

Information Memorandum

CHANDNI MACHINES LIMITED

(formerly, Chandni Machines Private Limited) [CIN: U74999MH2016PLC279940]

*Registered Office: 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030,
Tel: 022 -29450328, Fax No. 022-24950328, E-mail: sales@cml.net.in Website: www.cml.net.in
Contact Person: Ms. Ekta Kheria, Company Secretary*

Chandni Machines Limited (formerly, Chandni Machines Private Limited) was incorporated as a Private Limited Company on 12th April, 2016 under the provision of Companies Act, 2013 in the name of 'Chandni Machines Private Limited'. Thereafter, it was converted into Public limited Company and the name of the Company was changed from Chandni Machines Private Limited to Chandni Machines Limited consequent to sanction of the Scheme of Arrangement (Demerger) by National Company Law Tribunal, Mumbai, vide Order dated 4th January, 2018. Accordingly, the Registrar of Companies, Mumbai has approved the change of name and issued a fresh Certificate of Incorporation dated 26th July, 2018 with Corporate Identification Number: U74999MH2016PLC279940

INFORMATION MEMORANDUM FOR LISTING OF 32,27,433 EQUITY SHARES OF Rs. 10/- EACH FULLY PAID –UP OF THE COMPANY

THIS INFORMATION MEMORANDUM IS FOR THE PURPOSE OF LISTING OF 32,27,433 EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP ALLOTTED TO THE SHAREHOLDERS OF CHANDNI TEXTILES ENGINEERING INDUSTRIES LIMITED (VIZ., THE DEMERGED COMPANY) PURSUANT TO THE SCHEME OF ARRANGEMENT (DEMERGER) SANCTIONED BY THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI VIDE ORDER DATED 4TH JANUARY, 2018.

NO EQUITY SHARE OF THE COMPANY IS PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of our Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The Equity Shares of Chandni Machines Limited have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page no. 6 of this Information Memorandum.**

ABSOLUTE RESPONSIBILITY OF CHANDNI MACHINES LIMITED

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("BSE"). For the purpose of Listing, the Designated Stock Exchange is BSE. Our Company has submitted this Information Memorandum with BSE and the same has been made available on our Company's website viz. www.cml.net.in and on the website of BSE at www.bseindia.com.

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Private Limited
Registered Office: Unit No 9, Shiv Shakti Ind. Estt.
J. R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400 011,
Website: www.purvashare.com
Tel: 022-23016761 / 022-23018261, **Email:** busicomp@gmail.com
SEBI Registration Number: INR000001112
Contact Person: Mr. Vinayak / Mr. Deepak

TABLE OF CONTENTS

Particulars	Page No.
SECTION 1: GENERAL	1
Definitions & Abbreviations	1
Use of Financial Information and Market Data	4
Forward Looking Statements	5
SECTION 2: RISK FACTORS	6
SECTION 3: INTRODUCTION AND ABOUT THE COMPANY	13
General Information	13
History	16
Business	17
Industry Overview	21
Capital Structure	22
Management	27
Promoter & Promoter Group	36
Statement of Tax Benefits	38
Scheme of Arrangement	52
Dividend Policy	53
SECTION 4: FINANCIAL INFORMATION OF THE COMPANY	54
Financial Statements of the Company	55
Management Discussion & Analysis	93
SECTION 5: LEGAL AND OTHER INFORMATION	96
Outstanding Litigation and Material Developments	96
Government Approvals	96
Regulatory and Statutory Disclosures	96
SECTION 6: OTHER INFORMATION	100
Main provisions of the Articles of Association	100
Material Contracts and Documents for Inspection	151
Declaration	151

SECTION 1: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section and references to any statute or regulations or acts or policies shall include amendments thereto, from time to time.

In this Information Memorandum, unless otherwise indicated or the context otherwise requires, all references to “our Company”, “the Company”, “Resulting Company”, “we”, “us”, or “our” are references to Chandni Machines Limited, or the context requires, and reference to “you” are to the prospective investors in the Equity Shares.

DEFINITIONS

Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and or/ Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification,
Appointed Date	1 st July, 2016
Articles or Articles of Association or AOA	Articles of Association of the Company
Audit Committee	Committee constituted by the Board in compliance with Section 177 of Companies Act, 2013
Auditors/ Statutory Auditors	M/s. Ambavat Jain & Associates LLP, Chartered Accountants
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, or committee(s) thereof
Company Secretary and Compliance Officer	Ms. Ekta Kheria
Demerged Company	Chandni Textiles Engineering Industries Limited
Designated Stock Exchange	BSE Limited
Director(s)	The Director(s) of our Company, unless otherwise specified
Resulting Company	The Company viz., Chandni Machines Limited
Effective Date	The date on which the Scheme became effective upon filing of the Order of the National Company Law Tribunal, dated 4 th January, 2018 sanctioning the Scheme, with the ROC viz., the 24 th January, 2018
Equity Share (s)	Equity Share (s) of our Company of face value of Rs. 10/- each

Equity Shareholder (s)	Holder (s) of Equity Shares of our Company
Information Memorandum	This Information Memorandum being filed with the Stock Exchange i.e BSE Limited
Investor Grievance Committee	Committee constituted by the Board in compliance with Section 178 of the Companies Act, 2013
IT Act	Income Tax Act, 1961 and includes any statutory amendment or re-enactment thereof for the time being in force
KMPs	Key Managerial Personnel of the Company
Listing Agreement	The Agreements entered into by the Company with the Stock Exchange
Memorandum of Association or Memorandum or MOA	Memorandum of Association of the Company
“Promoter(s)” or “our Promoter(s)”	Persons and entity listed in the section titled “Promoter and Promoter Group”
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI (ICDR) Regulations and a list of which is provided in the chapter titled “Our Promoter and Promoter Group” beginning on page 36 of this Information Memorandum.
Record Date	20 th August, 2018, the date fixed by the Board of Directors of the Demerged Company for the purpose of determining the shareholders of the Demerged Company, eligible for allotment of equity shares of the Resulting Company pursuant to the Scheme of Arrangement
Registrar/Share Transfer Agent	Purva Sharegistry (India) Private Limited having its Registered Office at Unit No 9, Shiv Shakti Ind. Estt., J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400 011
Registered Office	The Registered Office of our Company located at 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030
Registrar of Companies or ROC	Registrar of Companies, Mumbai
Scheme	Scheme of Arrangement between Chandni Textiles Engineering Industries Limited and Chandni Machines Private Limited (now Chandni Machines Limited) and their respective shareholders and creditors under sections 230 to 233 read with sections 52 & 66 of the Companies Act, 2013 as approved by the National Company Law Tribunal, Mumbai on 4 th January, 2018 and which became effective from 24 th January, 2018 upon the filing of the Certified copy of the NCLT Order with the Registrar of Companies.
SEBI Act	Securities and Exchange Board of India Act, 1992 includes any statutory amendment or re-enactment thereof for the time being in force
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force
Stock Exchange(s)	BSE Limited and National Stock Exchange of India Limited

Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
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ABBREVIATIONS

A/C	Account
AGM	Annual General Meeting
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
NSDL	National Securities Depository Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
DIN	Director Identification Number
DR	Depository Receipts
DSE	Designated Stock Exchange
EPS	Earnings per Share
NA	Not Applicable
ROC	Registrar of Companies, Mumbai
SEBI	Securities and Exchange Board of India

In the Information Memorandum, all reference to one gender also refers to the other gender and the word “lakh” or “lac” means “one hundred thousand” and the word “ten lakhs” means “million” and the word “Crore” means “ten million”.

The word and expression used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made there under.

Certain conventions; Use of Market data

Unless stated otherwise, the financial data in the Information Memorandum is derived from the Company's financial statements pursuant to the Scheme. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular "fiscal year" are to the twelve-month period ended March 31 of that year. In the Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off of such amounts.

All references to "India" contained in the Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian rupees, the official currency of India.

For additional definitions, please see the Section titled "Definitions/ Abbreviations" of the Information Memorandum.

Unless stated otherwise, industry data used in the Information Memorandum has been obtained from the published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although the Company believes that industry data used in the Information Memorandum is reliable, it has not been independently verified.

FORWARD LOOKING STATEMENT

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- I. General economic and business conditions in India and other countries;
- II. Regulatory changes and the Company's ability to respond to them;
- III. Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- IV. Ability to meet the Company's capital expenditure requirements;
- V. Technological changes;
- VI. Changes in the value of the Rupee and other currency changes;
- VII. Changes in Indian or international interest rates;
- VIII. Changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry;
- IX. Fluctuations in operating costs;
- X. The Company's ability to attract and retain qualified personnel;
- XI. Exposure to market risks, general economic and political conditions in India which have an impact on the Company's business activities or investments;
- XII. Changes in political and social conditions in India or in countries that the Company may enter;
- XIII. Any adverse outcome in the legal proceedings in which the Company is involved.
- XIV. Changes in the foreign exchange control regulations in India; and
- XV. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but not limited to, those discussed under "Management's Discussion and Analysis" "Industry Overview" and "Our Business".

We do not have any obligation to, and do not intend to, update or otherwise revise any statement reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

SECTION 2: RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Information Memorandum, including the risks described below, before making an investment in the Equity Shares of our Company.

The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.

RISKS AND MANAGEMENT PERCEPTION

1. The risk related to the interaction between injections moulding machines and their auxiliary equipment are not well known in the industry and these risks can sometimes lead to fatal occupational accidents.
2. The safety of the people working in the mould area of this type of moulding machines by identifying the risks and analyzing the risk reduction means for maintenance and production tasks.
3. The Company is into the business of importing plastic moulded machines and to access the mould area the workers have to open the locked out or interlocked mobile guards, use pressure sensitive floors detecting any presence in the mould area and can use the emergency stop.
4. Proper safeguards and special arrangements are being taken for prevention of any unforeseen occurrences. Management, with their past proven track record will be able to meet any kind of challenges.

Harmonious industrial relations are being maintained in the factory and no such problem has occurred in past and is neither anticipated in near future.

5. Various signs and messages are found on the equipment to warn the risk of accidents.

6. Good practices observed:

- Mould design modified so as to minimize the jamming of the parts produced, as such this jamming required intervention in the mould area. This reduced the workers' frequency of exposure to the hazards present in the area.

-Activating the emergency stop before intervening in the moulds' danger zone. This practice constitutes an additional manoeuvre could result in the machine's starting.

INTERNAL RISK FACTORS

1. ***Our Company is subject to risks arising from exchange rate fluctuations, which could adversely affect the financial results of our Company.***

Uncertainties in the global financial markets may have an adverse impact on the exchange rate between INR and other currencies. The exchange rate between INR and other currencies is variable and may continue to remain volatile in the future depending upon the foreign exchange reserve position in India. Any appreciation of the INR against other currencies may lead to reduction in the realization of our revenues in respect of our exports and increase our input cost in respect of our raw materials. Accordingly, the volatility in the exchange rate would adversely affect the financial results of our Company. Our inability to hedge this foreign exchange exposure may result in an adverse impact on our financial condition.

2. *We depend on a limited number of customers for a significant portion of our revenues. The loss of a major customer or significant reduction in production and sales of, or demand for our products from, our major customers may adversely affect our business, financial condition, results of operations and prospects.*

Our income from operations is obtained from sales of injection moulding machines in the domestic market and also from export sales of our injection moulding machines. We depend on a limited number of customers for a significant portion of our revenues. Revenue from our top 10 customers constituted 99.88% of our income from operations for fiscal 2018. Demand for our products is related to customer's requirements which are further related to various factors pertaining to the industry of each customer and the quality of products supplied by us. Further, with the advancement of technology, various new designs are innovated and we always run the risk of trading of machines that are no longer required in common usage. This may result in our customers opting for other trader of injection moulded machines. Any loss of customer base, out of our existing customers, will impact our overall sales, resulting in a sharp decline in our revenues. Further, we face immense competition from other moulded product providers, organised as well as unorganised, which may result in some of our customers reducing their orders to us. Any reduction in orders from our existing clients may result in a decline in our revenues. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

3. *We are subject to risks associated with expansion into new markets.*

Our Company intends to enter various new markets, Expansion into such markets, subject us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, difficulties in appointment of new distributors, display centers, staffing and managing such operations. The risks involved in entering new geographical markets and expanding operations, may be higher than expected and we may face significant competition in such markets. By expanding into new markets, we may be exposed to significant liability and could lose some or all of the investment in such region, as a result of which our business, financial conditions and results of operations could be adversely affected.

4. *Increase in the cost of, or a shortfall in the availability of used machines/components could have an adverse effect on our business, results of operations and financial conditions.*

The principal components traded by our Company is Injection moulding machines. The price of these machines/components may be relatively been stable in the current period. However, a major fluctuation in the price of these machines may adversely effect our business, results of operations and financial conditions. The price and availability of these machines/components depend on several factors beyond our control, including supplier's preferability overall economic conditions, production levels, market demand and competition for such materials, production and transport cost, duties and taxes and trade restrictions.

5. *If the Company's Contingent liabilities materialize, its results of operations could be adversely affected.*

The contingent liability of the Company as of 31 March, 2018 is Rs, 22,58,385/- which contain claims against the Company not acknowledge as debts represents suits filed by the parties and disputed by the Company. If these or any of other contingent liabilities materialize, the results of operations of the Company could be adversely affected.

6. *Our injection moulding machine could be adversely affected by introduction of alternative machines and change in consumer preferences towards plastic products.*

We purchase and sell used injection moulding machines, where we face the risk of any new research and development activity which may affect the popularity and use of the products traded by us. The adoption of the products derived through new R&D could have a negative impact on our machine currently in use. For example, through R&D, another design range of product from other material can be designed, thus rendering our product range of plastic machines in various sizes, outdated or redundant. Further, any substantial change in preference of consumers who are purchasing these machines from us will affect our customers' businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of used machines and consumer preferences may have an adverse effect on our business, profitability and growth prospects.

