. Nomination and Remuneration Committee

The Composition of the Nomination & remuneration Committee is as under

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

### Board terms of reference

The terms of reference of the Nomination & Remuneration Committee includes those specified under Clause 49 of the Listing Agreement and those under Section 178 of the Companies Act, 2013. A few of them are given below:

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

### Meeting and Attendance Details

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

Name of Director	Held during the year	Attended
Shri. R.C. Garg	3	3
Dr. Bharat Bhatia	3	3
Shri. V.G. Joshi	3	3

# Chandni Textiles Engineering Industries Ltd

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## Remuneration Policy

The Remuneration Policy of Managing Director is recommended by the Nomination & Remuneration Committee. The details of remuneration paid to all Directors for the year ended 31st March, 2015 is as under:

Name of the Director	Relationship with other directors	Business relationship with the company	Salary (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	Stock Option
Shri. Jayesh R Mehta	Husband of Smt. Amita J Mehta	Promoter & Managing Director	8,40,000	-	8,40,000	Nil
Smt. Amita J Mehta	Wife of Shri. Jayesh R Mehta	Promoter Group	-	25,000	25,000	Nil
Dr. Bharat Bhatia	None	None	-	45,000	45,000	Nil
Shri. R.C. Garg	None	None	-	45,000	45,000	Nil
Shri. V.G. Joshi	None	None	-	45,000	45,000	Nil

## 6. Note of Director's Appointment /Re-appointment (Pursuant to Clause 49 of the Listing Agreement)

<b>I. NAME OF DIRECTOR</b>	<b>Mr. Jayesh R. Mehta</b>
Date of Birth	15.08.1962
Qualification	Textile Engineer (LTM) from VJTI
Expertise	Mr. J R Mehta has over 20 years experience in the textile industry. He has vast knowledge of import / manufacture of textile machinery and all types of machinery. He has contacts with almost all leading textile mills due to the development and supply of Two-For-One Twisting Machines used for twisting of spun yarn under the brand name Prerna, patronized by leading textile mills for the last 18 years. He later on diversified into manufacture of velvet fabrics and madeups which was supplied to leading international departmental stores world over under the brand name Chandni.
Names of the other Public Companies in which Directorships held	Nil
Committee Membership other Companies	Nil
Total shares held by him in the Company with other Directors	69517175 equity shares of Re. 1/- each Mr. J. R. Metha is the spouse of Mrs. A. J. Mehta

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

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## 7. General Body Meetings

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

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

Year	Date	Special Resolution Passed
2013-2014	September 30, 2014 3.00 pm	1) Independent Directors of the Company shall not be liable to retire by rotation. 2) Insert Clause 103(h) – The Managing Director of the Company can be appointed or re-appointed as the Chairman of the Company at the same time.
2012-2013	September 28, 2013 at 3.00 pm	None
2011-2012	September 26, 2012 at 3.00 pm	Re-appointment of Managing Director

During the year, the Company has not sought shareholders' approval through Postal Ballot

The Company has proposed the passing of the following resolutions in the ensuing AGM by way of Postal Ballot:

1. Alteration of Object Clause of Memorandum of Association
2. Adoption of new set of Articles of Association
3. To approve Borrowing Limits of the Company
4. Creation of Charge on the assets of the Company

### Procedure for postal ballot

After receiving approval of the Board of Directors, the Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members to enable them to consider and vote for or against proposals on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. After the last date of receipt of Postal ballot and e-votes, the Scrutinizer after due verification, submits his report. The results are also displayed on the website of the Company, as well as published in the newspapers.

## 8. Disclosures

- a) No transactions of material nature are entered into by the Company with Promoters, Directors or Management, or their relatives etc. that may have a potential conflict with the interests of the Company. The register of contracts containing the transactions in which the directors are interested is placed before the Board regularly. There are no material pecuniary transactions with the Independent/non-executive directors. Transactions with related parties are disclosed in Note No. 34 to the Accounts in the Annual Report.
- b) No penalties, strictures have been imposed on the Company either by SEBI or stock exchange or other statutory body for non compliance on any matter related to capital market.
- c) A Company has a Whistle Blower Policy/ Vigil Mechanism Policy in place and the same is displayed on the website of the Company ([www.cteil.com](http://www.cteil.com)). Further no personnel or employee of the Company is denied access to the Audit Committee.



# Chandni Textiles Engineering Industries Ltd

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d) The Company is in compliance with all the mandatory requirements under Clause 49 of the Listing Agreement.

### 9. Means of Communication

- (i) Financial Results: The Company's quarterly, half yearly and yearly financial results are published in The Free Press Journal & Navshakti; and are displayed on its website (www.cteil.com).
- (ii) News releases, presentations, among others: Official news releases and official media releases if any are sent to BSE.
- (iii) Website: The Company's website (www.cteil.com) contains a separate dedicated section 'Investors' where shareholders information is available.
- (iv) Designated e-mail id: The Company has designated e-mail id- compliance@cteil.com for investor servicing.

### 10. General Shareholders Information

#### a. Annual General Meeting

- Date and time : September 30, 2015 at 3.00 p.m.
- Venue : The Queenie Captain Auditorium C/o the NAB-Workshop for the Blind, Dr. Annie Besant Road, Worli, Mumbai – 400 030

#### b. Financial Calendar (Financial Reporting for):

Quarter ending June, 2015	by 14 <sup>th</sup> August, 2015
Quarter ending September, 2015	by 14 <sup>th</sup> November, 2015
Quarter ending December, 2015	by 14 <sup>th</sup> February, 2015
Year ending March, 2016	by 30 <sup>th</sup> May, 2016
Annual General Meeting for the year ended March 31, 2016	In September, 2016

c. Date of Book Closure : 26th September, 2015 to 30th September 2015 (both days inclusive)

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

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

f. Listing fees : Annual listing fee for the year 2015-2016 has been paid by the Company to BSE.