7. *Being a trading company, we may have low net profit margins as compared to industry standards.*

As a company engaged in the trading of injection moulding machines, we have in the past reported low net profit margins for the fiscals 2018. These margins are comparatively lower than industry standards for a dedicated trading business company which is mainly due to high interest burden and lack of operational efficiencies. Due to lower margins, we have shown lower EPS for our shareholders and may continue to do so. If the margins do not increase over time, we may continue to earn lower profits on higher revenues resulting in slower growth and affect overall financial condition. The management believes that lower margins are mainly due to non-compromise on quality and compliance which is beneficial in the long run. If we are unable to increase our margins, it may affect our growth prospects, profitability, operations and overall financial condition along with ability to absorb the fixed costs, if any, for the manufacture of new and innovative products.

8. *Our Promoters play key role in our functioning and we heavily rely on his knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.*

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have built relations with various suppliers, customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

9. *Our Company has not entered into any long-term contracts with any of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability*

Our Company has had long standing business relationships with various customers and we have been selling our products to such customers, including overseas customers. However, we have not entered into any specific contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of consistency of the products that our Company supplies, fluctuation in demand for used machines sold by our Company and customer's inventory management. Although we place a strong emphasis on quality, timely delivery of our products, in the absence of long term contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

10. *The Company may not be able to obtain or maintain adequate insurance, which could materially and adversely affect its business, results of operations and financial condition.*

Operating and managing a business involves many risks that may adversely affect our operations and the availability of insurance is therefore important to our operations. In addition, our Company cannot be certain that the existing coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations. Our Company has not availed key man insurance policies and business interruption / loss of profits insurance cover.

11. Our Company has entered into certain related party transactions and may continue to do so in the future

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating Rs. 23.93 lakhs for the last financial year ended March 31, 2018. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure - 36-Related Party Transactions" under section titled "Financial Statements" on page no. 91 of this Information Memorandum.

12. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement in the trading process and thus in the delivery of products or cause its cancellation. Further, since we do not execute contracts with our customers, the order could be cancelled or there could be changes in scope and / or scheduled delivery of the products. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

13. Our Company is required to prepare financial statements under Ind-AS (which is India's convergence to IFRS).

We have historically prepared our annual financial statements under Indian GAAP and have recently adopted Ind AS from April 1, 2017 in accordance with the Companies (Indian Accounting Standards) Rules, 2015. Our Audited Financial Statements for the FY 2018 included in this Information Memorandum have been prepared under Indian Accounting Standards (IND-AS). We are required to prepare our financial statements as at and for the twelve months period ended 31 March, 2018 in accordance with Indian accounting standards notified under section 133 of the Companies Act, 2013, which is applicable to the Company with effect from April 1, 2017. The financial information as at and for the twelve months period ended 31 March, 2018 is the first set of financial information prepared using the recognition and measurement principles of Ind AS. Further, the financial statements reported under Ind AS may not be directly comparable with financial statements prepared under Indian GAAP.

Further, Indian GAAP and Ind AS differ in certain respects from U.S. GAAP, IFRS and other accounting principles and standards. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial statements of the Company nor do we provide for a reconciliation of the financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which financial information included in this Information Memorandum will provide meaningful information is entirely dependent on investor's familiarity with Indian accounting principles.

14. We may not be successful in implementing our growth strategies or penetrating new markets.

One of our principal business strategies is to rapidly expand our various business segments and to offer new products and services in these businesses. This strategy exposes us to a number of risks and challenges including, among others, the following:

- rapid growth will require greater marketing and compliance costs than we have incurred in the past;

- our growth plans may not develop and materialize as rapidly as we anticipate and there can be no assurances that new product/ service lines or businesses will become profitable;
- we may fail to identify appropriate opportunities and offer attractive new products/services in a timely fashion, putting our businesses at a disadvantage as compared to our competitors;
- each of our businesses will need to hire or retain skilled personnel who are able to supervise and conduct the relevant new business activities, adding to our businesses' cost base; and
- competitors in the different business segments that we operate in may have more experience and resources than us which may affect our ability to compete.

In addition, our growth strategy in the future may involve strategic acquisitions and reconstructions, partnerships, joint ventures and exploration of mutual interests with other parties. These acquisitions and investments may not necessarily contribute to business growth and our profitability or may be unsuccessful. Our acquisitions may require us to assume high levels of debt and contingent liabilities. In addition, we could experience difficulty in assimilating personnel, integrating operations and cultures and may not realize the anticipated synergies or efficiencies from such transactions. Further, we may not be able to fund the growth requirements of our businesses. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

15. *We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our equity shares.*

Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Board and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our equity shares. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the equity shares at any point in the future. Further, we may not be able to fund the growth requirements of our businesses.

EXTERNAL RISK FACTORS

16. *There is no prior trading history for the equity shares of the Company.*

Since the equity shares of the Company have not been previously traded, their market value is uncertain. Following admission, the market price of the equity shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's equity shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

17. *Significant trading volumes of the equity shares on the Stock Exchanges on listing could impact the price of our Company's equity shares.*

Following admission of our equity shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the equity shares. A high volume of sales of our equity shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our equity shares.

18. *Our Company may decide to offer additional equity shares in the future, diluting the interests of existing shareholders which could adversely affect the market price of the equity shares.*

Our Company's ability to execute our business strategy depends on our access to an appropriate blend of debt financing, and equity financing. If our Company decides to offer additional equity shares or other securities convertible into equity shares in the future, this could dilute the interests of existing shareholders which could have an adverse impact on the market price of equity shares. Any additional offering of equity shares by our Company, or the public perception that an offering may occur, could have an adverse impact on the market price of the equity shares.

19. *Weak economic conditions may have an adverse impact on our Company's business, financial condition and results of operations.*

The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have a significant adverse effect on the availability of credit and the confidence of the financial markets, including in India. This volatility could result in softening of demand for the products and services of the Company to a lack of consumer confidence and decreased affordability and may adversely affect our Company's business, financial condition, results of operations and prospects. Additionally, economic and market conditions can adversely affect the performance of our Company since both the revenues and costs of our business lines are linked not only to the consumption abilities of the general public and disposable income available with them, but also, to macro-economic factors like interest rates, currency movements, and inflation.

20. *Taxes and other levies imposed by the Government of India or State Governments relating to our Company's business may have a material adverse effect on our business.*

Taxes and other levies imposed by the Central or State Governments that could potentially affect the costs of our products and services include goods & service tax, import duties etc. Any increase or changes in any of these taxes or levies, including a shift to a new goods and service tax structure, or the imposition of new taxes or levies in future, may have a material adverse impact on the business, profitability and financial condition of our Company

21. *Changes in Government policies.*

Changes in Government policy could adversely affect our business prospects, competitive position, or our costs. Changes in interest rates, changes in tax laws, changes in other regulations etc may have an adverse impact on the profitability of our Company. Due to the competitive nature of the market, the increase in costs as a result of these changes may not be easily passed on to the customers.

22. *Political instability or changes in the Government may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our equity shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. Although the current Government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous Governments.

Moreover, the rate of economic liberalization may change, and specific laws and policies affecting commodity futures, foreign investment and other matters affecting investment in our securities may change as well. There can be no assurance that such policies will be continued. A change in the Government in the future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

23. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our Company's business.*

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our Company's financial performance and our ability to obtain financing to fund growth on favourable terms or at all.

24. Financial instability in other countries, particularly emerging market countries, could disrupt our Company's business and affect the price of the equity shares.

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our Company's business, future financial performance, shareholders' equity and the price of the equity shares.

25. Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. Recently, the Finance Act, 2018 levied taxes on such long term capital gains exceeding Rs. 100,000 arising from sale of Equity Shares on or after 1 April, 2018, while continuing to exempt the unrealized capital gains earned up to 31 January, 2018 on such Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before 31 March, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("STT") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding Rs. 100,000 arising from sale of Equity Shares on or after 1 April, 2018, while continuing to exempt the unrealized capital gains earned up to 31 January, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

26. Currency exchange rate fluctuations may affect the value of the equity shares.

The exchange rate between the Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. If the investor purchases Rupees to purchase the equity shares, fluctuations in the exchange rate between the foreign currencies with which the investor purchased the Rupees may affect the value of the investors investment in the equity shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- The foreign currency equivalent of the Rupee trading price of the equity shares in India.
- The foreign currency equivalent of the proceeds that the investor would receive upon the sale in India of any of the equity shares.
- The foreign currency equivalent of cash dividends, if any, on the equity shares, which will be paid only in Rupees.

The investor may be unable to convert Rupee proceeds into a foreign currency of its choice or the rate at which any such conversion could occur could fluctuate. In addition, our Company's market valuation could be seriously harmed by the devaluation of the Rupee if investors in jurisdictions outside India analyze our Company's value based on the Rupee equivalent of such other currency and the financial.

SECTION 3: INTRODUCTION AND ABOUT THE COMPANY

GENERAL INFORMATION

Chandni Machines Limited (formerly, Chandni Machines Private limited) was incorporated as a Private Limited Company on 12th April, 2016 under the provision of Companies Act, 2013 in the name of 'Chandni Machines Private Limited'. Thereafter, it was converted into Public limited Company and the name of the Company was changed from Chandni Machines Private Limited to Chandni Machines Limited consequent to sanction of the Scheme of Arrangement (Demerger) by National Company Law Tribunal, Mumbai, vide Order dated 4th January, 2018. Accordingly, the Registrar of Companies, Mumbai has approved the change of name and issued a fresh Certificate of Incorporation dated 26th July, 2018 with Corporate Identification Number: U74999MH2016PLC279940.

As envisaged under Clause 4 of the Scheme of Arrangement sanctioned by the National Company Law Tribunal, Mumbai vide its Order dated 4th January, 2018, the Main Objects Clause of the Company's Memorandum of Association is to facilitate the carrying on business by the Company post demerger as manufactures, assembling, repairing, buying, selling, reselling, exchanging, altering, importing, exporting, hiring, or letting on hire or distributing or dealing in all kinds of injection moulding machines. Further as envisaged under Clause 6 of the Scheme, the Company was converted into Public Limited Company from Chandni Machines Private Limited to Chandni Machines Limited which was taken on record/approved by the Registrar of Companies, Mumbai vide the Fresh Certificate of Incorporation pursuant to conversion of Company dated 26th July, 2018.

Registered Office of our Company:

Chandni Machines Limited

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

Tel. No.: +91 022 -29450328

Fax No.: +91 022-24950328

Email: jrgroup@jrmehta.com

Website: www.cml.net.in

CIN: U74999MH2016PLC279940

Registrar of Companies

Registrar of Companies, Mumbai

100, Everest, Marine Drive,
Mumbai- 400002.

Website: www.mca.gov.in

Designated Stock Exchange

The Designated Stock Exchange is BSE Limited.

Board of Directors

The Board of Directors as on the date of filing of this Information Memorandum are:

S. No.	Name	DIN	Age	Address	Designation
1.	Mr. Jayesh Ramniklal Mehta	00193029	56	601/ 602, Atharva Building, 122, Off Keluskar Road, Opp Shivsena Bhavan, Shivaji Park, Dadar (West), Mumbai-400028	Managing Director

2.	Mrs. Amita Jayesh Mehta	00193075	54	601/ 602, Atharva Building, 122, Off Keluskar Road, Opp Shivsena Bhavan, Shivaji Park, Dadar (West), Mumbai-400028	Director
3.	Mr. Bharat Keshavlal Shah	08066115	66	101, Shivneri Apartment, 1 st Floor, Moughbhat Lane, Near Navaklal Press, Girgaon, Mumbai – 400004	Director
4.	Mr. Vasant Gaurishankar Joshi	00193105	76	16-B, Priyadarshani Co-Op. Housing Society, Shivaji Road, Kandivali (West), Mumbai -400067	Additional Non-Executive & Independent Director
5.	Dr. Bharat Sugnomal Bhatia	00195275	79	A-18, Miraaj Residency, Jankalyan Nagar, Marve Road, Malad (West), Mumbai – 400095	Additional Non-Executive & Independent Director
6.	Mr. Rameshchand Garg	03346742	63	B-505, Urmila C.H.S., Koldongri, Sahar Road, Andheri (East), Mumbai – 400069	Additional Non-Executive & Independent Director

For further details of the Board of Directors of our Company, please refer to the section titled “Management” beginning on page no. 27 of this Information Memorandum.

The Company confirms that none of its Current Directors appear in the RBI defaulter list.

Demat Credit

Our Company has executed tripartite agreements dated 17th August, 2018 and 20th August, 2018 with the Registrar and Share Transfer Agent and the Depositories i.e. NSDL and CDSL, respectively, for admitting our Company’s Equity Shares in demat form. The ISIN allotted is INE01GZ01011.

Filing

A Copy of this Information Memorandum has been filed with BSE in due compliance with the BSE requirements.

Listing

Applications have been already made to BSE, for permission to deal in and for an official quotation of the Equity Shares of the Company. Chandni Machines Limited is to be listed on BSE for 32,27,433 Equity Shares of Rs. 10/- each fully paid up of the Company. Chandni Machines Limited ensures that all steps for the completion of necessary formalities for listing and commencement of trading at the BSE Limited mentioned above are taken within such period as approved by SEBI.

Registrar and Share Transfer Agent

Purva Sharegistry (India) Private Limited
Registered Office: Unit No. 9, Shiv Shakti Ind Estt,
J.R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400 011
Tel: 022 -23016761 / 022-23018261

Email: busicomp@gmail.com

Website: www.purvashare.com

SEBI Registration Number: INR000001112

Contact Person: Mr. Vinayak / Mr. Deepak

Investors can contact the Registrar and Share Transfer Agent in case of any grievances pertaining to shares.

Statutory Auditor of the Company

M/s. Ambavat Jain & Associates LLP, Chartered Accountants
Add: 5B, Ground Floor, Onlooker Building,

14, Sir P.M. Road, Fort, Mumbai -400001

Tel: 022-43153000

Fax: 022-43153015

Email: mca@ajallp.com

Website: www.ajallp.com

Contact Person: Mr. Ashish Jain, Partner

Firm Registration No.: 109681W

Bankers to the Company

HDFC Bank Limited

Add: Ground Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai -400013

Tel: 022-61606161 / 66521000

Fax: 91-22-24903168

Email: balamurugan.velldoss@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Mr. Balamurugan Velldoss

Chief Financial Officer

Mr. Bharat Keshavlal Shah

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

Tel: +91-9820598305

Fax: 022-24950328

Email: bharatkeshavlal@rediffmail.com

Company Secretary and Compliance Officer

Ekta Kheria

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

Tel: +91-8447215959

Fax: 022-24950328

Email: ektakheria@cml.net.in

No Prohibition by SEBI

The Company, its Directors, its Promoters, other Companies promoted by the Promoters and Companies which the Company's Directors are associated as Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of SEBI Circular dated November 30, 2015 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. The Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

HISTORY

Chandni Machines Private Limited was incorporated on 12th April, 2016 (CIN: U74999MH2016PTC279940) as a Private Limited Company under the provisions of Companies Act, 2013 as a Wholly-owned subsidiary company of Chandni Textiles Engineering Industries Limited (Listed Company). The Chandni Textiles Engineering Industries Limited (holding company) is engaged in the business of sourcing of machinery and manufacturing of textile products. The business activities of a holding company can be classified into two divisions namely: (1) Engineering Division, which is engaged in the sourcing of engineering machinery and (2) Textile division which is engaged in manufacturing of velvet fabrics. After few months of its incorporation as a wholly-owned subsidiary; holding company (Chandni Textiles Engineering Industries Limited) filed Scheme of Arrangement (Scheme) with National Company Law Tribunal and the scheme intends to demerge its Engineering division into Chandni Machines Private Limited. Pursuant to the Scheme of Arrangement by way of demerger between Chandni Textiles Engineering Industries Limited and Chandni Machines Limited and their respective shareholders and creditors duly approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated 04th January, 2018, certified copies of the Orders was received on 21st January, 2018 and the same was filed with Registrar of Companies, Mumbai on 24th January, 2018. Hence, the effective date of the Scheme of Arrangement is 24th January, 2018 and the appointed date was 01st July, 2016.

Engineering Division was transferred and vested as a going concern basis with effect from the appointment date in accordance with provisions of Sections 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013 and Section 2(19AA) of the Income Tax Act, 1961. Company is proposed to be listed with BSE Limited as envisaged in the Scheme. Company is being managed by Mr. Jayesh Ramniklal Mehta who has experience of more than 30 years in machinery industry.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholders' Approval	Amendment
February 21, 2018	The Initial Authorized Share Capital of Rs. 3,00,00,000 (Rupees Three Crores only) consisting of 30,00,000 Equity shares of face value of Rs. 10/- each was increased to Rs. 3,25,00,000 (Rupees Three Crores Twenty Five Lakhs only) consisting of 32,50,000 Equity Shares of face value of Rs.10/- each.
	Change of Name of the Company pursuant to conversion into public limited company

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding Company as on the date of this Information Memorandum.

SUBSIDIARY COMPANY OF OUR COMPANY

There is no Subsidiary of our Company as on the date of this Information Memorandum.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Information Memorandum.

INJUNCTIONS OR RESTRAINING ORDERS

As of the date of this Information Memorandum, there are no injunctions or restraining orders against our Company.

STRATEGIC / FINANCIAL PARTNERS

Presently, our Company does not have any strategic / financial partners.

BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE COMPANY AND ITS LINE OF BUSINESS

“Chandni Machines Limited” (also known as CML) has been incorporated to conduct business as manufactures, assembling, repairing, buying, selling, reselling, exchanging, altering, importing, exporting, hiring, or letting on hire or distributing or dealing in all kinds of injection moulding machines. As the cost of brand new machinery is probably high the Company imports second hand plastic and rubber injection machinery of various tons i.e. 0-50 ton, 51-100 ton, 101-200 ton, 201-300 ton, 301 ton from various companies outside India and sell to various Companies in India.

Major suppliers of Company include:

Maschinenhandel Borowski GMBH, Meca & Plastic, Kaymak Machines, GNB Tech, TMS Co. Ltd., DTL Machines UK, D & M Machinery etc.

Major exporters of Company include:

-Ronch Polymers, Spectrum Polytech India Pvt. Ltd., S.P. Auto Engineering, Vega Auto, Eagle Machine Tools, Marco Polo, Navkar Plasto etc.

MISSION, VISION AND VALUES



Strategies

The Company is moving forward by marketing, technological innovation, management innovation and by providing commitment and guarantee to customers by specialized technical support and high efficiency after sale-service.

Segments and Products

The Company has been operating mainly in the segment of importing injection moulding machines from outside India and selling plastic injection moulding machines in India.

OUR BRIEF FINANCIALS

Brief Financial of Chandni Machines Limited for the financial year 2017-18 is as follows:

Particulars	For the year ended
	31 March, 2018 (Figures in Rs.)
Revenue:	
Revenue from operations	19,74,87,177
Other income	11,14,841
Total Revenue	19,86,02,018
Expenses:	
(a) Purchase of stock-in-trade	18,96,04,496
(b) Cost of materials consumed	-
(c) Changes in inventories of Stock-in-Trade	(86,26,078)
(d) Employee benefits expense	21,00,766
(e) Finance Cost	77,290
(f) Depreciation and amortization expense	12,932
(h) Other expenses	44,18,055
Total Expenses	18,75,87,461
Profit/(Loss) before Tax	1,10,14,557
Extraordinary / Exceptional Items	-
Profit/(Loss) before Tax	1,10,14,557
Tax Expense	
- Tax expense for the current year	30,50,000
- Deferred tax charge/(Credit)	(2,49,600)
Total tax expenses/(credit)	28,00,400
Profit/(Loss) for the period after tax	82,14,157
Earning per Shares of Rs. 1/- each	
(a) Basic (Rs.)	13.88
(b) Diluted (Rs.)	13.88

* Above mentioned figures are based on the first Audited Balance Sheet of the Chandni Machines Limited post de-merger.

COMPETITION

Large part of the injection moulding industry operates in an unorganized sector. There are very few large integrated players who offer complete services under one roof. Some of the Companies who operate in the same line of business are:

- Injectoplast Private Limited,
- Motherson Sumi Systems Limited.

UTILITIES & INFRASTRUCTURE FACILITIES

We have our Registered Office on lease & licence basis at 110, T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai-400030 which is well equipped with computer systems, internet connectivity, other communication equipment, security, transport and other facilities which are required for our business operations to function smoothly.

Further, the Company has its godown/warehouse facility situated at Survey No. 22/1, Kachigam Road, Ringanwada, Daman, Daman and Diu-396210.

Power

The requirement of power for our registered office is met from Brihanmumbai Electric Supply & Transport Undertaking. The sanctioned load for our registered office is 15.00 kw. Our Company also has backup facility through DG sets installed at our registered office.

Water

The water required for our registered office is relatively low and required mainly for human being consumption. Water is supplied by 'Mumbai Metropolitan Water Supply and Sewerage Board'. Further, our office has got necessary water supply from respective Municipal Authorities.

INSURANCE

The Company's property, equipments and stocks are adequately insured against major risks. The Company has also taken Money Insurance cover and group personal accident cover for the employees to provide coverage against the probable liabilities arising on them, if any.

The following are the details of the general insurance policy obtained by our Company:

S. No.	Name of the Insurance Company	Type of Policy	Validity Period	Description of cover under the policy	Policy No.	Sum Insured (Rs. In Lakhs)	Premium p.a. (Rs. In Lakhs)
1.	Bajaj Allianz General Insurance Company Limited	Commercial Package Policy	May 25, 2018 to May 24, 2019	Standard Fire and Special Perils Cover for Building and Stock, Burglary and Robbery Cover, Money Insurance Cover for Money in Transit, Safe & Counter, Fidelity Guarantee Cover and Group Personal Accident Cover for 6 persons @ 3 Lac for property/office situated at 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030 and warehouse/godown situated at Survey No. 22/1, Kachigam Road, Ringanwada, Daman, Daman and Diu-396210	OG-19-1904-4094-00000011	1005.50	0.40

SENIOR MANAGEMENT TEAM

The Company's senior management has significant experience in the sourcing and import of all types of used machinery and it believes that this experience is a key competitive advantage, enabling the senior management to make critical business decisions that result in faster and more efficient implementation of ideas and projects. The Company's management team has a track record of growth and significant domain knowledge in the sourcing and import of all types of used machinery and relevant experience in the geographies in which the Company operates. The Company's management team has diverse strengths including in relation to sales of its products and services, operations management, process excellence, building infrastructure, technology management, scaling businesses and growing the business in a disciplined and planned manner.

EMPLOYEES

As on the date of this Information Memorandum, the Company has approximately 13 employees in India.

HUMAN RESOURCE

Chandni Machines Limited reviews the man power requirements and has properly equipment department to take care of the requirements of the employees/ workers. We believe that a motivated and empowered employee base is the key to our operations and business strategy. We focus on attracting and retaining best possible talent. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Category wise breakup of our employees is as follows:

S. No.	Employee Category	Number of Employees
1.	Whole –Time Directors (including Managing Director)	1
2.	Key Managerial Personnel	2
3.	Staff, Workers and other Employees	10

INDUSTRY OVERVIEW

Plastic is an indispensable part of both everyday life and the high-tech sector. It is one of the pillars of economic life in the 21st century. Specialized Companies develop and process plastic in countless forms and with various product properties companies who need to produce in a resource efficient manner, effectively utilize machinery and serve global markets if they want to be successful. To be successful as an injection moulding Company, you need to maintain control over quality, innovation, delivery reliability and costs.

The particular properties of the material that is plastic and the almost limitless possibilities afforded by the various processes for injection moulding plastic make the injection moulding industry one of the most interesting and diverse industry sectors of all. The offering is wide and varied yet success will only come to those injection moulders who have full control over quality, innovation, delivery, reliability and costs. Most vendors operating in the injection moulding industry have been focusing on the development of an effective control system to monitor and control the entire procedure to ensure better efficiency and quality finish.

The global market for injection molded plastic would be worth \$ 162 billion by 2020, registering a CAGR of 4.9% from 2015 to 2020. Increasing demand of injection molded plastics in several end use industries such as automotive, packaging, electronics & consumer goods, building & construction, medical disposal and technological advancements is augmenting the growth of the market. The injection molded plastics industry is fast moving and continuous product improvement is most required to remain competitive. North America and Europe has been prominent consumers of injection molded plastics largely due to high demand from packaging and automotive industries.

CAPITAL STRUCTURE

The Authorised, Issued, Subscribed and Paid-up share capital of the Company is as under:

(A) Share Capital of the Company Pre-Scheme of Arrangement

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u> 30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000
Total	3,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital*</u> 10,000 Equity Shares of Rs. 10/- each fully paid up	1,00,000
Total	1,00,000

(B) Share Capital of the Company Post -Scheme of Arrangement

Particulars	Amount (in Rs.)
<u>Authorised Share Capital</u> 32,50,000 Equity Shares of Rs. 10/- each	3,25,00,000
Total	3,25,00,000
<u>Issued, Subscribed and Paid-up Share Capital*</u> 32,27,433 Equity Shares of Rs. 10/- each fully paid up	3,22,74,330
Total	3,22,74,330

*Pursuant to Clause 7 of the Scheme, the 1,00,000 equity shares of Rs. 10/- each of the Company held by Chandni Textiles Engineering Industries Limited (Demerged Company) as on the effective date of 1st July, 2016 stand cancelled.

** The post Scheme Capital Structure is as of 22nd August, 2018 i.e. date of allotment of shares.

Notes to Capital Structure

1. Share Capital History of our Company:

Date of issue / Allotment date	No. of Equity Shares Allotted	Issue Price (Rs.)	Premium (Rs.) Additional Shares Allotted / Bonus/ Issues (IPO/ FPO/ Preferential Issue/ Scheme / Bonus/ Rights etc)	Cumulative Capital (No. of Shares)	Cumulative Paid Up Capital in Rs.
Equity Shares of Rs. 10/- face value Issued, subscribed and paid up					
12 th April, 2016	10,000*	10	Subscribed by the Subscribers to the Memorandum of Association	10,000	1,00,000
22 nd August, 2018	32,27,433	-	Scheme of Arrangement between Chandni Textiles Engineering Industries Ltd and Chandni Machines Ltd and their respective shareholders and creditors approved by the National Company Law Tribunal, Mumbai Bench vide order	32,27,433	3,22,74,330

			dated 4 th January, 2018 and filed with Registrar of Companies, Mumbai on 24 th January, 2018.		
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*10,000 equity shares of Rs. 10/- held by the demerged company cancelled pursuant to Scheme of Arrangement.

- Pre-Scheme paid-up Capital of 10,000 Equity Shares of Rs. 10/- each fully paid issued to the subscribers to the Memorandum at the time of incorporation of the Company stand cancelled.
- 32,27,433 (Thirty Two Lakhs Twenty Seven Thousand Four Hundred and Thirty Three Only) Equity Shares of Rs. 10/- each were allotted on 22nd August, 2018 pursuant to the Scheme of Arrangement approved by National Company Law Tribunal, Mumbai Bench vide order dated 4th January, 2018.
- Lock-in of Equity Shares: The entire pre demerger share capital of our Company has been cancelled, requirements of lock-in of equity shares is not applicable to the Company.