#### g. Stock Market Data

Monthly high & low quotations and volume of shares traded on Bombay Stock Exchange for financial year 2014-15 are:

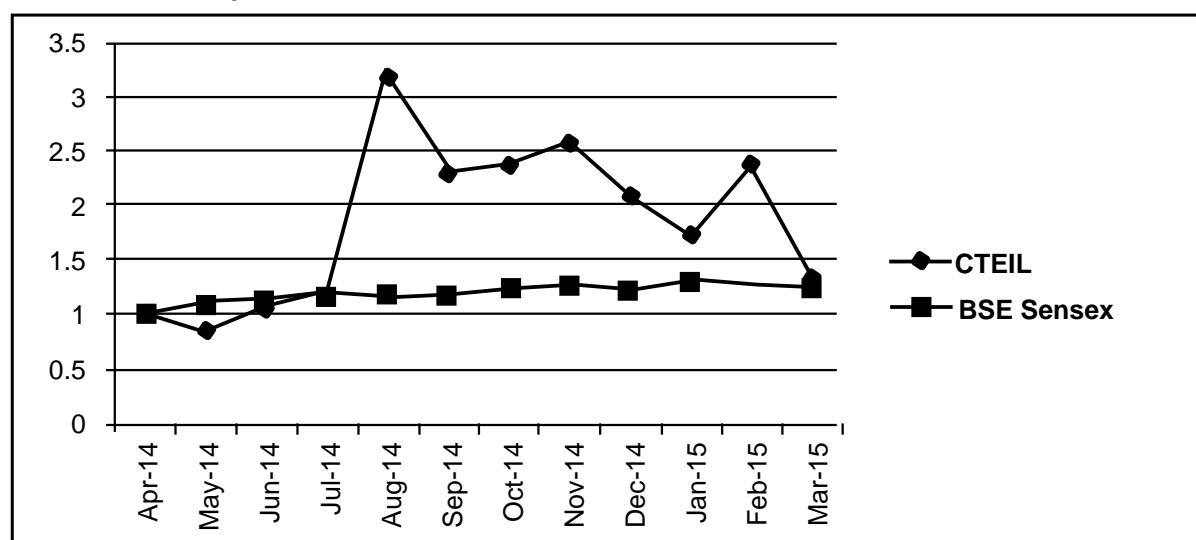
Month	High (₹)	Low (₹)	Volume of Shares traded
April 2014	0.76	0.66	87,466
May 2014	0.69	0.59	79,524
June 2014	0.75	0.59	1,00,303

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July 2014	0.88	0.73	1,64,922
August 2014	2.23	0.84	6,10,407
September 2014	2.34	1.60	9,23,485
October 2014	1.66	1.06	2,29,652
November 2014	2.30	1.60	7,18,829
December 2014	1.99	1.46	4,98,833
January 2015	1.54	1.11	68,313
February 2015	1.85	1.17	3,52,923
March 2015	1.78	0.94	69,311

## h. Performance in comparison to broad based indices - BSE Sensex



## i. Registrar and Share Transfer Agents:

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

## j. Share Transfer System:

All Shares have been transferred and returned in 21 days from the date of receipt, so long as the documents have been clear in all respects.

## k. Distribution of Shareholding

Slab of shareholdings No. of Shares	No. of Shareholders	%	Amount (Rs.)	%
Up to 5000	3133	84.79	4507263	2.79
5001-10000	239	6.47	2020670	1.25
10001-20000	145	3.92	2232500	1.38
20001-30000	69	1.87	1769839	1.10

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30001-40000	25	0.68	884384	0.55
40001-50000	17	0.46	792103	0.49
50001-100000	21	0.57	1445230	0.90
100001 and above	46	1.25	147720641	91.54
Total	3695	100.00	161372630	100.00

## Shareholding Pattern as on March 31, 2015

Sr. No.	Category of shareholder	No. of share holders	Total number of shares	%
(A)	Shareholding of Promoter and Promoter Group			
	Indian			
(a)	Individuals/ Hindu Undivided Family	5	70812275	43.88
(b)	Bodies Corporate	1	4222110	2.62
	Sub-Total (A)(1)	6	75034385	46.50
(B)	Public Shareholding			
1	Institutions			
(a)	Financial Institutions/ Banks	1	4000	0.00
	Sub-Total (B)(1)	1	4000	0.00
2	Non-institutions			
(a)	Bodies Corporate	103	46181239	28.62
(b)	Individuals			
i.	Individual Shareholders holding nominal share capital up to Rs. 1 lakh	3467	11854340	7.35
ii.	Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	25	23148696	14.34
(c)	Any Other (specify) NRI Repat & Non Repat	9	15278	0.01
(d)	Any Other (specify) Hindu Undivided Family	84	5134692	3.18
	Sub-Total (B)(2)	3688	86334245	53.50
	Total Public Shareholding (B)= (B)(1)+(B)(2)	3689	86338245	53.50
	GRAND TOTAL (A)+(B)	3695	161372630	100.00

## I. Dematerialization of Shares and liquidity

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

### Status of Dematerialization of Shares

Particulars	No. of Shares	% to total Capital
National Securities Depository Limited (NSDL)	44200854	27.39
Central Depository Services (India) Limited (CDSL)	114755426	71.11
<b>TOTAL DEMATERIALIZED</b>	<b>158956280</b>	<b>98.50</b>
Physical	2416350	1.50
<b>GRAND TOTAL</b>	<b>161372630</b>	<b>100</b>

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**m. Plant Location** : 22/1, Village-Ringanwada,  
Daman – 396210 (Union Territory)  
Via Vapi (W. Rly)  
Tel No.: 0260-3295015, 0260-40360  
Fax No: 0260-2240360

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

**n. Address for correspondence** : 110, T.V. Industrial Estate  
52, S.K. Ahire Marg,  
Worli, Mumbai – 400 030  
Telefax: 91-22-24950328  
E-mail: compliance@cteil.com

## 10. Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s Chandan Parmar & Co., Chartered Accountants, Mumbai, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

## 11. Non-Mandatory requirements of Clause 49 of the Listing Agreement

- a. The Company has a Executive Chairman
- b. The Quarterly/ half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted in the Company's Website
- c. The Company's financial statement for the financial year 2014-15 does not contain any qualification
- d. The internal auditor report to the Audit Committee.

## 12. CEO & CFO Certification

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and the internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Chairman & Managing Director and the Chief Financial Officer is published in this Report.

## 13. Certificate on Compliance with Code of Conduct

All the Board Members and Senior Management personnel have confirmed compliance with the Code of Conduct for Chandni Textiles Engineering Industries Ltd for the financial year ended 31st March, 2015.

For Chandni Textiles Engineering Industries Ltd

Place: Mumbai

Date: 29th May, 2015

Jayesh R Mehta  
Chairman

# Chandni Textiles Engineering Industries Ltd

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE]

To,  
The Members of  
Chandni Textiles Engineering Industries Limited

We have examined the compliance of conditions of Corporate Governance by Chandni Textiles Engineering Industries Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Place: Mumbai  
Date: 29th May, 2015

(Deepak H. Padachh)  
Partner  
Membership No. 45741

# Chandni Textiles Engineering Industries Ltd

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

### Business Review

We are presently engaged in assembling TFO twisting machines and selling under the Brand Name "Perna". We are also engaged in sourcing of all types of machinery and equipment. The Company also manufactures velvet fabrics and continues to outsource some of the textile division products.