5. Shareholding Pattern before and after the Scheme:

A. The shareholding pattern of our Company prior to the allotment of shares under the Scheme is as under:

S. No.	Name of Shareholders	No. of Equity Shares held	Amount (in Rupees)	% of Holding
1.	Chandni Textiles Engineering Industries Limited	9,999	99,990	99.99
2.	Jayesh Ramniklal Mehta	1	10	0.01
	Total Share Capital	10,000	1,00,000	100.00

B. Shareholding Pattern of the Demerged and Resulting Company as on the date of Allotment i.e. 22nd August, 2018.

Category Code	Category of Shareholders	Demerged Company (Chandni Textiles Engineering Industries Limited)		Resulting Company (Chandni Machines Limited)			
		Pre Arrangement as on Record Date		Pre Arrangement Shareholding		Post Arrangement Shareholding as on the date of Allotment of shares	
		No. of Shares	% of Shares	No. of Shares	% of Shares	No. of Shares	% of Shares
(A)	PROMOTER AND PROMOTER GROUP						
(1)	INDIAN						
(a)	Individual / HUF	70,81,217	43.88	1	0.01	14,16,243	43.88
(b)	Central Govt. / State Govt.(s)	-	-	-	-	-	-
(c)	Bodies Corporate	4,22,212	2.62	9,999	99.99	84,442	2.62
(d)	Financial Institution / Banks	-	-	-	-	-	-

(e)	Others	-	-	-	-	-	-
	Sub-Total A(1)	75,03,429	46.50	10,000	100	15,00,685	46.50
(2)	FOREIGN	-	-	-	-	-	-
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-
	Sub-Total A(2)	-	-	-	-	-	-
	Total A= A(1) +A (2)	75,03,429	46.50	10,000	100.00	15,00,685	46.50
(B)	PUBLIC SHAREHOLDING						
(1)	INSTITUTIONS						
(a)	Mutual Funds/ UTI	-	-	-	-	-	-
(b)	Financial Institutions / Banks	400	0.00	-	-	80	0.00
(c)	Central Govt. / State Govt.	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-
	Sub-Total B(1)	400	0.00	-	-	80	0.00
(2)	NON-INSTITUTIONS						
(a)	Bodies Corporate	32,48,131	20.13	-	-	6,49,625	20.13
(b)	(i) Individuals holding nominal share capital upto Rs. 2 Lakhs	17,21,324	10.67	-	-	5,29,667	16.41
	(ii) Individuals holding nominal share capital in excess of Rs. 2 Lakhs	33,66,742	20.86	-	-	4,87,930	15.12
(c)	Others						
	Clearing Member	130741	0.81	-	-	26148	0.81
	HUF	164243	1.02	-	-	32848	1.02
	Non-Resident Indian (NRI)	2,253	0.01	-	-	450	0.01
(d)	Qualified Foreign Investors	-	-	-	-	-	-
	Sub-Total B(2)	86,33,434	53.50	-	-	17,26,668	53.50

	Total B=B(1)+B(2)	86,33,834	53.50	-	-	17,26,748	53.50
	Total (A+B)	1,61,37,263	100.00	10,000	100.00	32,27,433	100.00
(C)	Shares held by custodians, against which Depository Receipts have been issued						
(1)	Promoter and Promoter Group	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	1,61,37,263	100	10,000	100	32,27,433	100

6. The list of top 10 Shareholders of Chandni Machines Limited and the number of Equity Shares held by them as on 22nd August, 2018.

S. No.	Name of the Shareholder	Shares	% of Equity Shares
1	Jayesh Ramniklal Mehta	8,38,418	25.98
2	A. J. Mehta	5,51,925	17.10
3	Sykes And Ray Equities (Mumbai) Private Limited	3,82,072	11.84
4	International Financial Services Limited	2,47,467	7.67
5	Mahavirsingh N. Chauhan	1,22,758	3.80
6	Hetal Chetan Mehta	90,102	2.79
7	J. R. Texmachtrade Private Limited	84,442	2.62
8	Ketal M. Brahmhatt	42,350	1.31
9	Reena Ashish Ajmera	40,000	1.24
	Nishita Alpesh Ajmera	40,000	1.24
	Avani Jasmin Ajmera	40,000	1.24
	Ashwini Jiten Ajmera	40,000	1.24
	Minal Manish Ajmera	40,000	1.24
10	Chirag Champaklal Pujara	32,720	1.01

7. Details of Equity Shares held by our Directors as on 22nd August, 2018.

Name of Directors	No. of Shares held
Jayesh Ramniklal Mehta	8,38,418
Amita Jayesh Mehta	5,51,925
Bharat Keshavlal Shah	20
Vasant Gaurishankar Joshi	2
Total	13,90,365

8. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of Chandni Machines Limited.
9. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the National Company Law Tribunal, Mumbai Bench till the listing of the Equity Shares allotted as per the Scheme.
10. Chandni Machines Limited presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of listing the shares, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.
11. The promoters of our Company, their relatives and associates and the Directors of our Company have not purchased or sold or financed, directly or indirectly, any equity shares of our Company from the date of approval of the Scheme till the date of submission of this Information Memorandum.
12. There shall be only one denomination for the Equity Shares of Chandni Machines Limited, subject to applicable regulations and Chandni Machines Limited shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
13. Chandni Machines Limited has 3,354 equity shareholders as on the date of filing of this Information Memorandum.

MANAGEMENT

BOARD OF DIRECTORS

The following table sets forth the details regarding the Board of Directors of the Company:

S. No.	Name, Age, Father's / Husband's Name, Designation, Address, Director Identification Number, PAN, Occupation, Nationality and Term	Date of Appointment	Other Directorships
1.	<p>Name: Mr. Jayesh Ramniklal Mehta Age: 56 years Father's Name: Mr. Ramniklal Premchand Mehta Designation: Managing Director Address: 601/ 602, Atharva Building, 122, Off Keluskar Road, Opp. Shivsena Bhavan, Shivaji Park, Dadar West, Mumbai - 400028 DIN: 00193029 PAN: AAHPM3030D Occupation: Business Nationality: Indian Term: 5 years</p>	<p style="text-align: center;">12 April, 2016</p> <p>Designated as Managing Director with effect from 20 September, 2018</p>	<p>1. Chandni Textiles Engineering Industries Limited. 2. Kareshma Dentals Private Limited. 3. J.R.Textmachtrade Private Limited. 4. Jumping Genius School Private Limited. 5. Humans of Bombay Stories Private Limited</p>
2.	<p>Name: Mrs. Amita Jayesh Mehta Age: 54 years Father's Name: Mr. Navnitlal Jamnadas Vankawala Designation: Director Address: 601/ 602, Atharva Building, 122, Off Keluskar Road, Opp Shivsena Bhavan, Shivaji Park, Dadar (West), Mumbai, Maharashtra-400028 DIN: 00193075 PAN: AETPM0757R Occupation: Business Nationality: Indian Term: Liable to retire by rotation</p>	<p style="text-align: center;">12 April, 2016</p>	<p>1. Chandni Textiles Engineering Industries Limited 2. Kareshma Dentals Private Limited 3. J.R.Textmachtrade Private Limited</p>
3.	<p>Name: Mr. Bharat Keshavlal Shah Age: 65 years Father's Name: Mr. Keshavlal M. Shah Designation: Director Address: 101, Shivneri Apartment, 1st Floor, Moughbhat Lane, Near Navaklal Press, Girgaon, Mumbai – 400004. DIN: 08066115 PAN: AAHPS7449G Occupation: Service Nationality: Indian Term: Liable to retire by rotation</p>	<p style="text-align: center;">07 February, 2018</p> <p>Regularised as a Director in the Extraordinary General meeting held on 21st February, 2018</p>	NIL

4.	<p>Name: Mr. Vasant Gaurishankar Joshi Age: 76 years Father's Name: Mr. Gaurishankar Govindji Joshi Designation: Non-Executive & Independent Director Address: 16-B, Priyadarshani Co-Op. Housing Society, Shivaji Road, Kandivali (West), Mumbai -400067 DIN: 00193105 PAN: ABAPJ2005M Occupation: Professional Nationality: Indian Term: 5 years</p>	20 September, 2018	1. Chandni Textiles Engineering Industries Limited
5.	<p>Name: Dr. Bharat Sugnomal Bhatia Age: 79 years Father's Name: Mr. Sugnomal Madhavdas Bhatia Designation: Non-Executive & Independent Director Address: A-18, Miraaj Residency, Jankalyan Nagar, Marve Road, Malad (West), Mumbai – 400095. DIN: 00195275 PAN: AABPB7934R Occupation: Retired Banker/Professor Nationality: Indian Term: 5 years</p>	20 September, 2018	1. Chandni Textiles Engineering Industries Limited
6.	<p>Name: Mr. Rameshchand Garg Age: 63 years Father Name: Mr. Ramulu Bheema Designation: Non-Executive & Independent Director Address: B-505, Urmila C.H.S., Koldongri, Sahar Road, Andheri (East), Mumbai – 400069 DIN: 03346742 PAN: AADPG3954E Occupation: Professional Nationality: Indian Term: 5 years</p>	20 September, 2018	1. Chandni Textiles Engineering Industries Limited

Relationship between the Directors

- Except Mr. Jayesh Ramniklal Mehta and Mrs. Amita Jayesh Mehta who are related to each other as husband and wife none of the Directors are related to each other.

Brief Biographies of Directors

1. Jayesh Ramniklal Mehta

Mr. Jayesh Ramniklal Mehta, aged 55 years is the Promoter, Chairman and Managing Director of the Company. He is a Textile Engineer from V.J.T.I., Mumbai (Company's Chief Promoter) and has a rigorous 30 years of in-depth experience in

the field of engineering. He has been actively involved in the affairs of our Company and played a key role in the growth of the Company with his inputs in strategic planning and business development. He holds directorship in five other companies.

2. Amita Jayesh Mehta

Mrs. Amita Mehta, aged 55 years is one of the Promoter and Director of the Company. She is a commerce graduate from Mumbai University. Mrs. Mehta looks after the marketing and administrative activities of the Company and she is responsible for business development, raw material procurement and production planning. She is also an active member relating to Corporate Governance issues. She holds directorship in total three other companies including one BSE listed company known as “Chandni Textiles Engineering Industries Limited”.

3. Bharat Keshavlal Shah

Mr. Bharat Shah, aged 66 years is a Director of the Company. He is S.S.C pass and has around 43 years of experience in business relating to textiles machinery spare parts. He has been appointed as Director on the Board of the Company w.e.f. 7 February, 2018.

4. Bharat Sugnomal Bhatia

Dr. Bharat Sugnomal Bhatia, aged 79 years is an Additional Non-Executive & Independent Director of the Company and has done Ph.D in Investment Banking. He is associated with the working of development of financial institution for Medium and Large Scale Companies throughout the country in the areas of Project Financing, Resource Mobilization and Fund Raising for Industrial and Infrastructure projects. He also has exposure in International Finance (ADB, GDR, ECB, KFW) and finalizing documentation related to project financing.

5. Vasant Gaurishankar Joshi

Mr. Vasant Gaurishankar Joshi, aged 77 years is an Additional Non-Executive & Independent Director of the Company. He has an experience of around 48 years in the field of accounts, administration and indirect taxes. He started his career in the year 1964 with Associated Precision Spindles Limited (Formerly known as Suessan Textile Bearing Limited) as an Accounts Officer. In the year 1986, he joined textile industry.

6. Rameshchand Garg

Mr. Rameshchand Garg, aged 63 years being is an Additional Non- Executive & Independent Director of the Company. After his graduation from the University in Rajasthan in the year 1975, he did his articleship for 3 years from a C.A. firm, Mumbai. After working as a Chief Accountant in a Private Limited Company for 8 years, he started his own tax consultancy firm specializing in the field of sales- tax, income tax, accounts finalization etc.

Compensation of Managing Director

Details of Remuneration payable to Mr. Jayesh Ramniklal Mehta.

1. Basic Salary: Rs. 27,272/- per month.

2. In addition to the above salary, he will be entitled to the perquisites, allowances and benefits 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 accident insurance, chauffeur driven car or conveyance allowance in lieu thereof telephones and such other benefits in the nature of perquisites add/or allowances, as per Company Policy from time to time or as may be decided by the Board.

3. Mr. Jayesh Ramniklal Mehta is eligible to the following perquisites, which shall not be included in the computation of the ceiling of remuneration:

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

If the Company has no profits or its profits are inadequate in any financial year, the Company will pay remuneration by way of salary, perquisites and allowances, as specified above as a minimum remuneration subject to provisions of Schedule V of the Companies Act, 2013 as may be in force from time to time.

Interest of the Directors

Other than their respective shareholding and employment contract as stated above, the Directors have no other interest in Chandni Machines Limited.

Change in Board of Directors of Chandni Machines Limited since its inception:

S. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Mr. Jayesh Ramniklal Mehta	12 April, 2016	-	Appointed as Director
2.	Mrs. Amita Jayesh Mehta	12 April, 2016	-	Appointed as Director
3.	Mr. Bharat Keshavlal Shah	07 February, 2018	-	Appointed as Additional Director
4.	Mr. Vasant Gaurishankar Joshi	20 September, 2018	-	Appointment as Additional Non-executive & Independent Director
5.	Mr. Bharat Sugnomal Bhatia	20 September, 2018	-	Appointment as Additional Non-executive & Independent Director
6.	Mr. Rameshchand Garg	20 September, 2018	-	Appointment as Additional Non-executive & Independent Director
7.	Mr. Jayesh Ramniklal Mehta	20 September, 2018	-	Designated as Managing Director
8.	Mr. Bharat Keshavlal Shah	21 February, 2018	-	Regularised as Director

Corporate Governance

The provisions of the Listing Agreement entered by Chandni Machines Limited with the BSE Limited with respect to Corporate Governance will be applicable to Chandni Machines Limited immediately upon Listing.

COMMITTEES OF THE BOARD

The Board of Directors has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee with effective from 20 September, 2018. These Committees have specific scope and responsibilities.

A. AUDIT COMMITTEE

The role of the Audit Committee, in brief, is to review financial statements, internal controls, accounting policies, internal audit report, related party transactions, risk management systems and functioning of the Whistle Blower mechanism.

The Audit Committee of the Board as constituted has the following as its Members:-

S. No.	Name	Designation	Nature of Directorship
1.	Mr. Vasant Gaurishankar Joshi	Chairman	Additional Non-Executive & Independent Director
2.	Mr. Bharat Sugnomal Bhatia	Member	Additional Non-Executive & Independent Director
3.	Mr. Jayesh Ramniklal Mehta	Member	Managing Director

The terms of reference of the Committee, as approved by the Board, are as follows:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- (3) To approve the payment to statutory auditors for any other services rendered by them;
- (4) To examine the financial statement(s) of the Company and the auditor's report thereon;
- (5) To meet the statutory auditors:
 - (a) Before the commencement of annual statutory audit and to discuss the scope of the audit; &
 - (b) At the conclusion of the annual statutory audit to review the financial statements and major findings on internal control before submission of such statements to the Board.
- (6) To meet from time to time, the Chief Financial Officer and Chief Internal Auditor to review:
 - (a) Coordination of efforts between internal and statutory auditors;
 - (b) Internal audit plans;
 - (c) Major findings of internal and statutory auditors.
- (7) To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same and also about impact of such changes, if any, of the accounting, auditing and any regulatory rules on the Company's activities that may affect the audit;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; &
 - g) Qualifications in the draft audit report.
- (8) To review the management discussion and analysis of financial conditions and results of operations;
- (9) To review statement of significant related party transactions submitted by management;
- (10) To review management letters/letters of internal control weaknesses issued by statutory auditors;
- (11) To review internal audit reports relating to internal control weaknesses;

- (12) To review, with the management, the quarterly financial statements before submission to the Board for approval;
- (13) To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (14) To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (15) To approve transactions of the Company with related parties or any subsequent modification to such transactions;
- (16) To scrutinize inter-corporate loans and investments;
- (17) To carry out valuation of undertakings or assets of the Company, wherever it is necessary;
- (18) To evaluate internal financial controls and risk management systems;
- (19) To review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (20) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (21) To discuss with internal auditors of any significant findings and follow up there on;
- (22) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (23) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (24) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (25) To review the functioning of the Whistle Blower mechanism;
- (26) To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; &
- (27) To carry out any other function as the Board may consider appropriate for inclusion, from time to time, in the terms of reference of the Audit Committee.

Right to be heard: The auditors of a company and the Key Managerial Personnel (KMP) shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.

B. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is in accordance with the requirements of Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

The Nomination and Remuneration Committee of the Board as constituted has the following as its Members:

S. No.	Name	Designation	Nature of Directorship
1.	Dr. Bharat Sugnomal Bhatia	Chairman	Additional Non-Executive & Independent Director
3.	Mr. Vasant Gaurishankar Joshi	Member	Additional Non-Executive & Independent Director
4.	Mr. Rameshchand Garg	Member	Additional Non-Executive & Independent Director

The terms of reference of the Committee, as approved by the Board, are as follows:

The terms of reference of the Committee, as approved by the Board, are as follows:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, after ensuring that:
 - a) level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, key managerial personnel and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. To formulate the criteria for evaluation of independent directors and the Board;
4. To look into various aspects of corporate governance and make suggestions to the Board on improving the governance standards taking into consideration the regulatory changes from time to time and global best governance practices;
5. To devise a policy on Board's diversity;
6. To ensure disclosure of the Remuneration Policy and evaluation criteria in the Company's Annual Report;
7. Further to do the following:
 - a) Recommend to the Board any new appointment(s) including re-appointment(s) and the tenure of office, whether of Executive or of Non- Executive Directors (NEDs);
 - b) Recommend the remuneration package, including the pension benefits and any compensation payment, of the Managing/Whole-time Director(s);
 - c) Recommend to the Board the amount of commission payable to each of the NEDs, based on the efforts and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at the meetings;

- d) Determine the increments in salary of the Managing/Whole-time Director(s);
- e) Determine the annual incentives of the Managing/Whole-time Director(s);
- f) Determine the minimum remuneration of the Managing/ Whole-time Director(s), in the event of inadequacy of profits.
- g) Implementation, administration and superintendence of the Employees' Stock Option Plan/Scheme(s) ('the ESOP Schemes') and also, to formulate the detailed terms and conditions of the ESOP Schemes including but not limited to –
 - i. The quantum of Options to be granted under an ESOP Scheme per employee and in aggregate.
 - ii. The conditions under which Options vested in employees may lapse in case of termination of employment for misconduct.
 - iii. The exercise period within which the employee should exercise the Option and that the Option would lapse on failure to exercise the Option within the exercise period.
 - iv. The specified time period within which the employee shall exercise the vested Options in the event of termination or resignation of an employee.
 - v. The right of an employee to exercise all the Options vested in him at one time or at various points of time within the exercise period.
 - vi. The procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall be taken into consideration by the Nomination & Remuneration Committee:
 - (a) the number and the price of the Options under the Scheme(s) shall be adjusted in a manner such that the total value thereof remains the same after the corporate action;
 - (b) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered; &
 - (c) the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- h) The grant, vest and exercise of Option in case of employees who are on long leave;
- i) The procedure for cashless exercise of Options;
- j) Such other matters as may be necessary for the purpose of effectively administering the Scheme; &
- k) Exercise any other powers as may be conferred by the Board in future.

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in accordance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

The said Committee consists of the following as its Members:

S. No.	Name	Designation	Nature of Directorship
1.	Mr. Rameshchand Garg	Chairman	Additional Non-Executive & Independent Director
2.	Mr. Vasant Gaurishankar Joshi	Member	Additional Non-Executive & Independent Director
3.	Mr. Bharat Sugnomal Bhatia	Member	Additional Non-Executive & Independent Director

The Committee has the following as its terms of reference:

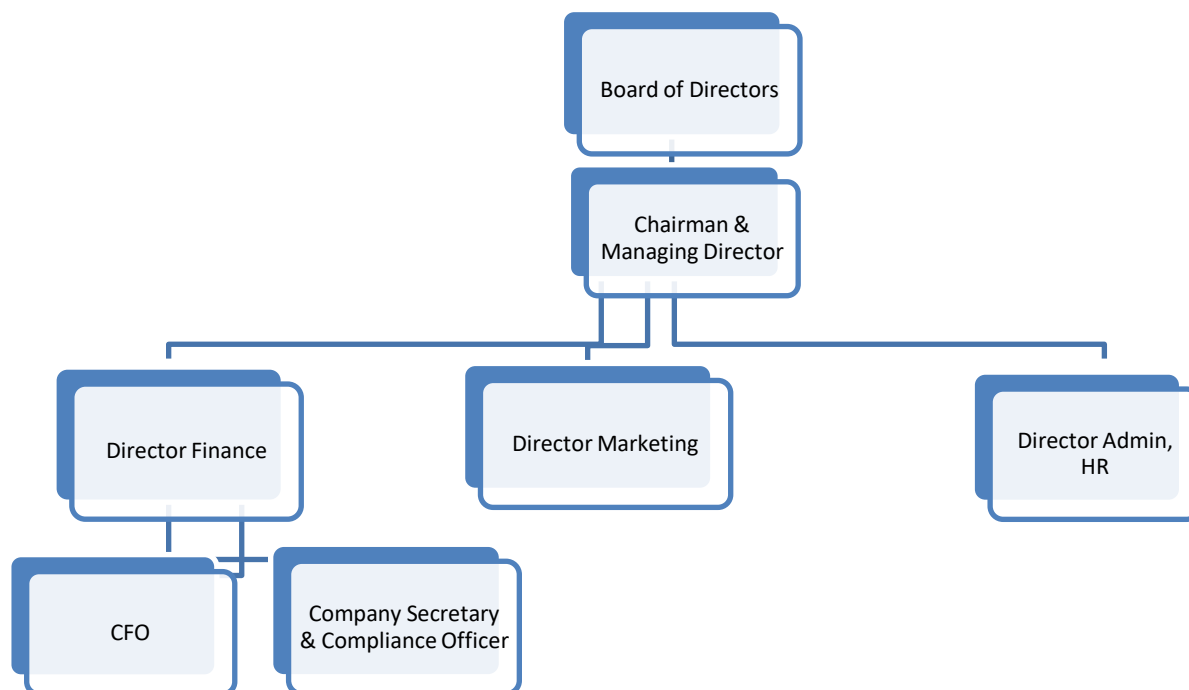
1. To consider and resolve grievances of security holders of the Company including complaints relating to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends etc.
2. To formulate shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards thereof;
3. To monitor and review the mechanism of share transfers, dividend payments, dematerialization process, sub-divisions, consolidations, issue of duplicate certificates etc., and to determine and set standards for processing of the same; and
4. To decide on any other matter or give such directions as may be required in connection with investor servicing.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

We will comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange.

Ms. Ekta Kheria, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANISATION STRUCTURE



PROMOTERS & PROMOTERS GROUP

Our Promoter & Promoter Group together holds 15,00,685 Equity Shares representing 46.50% of the subscribed and paid-up Equity Share capital of our Company.

Name of Promoter	Brief profile of Promoter
Mr. Jayesh Ramniklal Mehta	Mr. Jayesh Ramniklal Mehta, aged 55 years is the Promoter, Chairman and Managing Director of the Company. He is a Textile Engineer from V.J.T.I., Mumbai (Company's Chief Promoter) and has a rigorous 30 years of in-depth experience in the field of engineering. He has been actively involved in the affairs of our Company and played a key role in the growth of the Company with his inputs in strategic planning and business development. He holds directorship in five other companies.
Mrs. Amita Jayesh Mehta	Mrs. Amita Mehta, aged 55 years is one of the Promoter and Director of the Company. She is a commerce graduate from Mumbai University. Mrs. Mehta looks after the marketing and administrative activities of the Company and she is responsible for business development, raw material procurement and production planning. She is also an active member relating to Corporate Governance issues. She holds directorship in total four companies including one BSE listed company known as "Chandni Textiles Engineering Industries Limited".
Ms. Purna Jayesh Mehta	Ms. Purna Jayesh Mehta is a daughter of Mr. Jayesh Ramniklal Mehta and she has done Master of Business Administration (MBA) in Marketing from Symbiosis Centre for Management and Human Resource Development. She has served in a Professional capacity in the following companies: <ol style="list-style-type: none"> 1. Kaya Skin Clinic, Mumbai, 2. L'Oreal Professional, L'Oreal India Private Limited, Mumbai, 3. Diesel, 4. Hopscotch. Presently she is running her own business of selling home décor items online in the name of A Vintage Affair.

Ms. Chandni Jayesh Mehta	Ms. Chandni Jayesh Mehta is a daughter of Mr. Jayesh Ramniklal Mehta and also a part of promoter group. She has done Post Graduation in Psychological Counseling from Global Open University. Presently she is running a Play School cum activity centre in the name of Jumping Genius School private Limited in Mumbai having three branches in Mumbai for children between age group of 3 to 7 years.
J. R. Texmachtrade Pvt. Ltd.	Mr. Jayesh Ramniklal Mehta and Mrs. Amita Jayesh Mehta, Promoters of Chandni Machines Limited is holding 100% shareholding in J. R. Texmachtrade Pvt. Ltd.

Interest of Promoters

Our Promoters are interested to the extent that they are the Promoter of our Company, their shareholding in our Company, dividend payable and other distributions in respect of their Equity Shares. Further, Mr. Jayesh Ramniklal Mehta and Mrs. Amita Jayesh Mehta, who are our Promoter, are also Directors in our Company. Mr. Jayesh Ramniklal Mehta is a Chairman & Managing Director of our Company and Mrs. Amita Jayesh Mehta is a Director of the Company, and they may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Except in the normal course of business and as stated in the “Financial Statements”, our Company has not entered into any contract, agreements or arrangement in which our Promoters are directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Interest in the property of Our Company

Our Promoters do not have any interest in any property acquired by our Company during a period of two years before filing of this Information Memorandum or proposed to be acquired by us as on the date of filing of this Information Memorandum.

None of our Promoter has given corporate and personal guarantees, respectively, and have secured personal property towards financial facility availed from Bankers to our Company.

Promoters Group

Our Promoter Group in terms of Regulation 2(1) (zb) of SEBI (ICDR) Regulations includes the following persons:

J.R. Texmachtrade Private Limited.

DETAILS OF COMPANIES / ENTITIES FROM WHICH PROMOTER HAVE DISASSOCIATED

Our Promoter has not disassociated himself/herself as promoter from any Company/Entity in three years preceding the date of this Information Memorandum.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoter, please refer “Outstanding Litigation and Material Developments” on page 96 of this Information memorandum.

DETAILS OF PROMOTER GROUP COMPANIES WHOSE NAMES HAVE BEEN STRUCK-OFF FROM REGISTRAR OF COMPANIES

There are no Companies/Entities that form part of our Promoter Group, whose names have been struck off from Registrar of Companies.

STATEMENT OF TAX BENEFITS

The Board of Directors,
CHANDNI MACHINES LIMITED
110, T. V. Industrial Estate,
52, S. K. Ahire Marg, Worli,
Mumbai – 400 030.

Dear Sirs / Madam,

Subject: Statement of possible income-tax benefits ('the statement') available to CHANDNI MACHINES LIMITED ('the company') and its shareholders prepared in accordance with the requirement in schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ('the Regulations')

1. We hereby report that the enclosed Statement states the possible income-tax Act, 1961 ('the Act'), read with the Finance Act, 2018 presently in force in India being the law in force at the time of the Prospectus.
2. The possible tax benefits mentioned in the enclosed Statement are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant statutory provisions of the Act. Hence, the ability of the Company or its Shareholders to derive the income-tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced in the future, the Company or its shareholders may or may not choose to fulfill.
3. The benefits discussed in the enclosed Statement are not exhaustive.
4. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional income-tax advice. In view of the individual nature of the income-tax consequences and changing income-tax provisions, each investor is advised to consult with his or her own tax consultant. Neither are we suggesting nor are we advising the investor to invest money based in this Statement.
5. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply ethical requirements of the Code of Ethics issued by the ICAI.
6. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these possible tax benefits in the future; or
 - ii) the conditions prescribed for availing the possible tax benefits have been / would be met.
7. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
8. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the income-tax law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this Statement consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

9. This statement is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the Companies Act, 2013.

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

(Deepak Padachh)
Partner
Membership No. 45741

PLACE: MUMBAI
DATE: 30-10-2018

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO CHANDNI MACHINES LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2018-2019 relevant to the assessment year 2019-2020). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (“THE ACT”):

1. Special tax benefits

There are no special tax benefits available to the Company.