### Analysis on results of Financial Operations

#### Sales

Our total sales increased to Rs. 2633.25 lacs in fiscal 2015 from Rs. 1323.60 lacs in fiscal 2014. The primary reason for this increase was on account of increase in income from products outsourced by our company. During the year under review, the Textile Division achieved a turnover of Rs. 2378.16 lacs as compared to Rs. 996.37 lacs in the previous year. During the year under review, Engineering Division achieved a turnover of Rs. 236.08 lacs as compared to Rs. 333.65 lacs in the previous year. The Company also received income from sale of services amounting to Rs. 21.34 lacs in the fiscal 2015 as against Rs. 0.35 lacs in fiscal 2014.

#### Other Income

Other Income increased to Rs. 116.67 lacs in fiscal 2015 from Rs. 89.00 lacs in fiscal 2014. The increase in other income was mainly due to increase in amount of profit from sale of securities to Rs. 25.65 lacs in fiscal 2015 from Rs. 0.23 lacs in fiscal 2014. The increase in other income was also due to increase in amount of interest on deposit to Rs. 60.12 lacs in fiscal 2015 from Rs. 42.58 lacs in fiscal 2014.

#### Raw Materials Consumed

The consumption of raw materials decreased to Rs. 215.87 lacs in fiscal 2015 from Rs. 283.02 lacs in fiscal 2014. As a percentage of income from products manufactured by our Company, our material consumption was 60.92 % during fiscal 2015 as against 66.49 % during fiscal 2014.

#### Purchase of traded goods

Purchases of traded goods increased/ decreased to Rs. 2306.78 in fiscal 2015 from Rs. 743.77 in fiscal 2014. As a percentage of income from products traded by our Company, our purchases of traded goods were 102.07 % during fiscal 2015 as against 82.24% during fiscal 2014.

#### Other Manufacturing Expenses

Other manufacturing expenses increased to Rs. 80.12 lacs in fiscal 2015 from Rs. 66.60 lacs in fiscal 2014. The increase was mainly on account of increase in labour & processing charges which increased to Rs. 51.69 lacs in fiscal 2015 from Rs. 44.71 lacs in fiscal 2014.

#### Employee Cost

The employee cost increased to Rs. 90.08 lacs in the fiscal 2015 from Rs. 85.93 lacs in the fiscal 2014.

#### Administrative, Selling and Distribution Expenses

Our administrative, selling and distribution expenses decreased to Rs. 139.90 lacs in the fiscal 2015 from Rs. 149.63 lacs in the fiscal 2014. The decrease was mainly because of decrease in travelling & conveyance, sales promotion and professional fees.

# Chandni Textiles Engineering Industries Ltd

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## Interest and Financial Charges

During the year under review our interest and financial charges increased to Rs. 8.81 lacs from Rs. 4.19 lacs. The increase was due to use of overdraft facility during fiscal 2015.

## Depreciation

During the year under review depreciation increased to Rs. 32.22 lacs from Rs. 21.30 lacs. The increase in depreciation was mainly due to acquisition of assets during fiscal 2015 as well as due to calculation of depreciation as per Schedule II of the Companies Act, 2013.

## Profit before tax

Profits before tax decreased to Rs. (7.47) lacs in fiscal 2015 from Rs. 18.35 lacs in fiscal 2014. The decrease was mainly on account of expenses incurred in the textile division.

## Market Opportunities

In today's cost conscious globalised economy, there are a lot of small, mid-sized & even large companies who are unable to afford the latest technology brand new machines due to their very high cost. The high cost machinery makes costing of the final product uncompetitive in the market. These companies are constantly in the lookout for used machines in good condition at a reasonable cost. On the other hand, along with the growth in the economy, there is huge growth in distressed assets and distressed companies in India and overseas which provides for supply base for a wide spectrum of machinery and equipments across all industrial sectors. To add further, because of the booming infrastructure sector and steady growth in the construction business, lot of equipments viz. forklifts, seizure, lifts, dumper, excavators, cranes etc. are available all over the world at reasonable cost ready to be picked up. We can source all these at a reasonable cost for oil rigging companies, offshore companies, ports and construction companies. There is a demand for all types of latest technology machinery at a reasonable cost. As the Indian economy growing at a faster pace and moving towards globalization, there is a continuous pressure to look for equipments that as good as new but at a reasonable cost. We are ready to benefit from the emerging business opportunity due to our ready platform like database of prospective customers, contacts with agents all over the world, registered with auctioneer companies all over the world, vast business contacts and relationships, across various business sectors, extensive manufacturing and engineering experience, we are competent to repair, recondition, refurbish machinery, supply spare parts not readily available and have a competent execution team of professionals.

## Outlook on Threats, Risks and Concerns

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

# Chandni Textiles Engineering Industries Ltd

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## **Internal Control Systems and their adequacy**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel. Internal control improvements are continuous process and are always being upgraded to strengthen the process and to make the same commensurate with the size and nature of the business. The Company conducts its business with integrity and high standard of ethical behaviour and in compliance with the laws and regulations that govern its business.

## **Human Resource Development**

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



# Chandni Textiles Engineering Industries Ltd

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## CEO & CFO CERTIFICATION

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

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

Place: Mumbai  
Date: 29th May, 2015

Jayesh R Mehta  
Managing Director & CEO

Shailesh Sankav  
Chief Financial Officer

# Chandni Textiles Engineering Industries Ltd

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## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Chandni Textiles Engineering Industries Ltd

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Chandni Textile Engineering Industries Ltd ('the Company'), which comprise the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and the other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implement and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

An audit involves performing procedure to obtain evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

# Chandni Textiles Engineering Industries Ltd

## ANNUAL REPORT 2014-15

standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note No. 35(i)(a) to the financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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

Deepak H. Padachh

Partner  
Membership No. 45741

Place: Mumbai  
Date: 29.05.2015

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on the Other Legal and Regulatory Requirements' section of our report of even date)

- [i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
- (b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- [ii] (a) As informed to us, the inventory in the company's possession has been physically verified at reasonable intervals during the year by the management. In respect of inventory lying with the third parties, the same have substantially been confirmed by them at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material.
- [iii] The company has not granted any loans, secured or unsecured, to companies, firms 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] In our Opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- [v] The company has not accepted deposits from the public.
- [vi] As informed to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for any product of the Company.
- [vii] (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 explanation given to us, there is no amount required to be transferred to the investor protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, custom duty, wealth tax, service tax, excise duty, cess tax which have not been deposited on account of any dispute.
- [viii] The Company does not have accumulated loss at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- [ix] According to the information and explanation provided to us, the company has not defaulted in repayment of dues to the banks.

# Chandni Textiles Engineering Industries Ltd

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- [x] According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- [xi] According to the information and explanation given to us, the company has not availed any term loans during the year.
- [xii] According to the information and explanation given to us, no fraud on or by the company has been noticed during the course of our audit.