2. General tax benefits

a) Corporate Tax

Presently, Corporate tax on taxable income (other than income which is subject to special rates of tax) of the Company computed under the normal provisions of the Act is 25% (plus surcharge wherever applicable and Health and Education Cess 4%) since its turnover is less than 250 crore rupees in financial year 2016-17.

b) Depreciation

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per the provisions of Section 32 of the Income Tax Act. The company shall be entitled to carry forward depreciation allowance of which full effect has not been given against the profit or other income of current year and the same shall be allowable in subsequent year or years to be set off against any source of income.

c) Carry forward and set off of losses

As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.

d) Minimum Alternate Tax (MAT) Credit

As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006. The amount of MAT credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. Such MAT credit is available for carry forward up to 15 years succeeding the assessment year in which the MAT credit arises. The MAT credit is allowed as set-off in the year when tax is payable under the provisions of the Act other than section 115JB.

e) Dividends

- ❖ As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are

sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be chargeable to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act. In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.

Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

- ❖ For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.
- ❖ Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act in respect of which tax is paid by such mutual fund under section 115R of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.

f) SECTION 10(15)

Income in the nature of interest, premium, redemption or other payment on such securities, bonds or other certificates issued by Central Government and notified for the purpose of section 10(15) received by the Company, is exempt from tax, subject to such conditions and limits specified by the Central Government.

g) SECTION 10(23FBB)

Income referred to in section 115UB, accruing or arising to, or received by Company being a unit holder of an investment fund, being that proportion of income which is of the same nature as income chargeable under the head "Profits and gains of business or profession" shall be exempt from tax.

h) SECTION 10(23FD)

Any distributed income, referred to in section 115UA, received by the Company as a unit holder from the business trust, not being that proportion of the income referred to in sub-clause (a) of clause (23FC) or Clause (23FCA) shall be exempt from tax.

i) **SECTION 10(34A)**

As per section 10(34A) any income received by the Company as a shareholder of unlisted company on account of buy back of shares (not being listed on a recognized stock exchange) as referred to in section 115QA shall be exempt from tax.

j) As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

k) **Capital gains**

(i) **Computation and Taxability of Capital Gains**

Capital assets are to be categorized into short term capital assets and long term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Income Tax Act), or a zero coupon bond (as defined in the Income Tax Act), held by an assessee for more than 12 months are considered to be long - term capital assets, capital gains rising from the transfer of which are termed as long - term capital gains (“LTCG”). LTCG, in respect of an asset being shares of an unlisted company means capital gains arising from the transfer of a share, held by an assessee for more than 24 months⁷. In respect of any other capital assets, the holding period should exceed 36 months to be considered as long term capital assets.

❖ Short Term Capital Gains (“STCG”) means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Income Tax Act), or a zero coupon bond (as defined in the Income Tax Act), held by an assessee for 12 months or less. STCG, in respect of an asset being shares of an unlisted company means capital gains arising from the transfer of a share, held by an assessee for 24 months⁷ or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.

As per the provisions of Section 48 of the Income Tax Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvement and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of cost of acquisition/ improvement with the indexed cost of acquisition/improvement computed by applying the cost inflation index as prescribed from time to time.

(ii) **Section 112**

As per the provisions of Section 112 of the Income Tax Act, long term capital gains other than referred to in section 112A of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than a unit), or zero coupon bonds (as defined in the Income Tax Act), exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

(iii) **Section 112A**

As per newly inserted section 112A, tax on capital gains arising on long term capital assets being an equity share in a company or a unit of equity oriented fund or a unit of business trust, shall be payable at the rate of 10% on such capital gains exceeding one lakh rupees, provided securities transaction tax has been paid on acquisition and transfer of such equity share or transfer of unit of equity oriented fund of business trust. However, the benefit of indexation of costs of acquisition or costs of improvement will not be available for computing long term capital gains on such assets.

For the purpose of computing the Long Term Capital Gains referred to in section 112A, cost of acquisition of long term capital assets acquired before 01-02-2018 shall be higher of:-

- (i) the cost of acquisition of such assets; and
- (ii) lower of -
 - (a) the fair market value of such assets as on 31-1-2018; and
 - (b) the full value of consideration received or receivable on transfer of such capital assets.

The condition of having paid securities transaction tax on acquisition or transfer of an equity share or unit of equity oriented fund or a unit of business trust shall not be applicable to transfer undertaken on the recognised stock exchange located in any International Financial Service Centre and where the consideration of such transfer is received or receivable in foreign exchange.

- (iv) No deduction under chapter VI-A shall be allowable from such long term capital gains. No rebate shall be allowable under section 87A from the income tax payable on such long term capital gains.
- (v) Income on transfer of investment in a company is to be considered while determining book profits in accordance with provisions of Section 115JB of the Act.
- (vi) As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- (vii) STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D), where such transaction is not chargeable to STT is taxable at the normal rate of 30% (plus applicable surcharge and cess).
- (viii) As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.

- (ix) As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- (x) As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- (xi) In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset if such capital gain is invested within a period of six months from the date of transfer in specified bonds redeemable after five years and issued by National Highway Authority of India or Rural Electrification Corporation Limited or any other bonds notified by the Central Government. The maximum investment in the specified long term asset cannot exceed Rs.50 lakhs during any financial year. Where the long term specified assets is transferred or converted into money at any time with in a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.
- (xii) The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

1) Other tax benefits

- (i) Deduction under section 35 shall be allowable for any sum paid by the company to approved scientific research association or to a university, college or other institution to be used for scientific research or for research in social science or statistical scientific research or any contribution made to National Laboratory, university or Indian Institute of Technology or specified persons as approved by the prescribed authority at the rate of one and one half or equal to sum so paid, as may be prescribed in that section. However, the deduction shall be restricted to the sum so paid on or after 1st day of April, 2020.
- (ii) As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one- fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
- (iii) As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure. However, the deduction shall be restricted to 100 per cent from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- (iv) Securities Transaction Tax ('STT')–
As per the provisions of Section 36(1)(xv) of the Income Tax Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

- (v) As per section 115U of the Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).
- (vi) As per Section 80JJAA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to conditions specified therein.
- (vii) As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the Indian Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.
- (viii) As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT

a) Dividends

- ❖ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax under section 115-O on the amount distributed as dividend, if any. However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any expenditure.
- ❖ Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

(i) Computation of capital gains

- ❖ Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains(LTCG).
- ❖ Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

- ❖ Taxable LTCG would arise to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares and no securities transaction tax is paid on acquisition or transfer of such shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of long term capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.
- ❖ As per the provisions of Section 48 of the Income Tax Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition /improvement and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, it offers a benefit by permitting substitution of cost of acquisition /improvement with the indexed cost of acquisition /improvement computed by applying the cost inflation index as prescribed from time to time.
- ❖ Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act.
- ❖ As per newly inserted section 112A, tax on capital gains arising on long term capital assets being an equity share in a company or a unit of equity oriented fund or a unit of business trust, shall be payable at the rate of 10% on such capital gains exceeding one lakh rupees, provided securities transaction tax has been paid on acquisition and transfer of such equity share or transfer of unit of equity oriented fund of business trust. However, the benefit of indexation of costs of acquisition or costs of improvement will not be available for computing long term capital gains on such assets.
- ❖ For the purpose of computing the Long Term Capital Gains referred to in section 112A, cost of acquisition of long term capital assets acquired before 01-02-2018 shall be higher of:-
 - (i) the cost of acquisition of such assets; and
 - (ii) lower of -
 - (a) the fair market value of such assets as on 31-1-2018; and
 - (b) the full value of consideration received or receivable on transfer of such capital assets.

The condition of having paid securities transaction tax on acquisition or transfer of an equity share or unit of equity oriented fund or a unit of business trust shall not be applicable to transfer undertaken on the recognised stock exchange located in any International Financial Service Centre and where the consideration of such transfer is received or receivable in foreign exchange.

- ❖ Income on transfer of investment in a company is to be considered while determining book profits in accordance with provisions of Section 115JB of the Act.
- ❖ In case of individual or HUF, where the total taxable income as reduced by long term capital gains is below the basic exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with provisions of section 112/112A of the Act.
- ❖ In respect of a non-resident shareholder, as per the first proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not

available to non-resident shareholders.

- ❖ No deduction under chapter VI-A shall be allowable from such long term capital gains. No rebate shall be allowable under section 87A from the income tax payable on such long term capital gains.
- ❖ As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. No deduction under chapter VI-A is allowable from STCG. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.
- ❖ As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.
- ❖ In case of a shareholder being a company, long term capital gains and short term capital gains as per books shall form part of computation of book profits under section 115JB of the Act.
- ❖ The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has issued various circulars to clarify that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income. This is however subject to other considerations and factual aspects for determining the said treatment as mentioned in the CBDT circulars.
- ❖ Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

(ii) Exemption of capital gain from income-tax:

- ❖ As per Section 54EC of the Act, LTCG arising on transfer of shares of the company is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein. The maximum investment in the specified long term asset cannot exceed Rs.50 lakhs per assessee during any financial year.
- ❖ Where the new specified bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion.
- ❖ As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.
- ❖ As per the provisions of Section 14A of the Income Tax Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

c) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

BENEFITS TO NON-RESIDENT SHAREHOLDERS UNDER THE ACT

- ❖ Besides the benefits available to the individual shareholders of the Company, special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- ❖ NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- ❖ Specified foreign exchange assets include shares of an Indian company which are acquired/purchased/ subscribed by NRI in convertible foreign exchange.
- ❖ In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable cess). No deduction is allowable from such income in respect of any expenditure or allowance or deduction under chapter VI-A of the Act.
- ❖ As per the provisions of Section 115F of the Act, LTCG arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.
- ❖ Under the provisions of Section 115G of the Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
- ❖ Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- ❖ Under the provisions of Section 115-I of the Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (“FIIS”) :

a) Dividends exempt under Section 10(34) of the Act

- ❖ As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder being person other than specified persons resident in India referred to in section 115BBDA from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

b) Capital gains

- ❖ In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- ❖ In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation). However, in case of long term capital gains referred to in section 112A, income tax at the rate of 10 per cent shall be calculated on such income exceeding one lakh rupees.
- ❖ As per the provisions of Section 111A/115AD of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.
- ❖ As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).
- ❖ The benefits of exemption under Section 54EC of the Act mentioned above in case of the Company are also available to FIIs.
- ❖ The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

BENEFITS AVAILABLE TO INVESTMENT FUND UNDER THE ACT:

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and

Category II Alternative Investment Funds referred to as “investment fund” as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head “Profits and gains of business or profession” shall be exempt from income tax.

BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT:

- ❖ In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- ❖ However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would be after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

WHERE THE SHAREHOLDER IS A PERSON LOCATED IN A NOTIFIED JURISDICTIONAL AREA (NJA) UNDER SECTION 94A OF THE I.T. ACT

- ❖ All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking etc.
- ❖ No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (Section 94A(3)(a) read with Rule 21AC and Form 10FC).
- ❖ No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I.T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (Section 94A(3)(b) read with Rule 21AC).
- ❖ If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (Section 94A(4)).
- ❖ Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty percent.
- ❖ No jurisdiction has been notified as **Notified Jurisdictional Area (NJA)** on the date of issue of the prospectus.

GENERAL ANTI-AVOIDANCE RULE (‘GAAR):

In terms of Chapter XA of the Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit, applicable w.e.f. FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made before 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.

UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. However, receipt of the sum of money or any "property" including immovable property (as defined in section 56(2)(x) of the Income Tax Act, 1961) by any person without consideration or for inadequate consideration in excess of Rs. 50,000/- shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the Act.

Notes:

- a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
- b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law. The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
- c) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences.
- d) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- e) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.

SCHEME OF ARRANGEMENT

Authority for Listing

The National Company Law Tribunal, Mumbai Bench vide its Orders dated 04th January, 2018 approved the Scheme of Arrangement by way of Demerger between Chandni Textiles Engineering Industries Limited and Chandni Machines Private Limited (now Chandni Machines Limited) and their respective shareholders and creditors (“Scheme”) for demerger of Engineering Division and retaining residual business of textiles and plastic. The Preamble of the Scheme is as under:

Preamble

This Scheme of Arrangement is presented under Section 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013 for demerger and transfer of Engineering Division hereinafter referred to as Demerged Undertaking into Chandni Machines Limited.

Whereas

Chandni Textiles Engineering Industries Limited (“Demerged Company”) is a Public Limited Company, incorporated under the provisions of the Companies Act, 1956 (defined hereinafter) vide CIN L25209MH1986PLC040119 on 17th June, 1986 having its registered office at 110, T.V. Industrial Estate, 52 S.K. Ahire Marg, Worli, Mumbai – 400 030. The equity shares of the Demerged Company are listed with BSE Limited (BSE). The Demerged Company is primarily engaged in the business of manufacture of textiles, and plastic buckets and other plastic products.

Chandni Textiles has the following business units:

- Engineering Division
- Textile Division
- Plastic Division

3. Rationale and benefits behind the Scheme:

(a) This Scheme provides for the transfer by way of demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, the consequent issue of the securities by the Resulting Company to the shareholders of the Demerged Company on a proportionate basis in consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company.

(b) With a view to achieve the aforesaid growth potential, the Demerged Company proposes to re-organize and segregate, by way of the Scheme, its business, undertaking and investments in the Business.

(c) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.

(d) The demerger under this scheme will be affected under the provisions of Sections 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013. The demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

Chandni Machines Limited (Previously known as Chandni Machines Private limited) (“Resulting Company”) (also known as CML) is a Public Limited Company incorporated under the Companies Act, 2013 as a Private Limited Company vide CIN U74999MH2016PTC279940 on April 12, 2016 having its registered office at 110 T.V. Industrial Estate, 52 S.K. Ahire Marg,

Worli, Mumbai – 400 030. CML is incorporated for doing business as manufactures, assembling, repairing, buying, selling, reselling, exchanging, altering, importing, exporting, hiring, or letting on hire or distributing or dealing in all kinds of injection moulding machines.

Upon the sanction of the Scheme by the National Company Law Tribunal, Mumbai Bench and the Scheme becoming effective on the Effective Date (defined hereinafter), the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company on and from the Appointed Date for all intent and purposes.

This Scheme also makes provision for various other matters consequential or related thereto and otherwise integrally connected therewith.