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

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

**Place: Mumbai  
Date: 29.05.2015**

# Chandni Textiles Engineering Industries Ltd

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## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

Particulars	Note No.	AS AT	
		31.03.2015	31.03.2014
		₹	₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	161,372,630	161,372,630
(b) Reserves & Surplus	2	<u>58,516,038</u>	<u>58,117,890</u>
		219,888,668	219,490,520
<b>2 Non-Current Liabilities</b>			
Long - Term Borrowings	3	66,601	119,511
<b>3 Current Liabilities</b>			
(a) Trade Payables	4	55,629,618	58,808,644
(b) Other Current Liabilities	5	4,508,845	6,689,309
(c) Short Term Borrowings	6	<u>13,400</u>	<u>-</u>
		60,151,863	65,497,953
<b>Total</b>		<b><u>280,107,132</u></b>	<b><u>285,107,984</u></b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	7	37,341,373	40,924,788
(b) Non-Current Investments	8	6,200,173	27,375,232
(c) Deferred Tax Asset (Net)	9	1,454,084	1,522,339
(d) Long-Term Loans & Advances	10	5,676,567	4,568,871
(e) Other Non-Current Assets	11	<u>129,295</u>	<u>-</u>
		50,801,492	49,753,521
<b>2 Current Assets</b>			
(a) Inventories	12	40,809,721	41,891,746
(b) Trade Receivables	13	49,853,546	73,023,242
(c) Cash and Cash Equivalents	14	77,622,746	56,562,122
(d) Short-Term Loans & Advances	15	59,815,661	62,256,903
(e) Other Current Assets	16	<u>1,203,966</u>	<u>1,620,450</u>
		229,305,640	235,354,463
<b>Total</b>		<b><u>280,107,132</u></b>	<b><u>285,107,984</u></b>
Significant Accounting Policies Notes of Financial Statements	1 to 36		

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 29.05.2015

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 29.05.2015

A. J Mehta  
Director

Gayatri Valan  
Company Secretary

# Chandni Textiles Engineering Industries Ltd

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## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	Note	31.03.2015 ₹	31.03.2014 ₹
<b><u>INCOME</u></b>			
I Revenue from Operations	17	263,325,000	132,360,366
II Other Income	18	11,667,802	8,900,355
<b>III Total Revenue (I+II)</b>		<b><u>274,992,801</u></b>	<b><u>141,260,721</u></b>
<b><u>EXPENSES</u></b>			
IV Cost of Materials Consumed		21,586,753	28,302,021
Purchases of Stock in Trade		230,677,891	74,376,742
Changes in inventories of finished goods & stock in trade		1,026,066	2,335,325
Manufacturing Expenses		8,012,444	6,660,390
Employee Benefit Expenses		9,008,230	8,593,375
Finance Cost		880,532	419,364
Depreciation		3,222,234	2,130,615
Other Expenses		13,989,720	14,963,442
Total Expenses		<b><u>288,403,871</u></b>	<b><u>137,781,273</u></b>
V (Loss)/Profit before exceptional items & tax (III-IV)		(13,411,070)	3479,448
<b><u>Exceptional Items</u></b>			
VI Profit/(Loss) on disposal of Fixed Asset (Net)	14,158,472		(1,564,664)
Shares Investment Written Off	-		(80,000)
		<u>14158472</u>	<u>(1,644,664)</u>
VII Profit before tax ( V + VI)		747402	1,834,784
<b><u>Tax Expense</u></b>			
VIII Current Tax	145,000		355,000
Mat Entitlement Credit	(145,000)		(355,000)
Deferred Tax	150,944		619,668
	<u>150,944</u>		<u>619,668</u>
Wealth Tax	13,400		-
		<u>164,344</u>	<u>619,668</u>
<b>IX Profit for the year (VII – VIII)</b>		<b><u>583,059</u></b>	<b><u>1,215,116</u></b>
X Earnings per equity share of face value of Re- 1/ Basic & Diluted	26	<b>0.004</b>	<b>0.008</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 36

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

**On behalf of the Board**

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

**J.R. Mehta**  
**Managing Director**

**A. J Mehta**  
**Director**

**Shailesh Sankav**  
**Chief Financial Officer**

**Gayatri Valan**  
**Company Secretary**

**Place: Mumbai**  
**Date: 29.05.2015**

**Place: Mumbai**  
**Date: 29.05.2015**

# Chandni Textiles Engineering Industries Ltd

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	2014-15 ₹	2013-14 ₹
<b>A Cash Flow from Operating Activities:</b>		
<b>Profit before tax</b>	<b>747,402</b>	<b>1,834,784</b>
Adjustment for:		
Depreciation	3,222,234	2,130,615
Interest Paid	880,532	419,363
Preliminary & Amalgamation expenses w/ off	-	329,818
Dividend Income	(83,183)	-
Profit on sale of Securities	(2,565,985)	(22,777)
Shares Investment Written Off	-	80,000
Loss/Profit on disposal of Fixed Assets	(14,158,472)	1,564,664
<b>Operating profit before working capital changes</b>	<b>(11,957,472)</b>	<b>6,336,467</b>
Adjustment for:		
(Increase)/ Decrease in trade and other receivables	26,027,422	(4,898,541)
(Increase)/ Decrease in Inventories	1,082,025	1,520,672
Increase/ (Decrease) in Trade Payables & Other Current Liabilities	(3,486,855)	10,242,451
	23,622,592	6,864,582
Direct Taxes Paid	(1,107,696)	(807,238)
<b>Net Cash Flow from Operating Activities</b>	<b>10,557,424</b>	<b>12,393,810</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,551,445)	(8,625,734)
Expenses pending capitalization	(129,295)	-
Purchase of Investments	(123,202,184)	(2,207,964)
Sale of Investments	122,305,518	519,218
Dividend Income	83,183	-
Sale of Fixed Assets	15,803,500	150,000
<b>Net Cash Flow from Investing Activities</b>	<b>13,309,276</b>	<b>(10,164,481)</b>
<b>C Cash Flow from Financing Activities</b>		
Repayment of Long Term Borrowings	(1,925,545)	(2,639,608)
Interest Paid	(880,532)	(419,363)
<b>Net Cash Flow from Financing Activities</b>	<b>(2,806,076)</b>	<b>(3,058,972)</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents</b>	<b>21,060,624</b>	<b>(829,642)</b>
Cash & Cash Equivalents at the beginning of the year	56,562,122	57,391,765
Cash & Cash Equivalent at the end of the year	77,622,746	56,562,122
	<b>21,060,624</b>	<b>(829,642)</b>

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 29.05.2015

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 29.05.2015

A. J Mehta  
Director

Gayatri Valan  
Company Secretary



### SIGNIFICANT ACCOUNTING POLICIES

**(1) Basis of Accounting**

The financial statements are prepared on historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

**(2) Revenue Recognition**

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

**(i) Sale of goods**

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

**(ii) Interest**

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

**(iii) Rent**

Revenue is recognized on accrual basis.

**(3) Fixed Assets**

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

**(4) Depreciation**

Depreciation on Tangible Assets (other than Freehold land on which no depreciation is charged) is provided to the extent of depreciable amount on straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions/deductions during the year is provided on pro-rata basis.

**(5) Investments**

Long term investments are stated at cost.

**(6) Inventories**

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

**(7) Transactions in Foreign Currency**

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

# Chandni Textiles Engineering Industries Ltd

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## **(8) Employee Benefits**

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

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

### **(ii) Long Term Employee Benefits:-**

#### **(a) Defined Contribution Plan**

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

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

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

#### **(b) Defined Benefit Plan**

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

## **(9) Borrowing Costs**

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

## **(10) Taxation**

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

## **(11) Provisions, Contingent Liabilities and Contingent Assets**

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

## **(12) Impairment of Assets**

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

# Chandni Textiles Engineering Industries Ltd

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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2015

	AS AT 31/03/2015 (₹)	AS AT 31/03/2014 (₹)
<b>1 SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
20,00,00,000 Equity Shares of Re. 1/- each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID</b>		
16,13,72,630 Equity Shares of Re.1/- each	161,372,630	161,372,630
	<b>161,372,630</b>	<b>161,372,630</b>
<b>1.1</b> The details of Shareholders holding more than 5% shares		
<b>Name of the Shareholder</b>	<b>No of Shares</b>	<b>%</b>
J.R. Mehta	41,920,910	25.98
A.J. Mehta	27,596,265	17.10
Satyaprabhu Infrastructure Pvt Ltd	27,439,394	17.00
	<b>No of Shares</b>	<b>%</b>
	41,920,910	25.98
	27,596,265	17.10
	27,439,394	17.00
<b>1.2</b> The reconciliation of the number of shares outstanding is set out below :		
Equity Shares of Re.1/- each at the beginning of the year	161,372,630	161,372,630
Equity Shares of Re.1/- each at the end of the year	161,372,630	161,372,630
<b>2 RESERVES AND SURPLUS</b>		
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	55,740,000	55,740,000
<b>Surplus as per Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	2,377,890	1,162,774
Less : Adjustments relating to fixed assets (Refer Note No. 7.1)	184,910	-
	2,192,980	1,162,774
Add : Profit for the year	583,059	1,215,116
	2,776,038	2,377,890
	<b>58,516,038</b>	<b>58,117,890</b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured :</b>		
<b>Term Loans :</b>		
From Banks	66,601	119,511
	<b>66,601</b>	<b>119,511</b>
<b>3.1</b> Long-term borrowings and current maturities of Long-term borrowings include :		
(a) Term Loans from banks to the extent of Rs.1,19,511/- (Previous year : Rs.10,64,225/-) secured by way of equitable mortgage of immoveable property of the company & directors and personal guarantees of the directors.		
(b) Term Loans from banks to the extent of Rs. Nil (Previous year :Rs.9,80,830/-) are secured by way of hypothecation of vehicles		
<b>3.2</b> Repayment Schedule and Interest rate of Term Loans from banks are set out below :		
	<b>Period of Repayment</b>	
<b>Rate of Interest</b>	<b>0-1 Years</b>	<b>1-2 Years</b>
<b>10%</b>	38	-
<b>15.75%</b>	52,872	66,601

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	AS AT 31/03/2015 ₹	AS AT 31/03/2014 ₹
<b>4 TRADE PAYABLES</b>		
Trade payables	55,629,618	58,808,644
	<b>55,629,618</b>	<b>58,808,644</b>
<b>5 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term borrowings (Refer Note No. 3.1)	52,910	1,925,544
Interest accrued but not due on borrowings	1,265	15,481
Other payables	131,299	331,934
Advance from Customers	3,313,372	2,536,303
Deposits	1,010,000	1,880,048
	<b>4,508,845</b>	<b>6,689,309</b>
<b>6 SHORT TERM PROVISIONS</b>		
Wealth tax	13,400	-
	<b>13,400</b>	-
<b>8 NON-CURRENT INVESTMENTS</b>		
<u>Other Investments (Quoted)</u>		
3,000 (3,000) Equity Shares of Bhilwara Spinners Ltd. of Rs.10/-each	60,000	60,000
32,200 (32,200) Equity Shares of Shree Rajasthan Syntex Ltd of Rs.10/- each	966,000	966,000
Nil (3,500) Equity Shares of Adani Enterprises Ltd of Re.1/- each.	-	1,158,361
Nil (2,750) Equity Shares of Adani Ports and SEZ Ltd of Rs.2/- each.	-	496,223
Nil (2,500) Equity Shares of Ashok Leyland Ltd of Re. 1/- each.	-	56,939
800 (Nil) Equity Shares of 8K Miles Software Services Ltd. of Rs.10/- each.	511,886	-
1000 (Nil) Equity Shares of Alembic Ltd of Rs. 2/- each.	59,037	-
500 (Nil) Equity Shares of Ashapura Minechem Ltd. of Rs- 2/- each.	35,531	-
500 (Nil) Equity Shares of Delta Corp Ltd. of Re. 1/- each.	45,153	-
500 (Nil) Equity Shares of Elder Pharmaceuticals Ltd. of Rs.10/- each.	99,570	-
1,000 (Nil) Equity Shares of GNFC Ltd. of Rs. 10/- each.	97,621	-
1,000 (Nil) Equity Shares of Garware Polyester Ltd. of Rs.10/- each.	170,219	-
500 (Nil) Equity Shares of Gujarat Heavy Chemicals Ltd. of Rs.10/- each.	49,820	-
1,000 (Nil) Equity Shares of HCL Infosystems Ltd. of Rs.2/- each.	81,184	-
500 (Nil) Equity Shares of Heidelberg Cement Ltd. of Rs.10/- each.	48,362	-
1,000 (Nil) Equity Shares of HOV Services Ltd. of Rs. 10/- each.	174,228	-
10,000 (Nil) Equity Shares of IDFC Ltd. of Rs.10/- each.	1,631,274	-
1,000 (Nil) Equity Shares of Jindal Polyfilms Ltd. of Rs.10/- each.	333,916	-
500 (Nil) Equity Shares of Liberty Shoes Ltd. of Rs.10/- each.	165,211	-
10,000 (Nil) Equity Shares of Mercator Ltd. of Rs- 10/- each	384,516	-
1,000 (Nil) Equity Shares of Mindteck (India) Ltd. of Rs.10/- each	78,537	-
20,000 (Nil) Equity Shares of Rei Agro Ltd. of Re. 1/- each.	71,956	-
1,000 (Nil) Equity Shares of Saregama India Ltd. of Rs.10/- each.	172,217	-
500 (Nil) Equity Shares of Sarla Performance Fibers Ltd. of Rs.10/- each.	184,012	-
2,000 (Nil) Equity Shares of Sharon Biomedicine Ltd. of Rs.2/- each.	147,904	-
6,000 (Nil) Equity Shares of Tata Power Co Ltd. of Re.1/- each.	632,020	-
	<b>6,200,173</b>	<b>2,737,523</b>
Aggregate amount of quoted investments	6,200,173	2,737,523
Market Value of quoted investments	4,427,957	2,072,750

**Depreciation Sheet to be inserted here**

**7. TANGIBLE ASSETS:**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01/04/2014	Additions	Deductions/ Adjustments	As at 31/03/2015	Upto 31/03/2014	For the year	Deductions/ Adjustments	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Freehold Land	960,000	-	-	960,000	-	-	-	-	960,000	960,000
Factory Building	7,102,908	-	-	7,102,908	271,871	224,475	-	496,346	6,606,562	6,831,037
Flats	201,180	-	-	201,180	82,464	2,920	-	85,384	115,796	118,716
Office Premises	6,497,050	601,250	2,322,500	4,775,800	2,413,369	72,915	670,164	1,816,120	2,959,680	4,083,681
Improvement to Leased Premises	3,889,762	-	-	3,889,762	18,752	86,505	-	105,257	3,784,505	3,871,010
Plant & Machinery	11,232,647	8,500	-	11,241,147	599,659	733,403	3,454	1,329,608	9,911,539	10,632,988
Furniture & Fixtures	8,465,252	-	270	8,464,982	633,359	837,675	67	1,470,967	6,994,015	7,831,893
Office Equipments	912,575	286,245	(500)	1,199,320	226,246	272,356	(130,779)	629,381	569,939	686,329
Computers	666,805	-	17,700	649,105	441,099	65,289	(97,622)	604,010	45,095	225,706
Vehicles	5,727,718	655,450	(39)	6,383,207	1,433,957	780,121	365	2,213,713	4,169,494	4,293,761
Air Conditioners	904,660	-	-	904,660	56,187	93,447	(21)	149,655	755,005	848,473
Electrical Fittings	704,061	-	-	704,061	162,867	53,128	(18,323)	234,318	469,743	541,194
<b>Total Current Year</b>	<b>47,264,618</b>	<b>1,551,445</b>	<b>2,339,931</b>	<b>46,476,132</b>	<b>6,339,830</b>	<b>3,222,234</b>	<b>427,305</b>	<b>9,134,759</b>	<b>37,341,373</b>	<b>40,924,788</b>
<b>Total Previous Year</b>	<b>43,190,378</b>	<b>18,209,758</b>	<b>14,135,519</b>	<b>47,264,618</b>	<b>16,630,070</b>	<b>2,130,615</b>	<b>12,420,855</b>	<b>6,339,830</b>	<b>40,924,788</b>	<b>26,560,308</b>

**7.1** In compliance with Schedule II of the Companies Act, 2013, the management has reassessed the estimate useful lives of the fixed assets with effect from 1st April, 2014. As a consequence of this change, depreciation for the year is higher by Rs.3,76,116/-. Further, based on transitional provision provided in note 7(b) of Schedule II, the carrying value (net of residual value) of assets with revised useful life as nil, amounting to Rs.1,84,910/- (net of deferred tax of Rs.82,688/-) has been adjusted against retained earnings.

**7.2** Adjustments on account of reclassification of assets amounting to Rs.8,191/- is written back by way of depreciation.

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		AS AT 31/03/2015 (₹)	AS AT 31/03/2014 (₹)
<b>9</b>	<b><u>DEFERRED TAX ASSETS (NET)</u></b>		
	Timing difference on account of depreciation	(2,002,390)	1,237,160
	Expenses allowable on payment basis under Tax Laws	102,074	78,327
	Unabsorbed Depreciation	1,566,361	206,852
	Business Loss	1,788,038	-
	Net Deferred Tax Assets	<b>1,454,084</b>	<b>1,522,339</b>
<b>10</b>	<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>		
	Advance Tax / TDS less provisions	5,176,567	4,213,871
	Mat credit entitlement	500,000	355,000
		<b>5,676,567</b>	<b>4,568,871</b>
<b>11</b>	<b><u>OTHER NON-CURRENT ASSETS</u></b>		
	Expenditure pending capitalisation	129,295	-
		<b>129,295</b>	-
<b>12</b>	<b><u>INVENTORIES</u></b>		
	(As taken, valued and certified by the management)		
	Raw Materials	785,117	819,651
	Stock-in-trade	39,138,878	40,292,227
	Finished Goods	885,726	758,443
	Spares	-	21,425
		<b>40,809,721</b>	<b>41,891,746</b>
<b>13</b>	<b><u>TRADE RECEIVABLES</u></b>		
	(Unsecured, considered good)		
	Outstanding for a period exceeding six months	3,088,600	7,565,212
	Others	46,764,946	65,458,030
		<b>49,853,546</b>	<b>73,023,242</b>
<b>14</b>	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
	Balances with banks	4,497,971	912,123
	Cash on hand	343,968	2,635,042
	Fixed deposits with banks	72,780,807	53,014,957
		<b>77,622,746</b>	<b>56,562,122</b>
<b>14.1</b>	Fixed deposits with banks include deposits of Rs.5,45,216/- (Previous year Rs.11,62,616/- ) with maturity of more than 12 months		
<b>14.2</b>	Fixed deposits to the extent of Rs.Nil (Previous year Rs. 4,92,63,673/- ) are pledged to the banks against overdraft facility.		
<b>15</b>	<b><u>SHORT TERM LOANS &amp; ADVANCES</u></b>		
	(unsecured, considered good)		
	Balances with Govt. Authorities	168,365	168,365
	Deposits	1,391,455	1,511,455
	Others	58,255,841	60,577,083
		<b>59,815,661</b>	<b>62,256,903</b>

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	AS AT 31/03/2015 (₹)	AS AT 31/03/2014 (₹)		
<b>16 OTHER CURRENT ASSETS</b>				
Interest accrued on bank fixed deposits	1,161,869	1,550,261		
Claims and other receivables	42,097	70,189		
	<u>1,203,966</u>	<u>1,620,450</u>		
<b>17 REVENUE FROM OPERATIONS</b>				
Sales of Products	261,425,000	133,002,519		
Sales of Services	2,134,840	35,308		
	263,559,840	133,037,827		
Less : Excise duty/Service tax recovered	234,840	677,462		
	<u>263,325,000</u>	<u>132,360,366</u>		
<b>17.1 PARTICULARS OF SALE OF PRODUCTS</b>				
Engineering Goods	23,608,895	33,365,335		
Textile Goods	237,816,105	99,637,184		
	<u>261,425,000</u>	<u>133,002,519</u>		
<b>17.2 PARTICULARS OF SALE OF SERVICES</b>				
Repairs Services	2,134,840	35,308		
	<u>2,134,840</u>	<u>35,308</u>		
<b>18 OTHER INCOME</b>				
Interest Income	6,012,752	4,257,923		
Rent Income	3,005,882	3,692,466		
Commission	-	169,492		
Foreign exchange gains (Net)	-	757,698		
Profit on sale of securities (Net)	2,565,985	22,777		
Dividend	83,183	-		
	<u>11,667,802</u>	<u>8,900,355</u>		
<b>19 COST OF MATERIALS CONSUMED</b>				
Yarn & Components		%		%
Indigenous	21,586,753	100.00	28,302,021	100.00
Imported	-		-	
	<u>21,586,753</u>	100.00	<u>28,302,021</u>	100.00
<b>20 PARTICULARS OF PURCHASES OF STOCK-IN-TRADE</b>				
Engineering Goods	14,322,768		16,050,120	
Textile Goods	216,355,124		58,326,622	
	<u>230,677,891</u>		<u>74,376,742</u>	
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</b>				
<b>Opening Stock :</b>				
Stock-in-trade	40,292,227		43,385,995	
Finished Goods	758,443		-	
	<u>41,050,670</u>		<u>43,385,995</u>	
<b>Closing -Stock :</b>				
Stock-in-trade	39,138,878		40,292,227	
Finished Goods	885,726		758,443	
	<u>40,024,604</u>		<u>41,050,670</u>	
	<u>1,026,066</u>		<u>2,335,325</u>	

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	AS AT 31/03/2015 (₹)	AS AT 31/03/2014 (₹)
<b>22</b>	<b>MANUFACTURING EXPENSES</b>	
Stores, Spares and Packing Materials	873,144	669,292
Labour & Processing Charges	5,169,424	4,471,280
Power & Fuel	960,365	831,862
Transportation Charges	361,172	339,571
Other Manufacturing Expenses	648,339	348,385
	<b><u>8,012,444</u></b>	<b><u>6,660,390</u></b>
<b>23</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>	
Salaries and Wages	8,721,944	8,321,040
Contribution to Provident Fund and other funds	101,264	99,861
Employees Welfare Expenses	185,022	172,474
	<b><u>9,008,230</u></b>	<b><u>8,593,375</u></b>
<b>24</b>	<b>FINANCE COSTS</b>	
Interest Expenses	880,532	419,364
	<b><u>880,532</u></b>	<b><u>419,364</u></b>
<b>25</b>	<b>OTHER EXPENSES</b>	
Bank Charges	123,944	22,135
Clearing, Forwarding & Freight	305,587	98,245
Commission & Brokerage	2,757,000	2,067,500
Travelling & Conveyance	1,611,240	2,417,703
Telephone, Postage & Telegram	487,383	550,788
Electricity Charges	81,426	146,636
Exhibition Expenses	157,200	8,090
Sampling, Sales Promotion & Advertisement	775,025	843,600
Insurance	771,588	881,635
Legal & Professional Charges	289,197	503,421
Rent	2,745,926	3,567,098
Rates & taxes	163,292	241,098
Repairs-Others	421,261	355,298
General Expenses	1,312,356	1,380,009
Sales tax & Service tax	582,218	866,282
Payment to Auditors :		
- As Auditor	168,540	168,540
- For Taxation matters	28,090	28,090
- For Other matters	61,798	56,180
	<b><u>258,428</u></b>	<b><u>252,810</u></b>
Bad debts /Sundry Balances w/off.	516,136	758,366
Foreign Exchange loss (Net)	482,144	-
Securities Transaction Tax	148,370	2,726
	<b><u>13,989,720</u></b>	<b><u>14,963,441</u></b>



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26. Earnings per Share: - Basic and Diluted

		<b>Current Year</b>	<b>Previous Year</b>
a) Profit after tax	Rs.	5,83,059	12,15,116
b) Weighted Average Number of Equity shares outstanding	Nos.	16,13,72,630	16,13,72,630
c) The nominal value per Equity Share	Rs.	1/-	1/-
d) Earnings per Share–Basic & Diluted	Rs.	0.004	0.008

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

	<b>31-3-2015</b>	<b>31-3-2014</b>
i) Principal amount remaining unpaid on	Nil	Nil
ii) Interest due thereon as on	Nil	Nil
iii) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, alongwith the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
v) Interest accrued and remaining unpaid as at	Nil	Nil
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	Nil	Nil

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

	<b>2014-15</b>		<b>2013-14</b>	
	Rs.	%	Rs.	%
Imported	0.00	0.00	57,553	8.60
Indigenous	8,73,144	100.00	6,11,739	91.40
	<b>8,73,144</b>	<b>100.00</b>	<b>6,69,292</b>	<b>100.00</b>

29. VALUE OF IMPORTS ON CIF BASIS

	<b>2014-15</b>	<b>2013-14</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Engineering Goods	69,99,434	89,91,851

30. EXPENDITURE IN FOREIGN CURRENCY ( on accrual basis)

Foreign Travelling	1,31,580	4,44,483
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31. EARNING IN FOREIGN CURRENCY

Export Sales (F.O.B. basis)	6,21,293	12,41,634
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# Chandni Textiles Engineering Industries Ltd

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

(i) Short Term Employee Benefits

The Company has provided for bonus amounting to Rs. 5,23,016/- (Previous year Rs. 4,48,325/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Profit & Loss Account for the year.

(ii) Long Term Employee Benefits

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

**I. Defined Contribution Plans**

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

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

	2014-15 (Rs.)	2013-14 (Rs.)
- Employers' Contribution to Provident Fund	51,299	50,922
- Employers' Contribution to Pension Scheme	38,829	37,971

**II. Defined Benefit Plan**

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

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

1.	Assumption	31-03-2015	31-03-2014
	Discount Rate	8 %	8 %
	Salary Escalation	5 %	5 %
<b>2.</b>	<b>Changes in the Present Value of Obligation</b>		
	Present value of obligations as at beginning of year.	2,18,433	2,22,124
	Interest cost	17,475	17,770
	Current Service Cost	12,048	15,097
	Benefits Paid	(0)	(41,824)
	Actuarial (gain)/ loss on obligations	(12,215)	5,266
	Present Value of Obligations as at Year end	2,35,741	2,18,433
<b>3.</b>	<b>Changes in the Fair Value of Plan Assets</b>		
	Fair value of plan assets at beginning of year	5,47,161	5,44,018
	Expected return on plan assets	49,244	44,965
	Contributions	0	2
	Benefits Paid	(0)	(41,824)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair Value of Plan Assets at Year end	5,96,405	5,47,161

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<b>4. Fair value of Plan Assets</b>			
Fair value of plan assets at beginning of year	5,47,161	5,44,018	
Actual return on plan assets	49,244	44,965	
Contributions	0	2	
Benefits Paid	(0)	(41,824)	
Fair value of plan assets at the end of year	5,96,405	5,47,161	
Funded status	3,60,664	3,28,728	
Excess of Actual over estimated return on plan assets	NIL	NIL	
Actual rate of return = Estimated rate of return as ARD falls on 31st March)			
<b>5. Actuarial Gain/Loss recognized</b>			
Actuarial (gain)/ loss on obligations	12,215	(5,266)	
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL	
Total (gain)/ loss for the year	(12,215)	5,266	
Actuarial (gain)/ loss recognized in the year	(12,215)	5,266	
<b>6. Amounts Recognized in the Balance Sheet</b>			
Present value of obligations as at the end of year	2,35,741	2,18,433	
Fair value of plan assets as at the end of the year	5,96,405	5,47,161	
Funded status	3,60,664	3,28,728	
Net asset/(liability) recognized in balance sheet	3,60,664	3,28,728	
<b>7. Expenses Recognised in the Profit and Loss Account</b>			
Current Service cost	12,048	15,097	
Interest Cost	17,475	17,770	
Expected return on plan assets	(49,244)	(44,965)	
Net Actuarial (gain)/ loss recognized in the year	(12,215)	5,266	
Expenses recognised in statement of Profit and loss Account	(31,936)	(6,832)	

### 33. Segment Reporting

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

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

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

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a) Information about Primary Segments : ( Business Segments )

		Year ended 31-3-2015	Year ended 31-3-2014
1	Segment Revenue		
a.	Engineering Division	2,55,08,895	3,27,23,182
b.	Textile Division	23,78,16,105	9,96,37,184
c.	Others	Nil	Nil
	<b>Total</b>	<b>26,33,25,000</b>	<b>13,23,60,366</b>
	Less : Inter Segment Revenue	-	-
	Net Sales/Income from Operations	<b>26,33,25,000</b>	<b>13,23,60,366</b>
2	Segment Results		
	Profit/(loss) before tax and Interest		
a.	Engineering Division	(5,07,439)	30,60,543
b.	Textile Division	(1,32,21,431)	45,08,001
	Total	<b>(1,37,28,870)</b>	<b>75,68,544</b>
	Less : (i) Interest	8,80,532	4,19,363
	(ii) Other un -allocable expenditure net off un allocable income	(1,53,56,804)	53,14,397
	Total Profit Before Tax	<b>7,47,402</b>	<b>18,34,784</b>
3	Capital Employed		
	(Segment Assets - Segment Liabilities)		
a.	Engineering Division	4,80,42,110	5,14,30,728
b.	Textile Division	65,96,939	1,79,30,633
	Add /(Less): - Un-allocable Assets less Liabilities	16,52,49,619	15,01,29,159
	Total Capital Employed in the Company	<b>21,98,88,668</b>	<b>21,94,90,520</b>

b) Information about Geographical Segments :

		Year ended 31-3-2015	Year ended 31-3-2014
	<b>Revenue</b>		
	India	26,27,03,707	13,11,18,732
	Outside India	6,21,293	12,41,634
		<b>26,33,25,000</b>	<b>13,23,60,366</b>
	<b>Assets</b>		
	India	27,58,93,856	27,98,55,605
	Outside India	42,13,536	52,52,379
		<b>28,01,07,132</b>	<b>28,51,07,984</b>
	<b>Capital Expenditure</b>		
	India	15,51,445	1,82,09,758
	Outside India	-	-
		<b>15,51,445</b>	<b>1,82,09,758</b>

# Chandni Textiles Engineering Industries Ltd

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

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

**a) Key Management Personnel**

- |                         |  |
|-------------------------|--|
| i) Jayesh R.Mehta       | - Managing Director                      |
| ii) Amita J.Mehta       | - Director                               |
| iii) Shailesh P. Sankav | - Chief Financial Officer                |
| iv) Gayatri Valan       | - Company Secretary & Compliance Officer |

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

- Kareshma Dentals Private Limited.
- J.R. Texmachtrade Private Limited.
- Jumping Genius School Private Limited

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

Nature of Transaction	Key Management Personnel		Associate Companies	
	2014-15	2013-14	2014-15	2013-14
Directors Remuneration	8,40,000	8,40,000	-	-
Salary	5,32,100	4,12,200	-	-
<b>Outstanding at year end</b>				
Sundry Creditors	60,495	1,20,129	-	-

35. Contingent liability and Commitments:

(I) Contingent Liabilities

- (a) Claims against the Company not acknowledged as debts represent suits filed by parties and disputed by the Company Rs.25,45,484/- (Previous Year Rs.25,45,484/-)

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

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

Deepak H. Padachh  
Partner  
Membership No. 45741

Place: Mumbai  
Date: 29.05.2015

On behalf of the Board

J.R. Mehta  
Managing Director

Shailesh Sankav  
Chief Financial Officer

Place: Mumbai  
Date: 29.05.2015

A. J Mehta  
Director

Gayatri Valan  
Company Secretary

## Chandni Textiles Engineering Industries Ltd

CIN: L70101MH1986PLC040119

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

No. (Fax): 022 24950328 E-mail:

### ATTENDANCE SLIP

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

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

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

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

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

I hereby record my presence at the 29th Annual General Meeting on Wednesday, 30th September, 2015 at 3.00 P.M. at The Queenie Captain Auditorium C/o The NAB Workshop For the Blind, Dr. Annie Besant Road, Worli, Mumbai – 400 030.

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

# Chandni Textiles Engineering Industries Ltd

CIN: L70101MH1986PLC040119

Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai-400030No. (Fax): 022 24950328 E-mail:

## PROXY FORM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on the Wednesday, 30th September, 2015 at 3.00 p.m. at The Queenie Captain Auditorium C/o The NAB Workshop for the Blind, Dr. Annie Besant Road, Worli, Mumbai – 30 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars of Resolution	For	Against
	<b>Ordinary Business</b>		
1	Adoption of Financial Statements (including Cash Flow Statements) for the year ended 31 <sup>st</sup> March, 2015		
2	Re-appointment of Mr. Jayesh R Mehta, who retires by rotation		
3	Re-appointment of M/s Chandan Parmar & Co. Chartered Accountants, Mumbai as Statutory Auditors of the Company		
	<b>Special Business</b>		
4	To Re-appoint Mr. Jayesh R. Mehta as Managing Director of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of the Shareholder

Signature of Proxy Holder(s)

Affix ₹ 1/-  
Revenue  
Stamp

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

# Book Post



If undelivered please return to :

**CHANDNI TEXTILES ENGINEERING INDUSTRIES LTD**

Registered Office 110, T.v. Industrial Estate,  
52, S.k. Ahire Marg, worli, Mumbai – 400 030