To achieve the said objective, a Scheme of Arrangement has been arrived at by the Board of Directors of Demerged Company and Resulting Company and it has been decided to make the requisite Applications before the National Company Law Tribunal, Mumbai Bench under Section 230 to 233 read with Section 52 and 66 of the Companies Act, 2013.

The Scheme is divided into the following parts:

- (a) Part I – which deals with the introduction and definitions;
- (b) Part II – which deals with the Demerger
- (c) Part III – which deals with the Accounting Treatment; and
- (d) Part IV – which deals with the general terms and conditions of the Scheme.

Chandni Machines Limited is submitting Information Memorandum in compliance with the directions of BSE containing information about itself and making disclosures in line with the disclosure requirement for issue and allotment of shares pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, Mumbai Bench vide its Order dated 04th January, 2018, to BSE for making the said Information Memorandum available to public through their website. Chandni Machines Limited will also make the said Information Memorandum available on its website (www.cml.net.in).

Chandni Machines Limited will publish an advertisement in the newspaper containing its details in line with the details required as per SEBI Circular dated November 30, 2015. The advertisement will draw a specific reference to the availability of aforesaid Information Memorandum on its Website and that of BSE.

Chandni Machines Limited also undertakes that all material information shall be disclosed to Stock Exchange on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in the Listing Agreement.

DIVIDEND POLICY

The Company does not have any formal dividend policy for the equity shares. The declaration and payment of equity dividend in a company is recommended by the Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

SECTION 4 - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

There have not been any reservations, qualifications and adverse remarks in our financial statements since incorporation.

There has been no change in the accounting policy of our Company.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

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accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the another auditor and on which they have expressed unmodified opinions in their report for the year March 31, 2017 dated 14-08-2017.

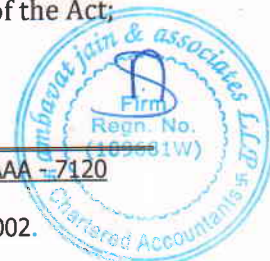
Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 37 to the standalone Ind AS 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 Ambavat Jain & Associates LLP
Chartered Accountants
Firm Registration No.: 109681W


Ashish J Jain
Partner
Membership No. 111829



Place: Mumbai
Date: 16 August 2018

CHANDNI MACHINES LIMITED
(Formerly known as Chandni Machines Private Limited)

Annexure – A to the Auditors' Report

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

- [i] (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (c) As informed to us, the company did not hold any immovabe property during the year.
- [ii] As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- [iii] The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained u/s.189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable.
- [iv] As informed to us, the Company has neither given any loans nor made investments or provided guarantee or security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, clause 3(iv) of the Order is not applicable.
- [v] The company has not accepted any deposits from the public.
- [vi] As informed to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the product of the Company.
- [vii] (a) In our opinion and according to the information and explanations given to us, the company has generally been regular in depositing with the appropriate authorities the undisputed statutory dues applicable to it. There were no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, custom duty, service tax, excise duty, value added tax, goods & service tax which have not been deposited on account of any dispute.
- [viii] According to the information and explanations given to us, the company has not obtained any loans or borrowings from any bank, financial institutions, government or debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable.

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- [ix] The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- [x] According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
- [xi] According to the information and explanations give to us, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- [xii] In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- [xiii] According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- [xiv] According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- [xv] According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- [xvi] According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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


Ashish J Jain
Partner
Membership No. 111829



Place: Mumbai
Date: 16 August 2018

CHANDNI MACHINES LIMITED
(Formerly known as Chandni Machines Private Limited)

Annexure - B to the Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Chandni Machines Limited (Formerly known as Chandni Machines Private Limited) ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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


Ashish Jain
Partner
Membership No. 111829



Place: Mumbai
Date: 16 August 2018

CHANDNI MACHINES LIMITED
(Formerly knowns as Chandni Machines Private Ltd)
Balance Sheet as at 31st March, 2018

	Particulars	Note No.	AS AT 31-03-18 Rs.	AS AT 31-03-17 Rs.
I	ASSETS			
(1)	NON-CURRENT ASSETS			
(a)	Property, Plant and Equipment	3	94,553	-
(b)	Financial Assets			
(i)	Other Financial Assets	4	-	-
(c)	Deferred tax assets (Net)	5	249,600	-
(d)	Other non-current assets	6	585,355	456,682
(2)	CURRENT ASSETS			
(a)	Inventories	7	40,400,886	-
(b)	Financial Assets			
(i)	Trade receivables	8	60,030,401	-
(ii)	Cash and cash equivalents	9	10,515,192	100,000
(iii)	Other financial assets	10	8,550	-
(c)	Other current assets	11	12,669,188	-
	Total Assets		124,553,726	556,682
II	EQUITY AND LIABILITIES			
(1)	EQUITY			
(a)	Equity Share capital	12	32,274,526	100,000
(b)	Other Equity	13	17,819,118	-
(2)	LIABILITIES			
	CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Trade payables	14	30,425,418	5,000
(b)	Other Current Liabilities	15	41,583,664	451,682
(c)	Current tax liabilities	16	2,451,000	-
	Total Equity and Liabilities		124,553,726	556,682

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements

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

Ashish J. Jain
Partner
Membership No. 111829

Place :MUMBAI
Date : 16-08-2018



J.R. Mehta
Director

A.J. Mehta
Director



CHANDNI MACHINES LIMITED

(Formerly knowns as Chandni Machines Private Ltd)

Statement of Profit and Loss for the year ended 31st March, 2018

	Particulars	Note No.	2017-18 Rs.	2016-17 Rs.
	Income			
I	Revenue From Operation	17	197,487,177	-
II	Other Income	18	1,114,841	-
III	Total Income (I + II)		198,602,018	-
	Expenses			
IV	a) Purchases of Stock-in-Trade	19	189,604,496	-
	b) Change in inventories of Stock-in-Trade	20	(8,626,078)	-
	c) Employee benefits expense	21	2,100,766	-
	d) Finance costs	22	77,290	-
	e) Depreciation	1	12,932	-
	f) Other expenses	23	4,418,055	-
	Total Expenses (IV)		187,587,461	-
V	Profit before tax (III - IV)		11,014,557	-
VI	Tax expenses :	24		
	(i) Current tax		3,050,000	-
	(ii) Deferred tax		(249,600)	-
			2,800,400	-
VII	Profit for the year (V - VI)		8,214,157	-
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the year (VII+VIII)		8,214,157	-
X	Earnings per equity share	25		
	(a) Basic		13.88	-
	(b) Diluted		13.88	-

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

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

Ashish J. Jain
Partner
Membership No. 111829



On behalf of the Board

J.R. Mehta
Director

A.J. Mehta
Director



Place :MUMBAI
Date : 16-08-2018

CHANDNI MACHINES LIMITED
(Formerly knowns as Chandni Machines Private Ltd)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-18	2016-17
	Rupees	Rupees
Cash flow from operating activities		
Profit before Tax	11,014,557	-
Adjustment for :		
Depreciation and Amortisation Expense	12,932	-
Preoperative Expenses written off	5,000	-
Preliminary Expenses W/off	90,336	-
Demerger Expenses Writtenoff	25,161	-
Interest Expense	77,290	-
Cash operaing profit before working capital changes	11,225,277	-
Adjustment for :		
(Increase)/Decrease in trade receivables	(60,030,401)	-
(Increase)/Decrease in Inventories	(40,400,886)	-
(Increase)/Decrease in Other Financial Assets	(8,550)	-
(Increase)/Decrease in Other Current Assets	(12,669,188)	-
(Increase)/Decrease in Other non-current assts	(123,365)	-
Increase/(Decrease) in trade payables	30,420,418	5,000
Increase/(Decrease) in Other non -current Lialities	41,131,982	-
Increase/(Decrease) in Other current Lialities	-	451,682
Cash generated from operating activities	(30,454,713)	456,682
Income tax paid (net of refund)	(599,000)	-
Net Cash generated from operating activities	(31,053,713)	456,682
Cash flow from Investing activities		
Purchase of Property, Plant and Equipments	(107,485)	-
Payment for Demerger Expenses	(125,806)	-
Payment for Preliminary Expenses/Preoperative expenses	-	(456,682)
Net cash generated/(used) from investing activities	(233,291)	(456,682)



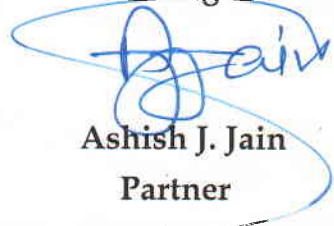
Cash flow from Financing activities		
Issue of Equity Share Capital	-	100,000
Interest paid	(77,290)	-
Net cash generated/(used) from financing activities	(77,290)	100,000
Net cash inflow on account of Demerger of Engineering		
	41,779,486	-
Net Increase/(decrease) in cash and cash equivalents	10,415,192	100,000
Cash and cash equivalents at the beginning of the year	100,000	-
Cash and cash equivalents at end of the year	10,515,192	100,000

As per our report of even date

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm Registration No. 109681W


Ashish J. Jain
Partner

Membership No. 111829



On behalf of the Board



J.R. Mehta
Director


A.J. Mehta
Director



Place : MUMBAI

Date : 16-08-2018

CHANDNI MACHINES LIMITED.
(Formerly known as Chandni Machines Private Ltd)
STATEMENT OF CHANGES IN EQUITY

Particulars	Equity Share Capital	Other Equity				Total Other Equity	Total Equity
		Reserves and Surplus		Items of Other Comprehensive Income	(A+B)		
		Capital Reserve	Retained Earnings				
	A				B		
As at 1 April 2016	-	-	-	-	-	-	-
Equity Capital Raised during the year	100,000	-	-	-	-	100,000	100,000
Total Comprehensive Income	-	-	-	-	-	-	-
As at 31 March 2017	100,000	-	-	-	-	100,000	100,000
Profit of demerged undertaking from 1-7-2016 i.e. appointed date to 31-3-2017 transferred from CTEIL in pursuance to scheme of demerger	-	-	5,502,216	-	5,502,216	5,502,216	5,502,216
Equity shares cancelled in pursuance to scheme of demerger	(100,000)	-	-	-	-	(100,000)	(100,000)
Equity share capital issued in pursuance to the scheme of demerger, pending allotment (Refer Note No. 24)	32,274,526	-	-	-	-	32,274,526	36,377,271
Excess of assets taken over in pursuance to the scheme of demerger (Refer Note No. 24)	-	4,102,745	-	-	4,102,745	4,102,745	4,102,745
Profit for the year	-	-	8,214,157	-	8,214,157	8,214,157	8,214,157
Other Comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	8,214,157	-	8,214,157	8,214,157	8,214,157
As at 31 March 2018	32,274,526	4,102,745	13,716,373	-	17,819,118	50,093,644	50,093,644



CHANDNI MACHINES LIMITED

(Formerly known as Chandni Machines Private Ltd.)

NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Chandni Machines Pvt. Ltd. is a company limited by shares, incorporated and domiciled in India having its Registered Office at 110 T.V. Industrial Estate, 52, S.K. Ahire Marg, Worli, Mumbai 400 030. The Company is primarily engaged in trading of engineering goods .

2. Significant Accounting Policies

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

a) Basis of preparation

(i) Compliance with Ind AS

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

These Financial Statements are the first Financial Statements of the Company under Ind AS and the transition was carried out in accordance with Ind AS 101, "First time adoption of Indian Accounting Standards". Previous periods have been restated to comply with Ind AS requirements.

(ii) Historical cost convention

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



(iii) Use of estimates

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

b) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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



c) **Fair value measurement**

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

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

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

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

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

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

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



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

d) Revenue recognition

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

Sale of goods

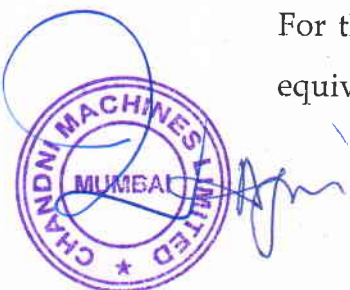
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances,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

e) Transactions in Foreign Currency

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

f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other short-term, highly



liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Trade receivables

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

h) Inventories

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

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

i) Property, Plant and Equipment

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

Depreciation methods, estimated useful lives and residual value

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

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



I) Financial instruments

Financial assets

Initial recognition and measurement

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

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

Classification

- Cash and Cash equivalents

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

- Debt Instruments

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

- (i) Financial assets at amortised cost

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

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

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of



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

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

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

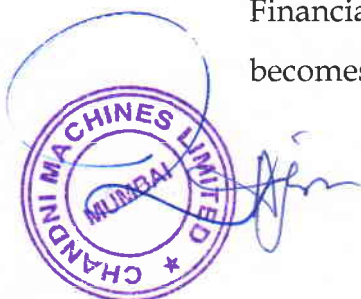
Derecognition

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

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.



The Company determines the classification of its financial liabilities at initial recognition.

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

Subsequent measurement

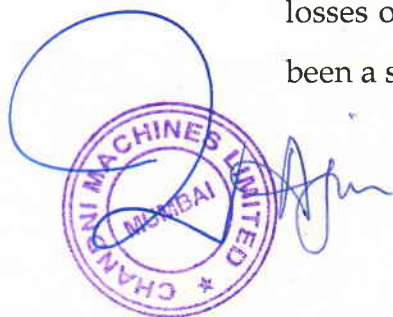
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through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

Derecognition

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

Impairment of financial assets

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



j) **Trade and Other Payables**

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

k) **Borrowing costs**

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

l) **Employee Benefits**

(i) **Short-term obligations**

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

(ii) **Post-employment obligations**

The Company operates the following post-employment schemes:



(iii) Provident Fund -

The Company pays provident fund contributions to a fund administered by Government Provident Fund Authority. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

m) Tax expenses

(i) Current tax

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

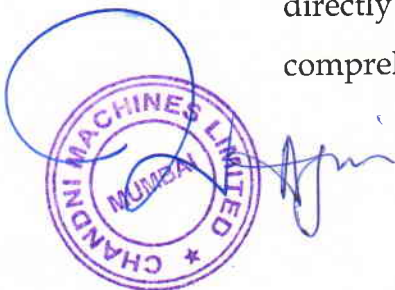
(ii) Deferred Tax

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

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

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

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



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

n) Earnings per share

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

o) Impairment of assets

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

p) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.



Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

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



CHANDNI MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

3 Property, Plant and Equipment

Particulars	GROSS CARRYING AMOUNT			DEPRECIATION				NET CARRYING AMOUNT			
	As at 01/04/2017	Additions/Transfer from CTEIL on demerger	Deductions/ Adjustments	As at 31/03/2018	Upto 31/03/2017	Transfer from CTEIL on demerger	For the year	Deductions/ Adjustments	Upto 31/03/2018	As at 31/03/2018	As at 31/03/2017
Furniture & Fixtures	-	11,250	-	11,250	-	-	391	-	391	10,859	-
Office Equipments	-	2,188	-	2,188	-	-	171	-	171	2,017	-
Vehicles	-	50,356	-	50,356	-	6,172	4,705	-	10,877	39,479	-
Air-Conditioners	-	23,500	-	23,500	-	9,631	2,553	-	12,186	11,314	-
Electrical Fittings	-	51,967	-	51,967	-	15,973	5,110	-	21,083	30,884	-
Total	-	139,261	-	139,261	-	31,776	12,932	-	44,708	94,553	-



CHANDNI MACHINES LTD.
(Formerly known as Chandni Machines Private Ltd)

Notes forming part of the Financial Statements

	AT AT 31-03-18	AT AT 31-03-17
4 OTHER NON-CURRENT FINANCIAL ASSETS (Unsecured considered good)		
Security Deposits at amortised costs	75,000	-
Less : Allowance for doubtful deposits	(75,000)	-
	-	-
5 DEFERRED TAX ASSETS (NET)		
<u>Deferred Tax Assets :</u>		
Expenses allowable on payment basis under Tax Laws	14,228	-
Allowances for doubtful advances / deposits	237,175	-
	251,403	-
<u>Deferred tax Liabilities :</u>		
Timing difference on account of depreciation	(1,803)	-
	(1,803)	-
Net Deferred Tax Assets	249,600	-
6 OTHER NON-CURRENT ASSETS (Unsecured considered good)		
Deposit with Government Authorities	123,365	-
Others	461,990	456,682
	585,355	456,682
7 INVENTORIES (As taken, valued and certified by the management)		
Stock-in-trade	40,337,886	-
Spares & Stores	63,000	-
	40,400,886	-
8 TRADE RECEIVABLES		
Unsecured, Considered Good	60,030,401	-
	60,030,401	-
9 CASH & CASH EQUIVALENTS		
Balances with banks		
-in current accounts	10,247,134	-
Cash on hand	268,058	100,000
	10,515,192	100,000
10 OTHER CURRENT FINANCIAL ASSETS (Unsecured, considered good)		
Security Deposits at amortised cost	8,550	-
	8,550	-



CHANDNI MACHINES LTD.

(Formerly knowns as Chandni Machines Private Ltd)

Notes forming part of the Financial Statements

	AT AT 31-03-18	AT AT 31-03-17		
11 OTHER CURRENT ASSETS :				
Unsecured, Considered Good				
Balances with Govt. Authorities	2,258,868	-		
Advances to vendors	10,232,436	-		
Prepaid Expenses	177,884	-		
	12,669,188	-		
Unsecured, Considered Doubtful				
Advances to vendors/others	837,211	-		
Less :- Allowance for doubtful advances	837,211	-		
	-	-		
	12,669,188	-		
12 EQUITY SHARE CAPITAL				
12.1 AUTHORISED :				
32,50,000 (30,00,000) Equity Shares of Rs. 10/-each	32,500,000	30,000,000		
	32,500,000	30,000,000		
12.2 ISSUED, SUBSCRIBED AND FULLY PAID				
10,000 (10,000) Equity Shares of Rs.10/- each	100,000	100,000		
Less : Equity Shares cancelled in pursuance to scheme of demerger	(100,000)	-		
Add : Equity shares issued in pursuance to scheme of demerger, pending allotment (Refer Note No.29)	32,274,526	-		
	32,274,526	100,000		
12.3 The reconciliation of the number of shares outstanding is set out below :				
Equity Shares of Rs.10/- each at the beginning of the year / issued during the period	10,000	10,000		
Equity Shares of Rs.10/- each at the end of the year	Pending Allotment	10,000		
12.4 The Company has only one class of equity shares. These shares rank pari passu in all respects including voting rights, entitlement to dividend and distribution of assets of the Company in the event of liquidation.				
12.5 The details of Shareholders holding more than 5% shares				
Name of the Shareholder	<u>No of Shares</u>	<u>%</u>	<u>No of Shares</u>	<u>%</u>
Chandni Textiles Engineering Industries Ltd	-	-	9,999	99%
13 OTHER EQUITY				
<u>Reserves & Surplus</u>				
a) Capital Reserve				
Opening Balance	-	-		
Add : Excess of assets taken over in pursuance to the scheme of Demerger (Refer Note No. 29)	4,102,745	-		
Closing Balance	4,102,745	-		
b) Retained Earnings				
Opening Balance	-	-		
Add : Profit of demerged undertaking transferred in pursuance to the scheme of demerger (Refer to Note No.29)	5,502,216	-		
Add : Profit for the year	8,214,157	-		
Closing Balance	13,716,373	-		
	17,819,118	-		



CHANDNI MACHINES LTD.
(Formerly known as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

	AT AT 31-03-18	AT AT 31-03-17
14 TRADE PAYABLES		
Trade payables	30,425,418	5,000
	<u>30,425,418</u>	<u>5,000</u>
15 OTHER CURRENT LIABILITIES		
Advances received from customers	20,439,013	-
Statutory Dues payable	37,005	-
Others	21,107,646	451,682
	<u>41,583,664</u>	<u>451,682</u>
16 CURRENT TAX LIABILITIES		
for Income Tax	2,451,000	-
	<u>2,451,000</u>	<u>-</u>
	<u>2017-18</u>	<u>2016-17</u>
17 REVENUE FROM OPERATIONS		
Sales of Products	193,837,177	-
Sales of Services	3,650,000	-
	<u>197,487,177</u>	<u>-</u>
17.1 PARTICULARS OF SALE OF PRODUCTS		
Engineering Goods	193,837,177	-
	<u>193,837,177</u>	<u>-</u>
17.2 PARTICULARS OF SALE OF SERVICES		
Repairs Services	3,650,000	-
	<u>3,650,000</u>	<u>-</u>
18 OTHER INCOME :		
Foreign Exchange gains - (Net)	434,115	-
Miscellaneous Income	680,726	-
	<u>1,114,841</u>	<u>-</u>
19 PURCHASES OF STOCK-IN-TRADE		
Engineering Goods	189,604,496	-
	<u>189,604,496</u>	<u>-</u>
20 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock (Transferred from CTEIL on demerger)		
Stock-in-trade	31,711,808	-
Less : Closing Stock :		
Stock-in-trade	40,337,886	-
	<u>(8,626,078)</u>	<u>-</u>



CHANDNI MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

	2017-18	2016-17
21 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc.	2,034,308	-
Contribution to Provident Fund and other funds	33,223	-
Employees Welfare Expenses	33,234	-
	<u>2,100,766</u>	<u>-</u>
22 FINANCE COSTS		
Interest Expenses	77,290	-
	<u>77,290</u>	<u>-</u>
23 OTHER EXPENSES		
Stores & Spares	18,104	-
Bank Charges	4,829	-
Clearing, Fowarding & Freight	274,856	-
Commission & Brokerage	81,783	-
Security Service charges	271,450	-
Travelling & Conveyance	365,176	-
Telephone, Postage & Telegram	125,424	-
Electricity Charges	24,355	-
Sampling, Sales Promotion & Advertisement	335,197	-
Insurance	95,973	-
Legal & Professional Charges	55,465	-
Rent	463,788	-
Rates & taxes	4,000	-
Repairs - Others	422,817	-
General Expenses	192,910	-
Sales-tax & Service-tax	69,893	-
Payment to Auditors :		
- As Auditor	1,00,000	
- For Other matters	<u>5,900</u>	
Baddebts / Sundry Balances Written off	473,424	-
Allowance for doubtful advances/deposits	912,211	-
Preliminary Expenses W/off	90,336	-
Demerger Expenses w/off	25,161	-
Preoperative Expenses W/off	5,000	-
	<u>4,418,055</u>	<u>-</u>



CHANDNI MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)

Notes forming part of the Financial Statements

	2017-18 Rs.	2016-17 Rs.
24 TAX EXPENSE		
(a) Income tax		
Tax on profits for the year	3,050,000	-
Total income tax	3,050,000	-
(b) Deferred tax		
Decrease / (Increase) in deferred tax assets	(251,403)	-
(Decrease) / Increase in deferred tax liabilities	1,803	-
Total deferred tax expense/(benefit)	(249,600)	-
Total tax expense	2,800,400	-
(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate :		
Profit before income tax expenses	11,014,557	
Tax at the rate of 27.5525%	3,034,786	-
Tax effect of expenses which are not deductible :	1,378	-
Tax effect on setoff of unused losses transferred on demerger	(473,800)	-
Tax effect on adjustment due to change in tax rates and interest	238,036	-
Tax expense as per Income Tax	2,800,400	-
25 Earnings per Share :- Basic and Diluted		
a) Profit after tax	Rs. 8,214,157	-
b) Weighted Average Number of Equity shares outstanding	Nos. 591,786	-
c) The nominal value per Equity Share	Rs. 10	-
d) Earnings per Share -Basic & Diluted	Rs. 13.88	-



CHANDNI MACHINES LTD.
 (Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

26 FAIR VALUE MEASUREMENTS

Financial instruments by category

	As at 31/03/2018		As at 31/03/2017	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial Assets				
Trade receivables		60,030,401		-
Cash & Cash Equivalents		10,515,192		100,000
Security Deposit		8,550		-
Total Financial Assets	-	70,554,143	-	100,000
Financial Liability				
Trade payables		30,425,418		5,000
Total Financial Liability	-	30,425,418	-	5,000



CHANDNI MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

27. Fair value hierarchy

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

	Fair value measurement using				Total
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
Financial Assets at amortised cost					
Trade Receivables	31-03-18		60,030,401		60,030,401
Other Bank Balances	31-03-18		10,247,134		10,247,134
Security Deposits	31-03-18		8,550		8,550
Financial Liabilities at amortised cost					
Trade payable	31-03-18		30,425,418		30,425,418

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

	Fair value measurement using				Total
	Date of valuation	Quoted price in active market level(1)	Significant observable inputs level(2)	Significant unobservable inputs level(3)	
Trade payable	31-03-17	-	5,000	-	5,000

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

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

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



CHANDNI MACHINES LTD.
(Formerly knowns as Chandni Machines Private Ltd)
Notes forming part of the Financial Statements

28 Financial Risk Management

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

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

(A) Market risk

(i) Foreign currency risk

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

Currency	Asset (Receivable)	Liability (Payable)	Net Receivable/ (Payable)
<u>31-03-18</u>			
US Dollar (USD)	1,086,746	1,353,432.00	(266,686)
Great Britain Pound (GBP)	2,257,614	-	2,257,614
Euro	1,614,981		1,614,981
AUD	4,661,095		4,661,095
Exposure to foreign currency risk	9,620,437	1,353,432.00	8,267,005

Sensitivity

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

	<u>Impact on profit Increase/(Decrease)</u>	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
USD sensitivity		
INR/USD Increases by 5%	(13,334)	-
INR/USD Decreases by 5%	13,334	-
EURO sensitivity		
INR/EURO Increases by 5%	80,749	-
INR/EURO Decreases by 5%	(80,749)	-
GBP sensitivity		
INR/GBP Increases by 5%	112,881	-
INR/GBP Decreases by 5%	(112,881)	-
AUD sensitivity		
INR/AUD Increases by 5%	233,055	-
INR/AUD Decreases by 5%	(233,055)	-

Holding all other variables constant.



(B) Credit risk

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

(C) Liquidity risk

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

(i) Maturities of Financial Liabilities

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

	Not later than 1 year	Between 1 to 5 years	Later than 5 years	Total
31-Mar-18				
Non-derivatives				
Trade Payables	30,425,418	-	-	30,425,418
	<u>30,425,418</u>	<u>-</u>	<u>-</u>	<u>30,425,418</u>
31-Mar-17				
Non-derivatives				
Trade Payables	5,000	-	-	5,000
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>



CHANDNI MACHINES LIMITED.

(Formerly knowns as Chandni Machines Private Ltd.)

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

- (a) Pursuant to the Scheme of Arrangement under sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013 as sanctioned by the Hon'ble National Company law Tribunal bench at Mumbai on 21st January, 2018, the Demerged Undertaking i.e the Engineering Division of Chandni Textiles Engineering Industries Ltd has been transferred and vested in the Resulting Company as a going concern basis with effect from July 1, 2016 i.e. the appointed date under the scheme.
- (b) The Scheme of Arrangement became effective on 24th January, 2018, being the last date on which all the conditions and approvals referred to in the Scheme have been fulfilled/obtained and therefore, the effect of the Scheme was not considered in the financial statements of the company for the year ended 31st March, 2017. In terms of the Scheme, the business and transactions of demerged undertaking were carried on and held by the Demerged Company in trust for and on account of the Resulting Company from the appointed date till the Scheme became effective. Pursuant thereto, all assets and liabilities have been transferred from the Demerged Company to the Resulting Company at their respective book values on the appointed date and duly adjusted by subsequent transactions carried on in trust. Also, the profit or income accruing or expenditure or loss arising or incurred relating to the business of demerged undertaking from the appointed date are treated as the profit or income or expenditure or loss, as the case may be, of the Resulting Company. The Scheme has accordingly been given effect to in these accounts during the year.
- (c) In terms of the Scheme, the resulting company will issue equity shares in the ratio of 1:5 to the shareholders of the demerged company.
- (d) As per the Scheme, the difference between nominal value of shares issued to the shareholders of Demerged Company and the assets and liabilities of demerged undertaking taken over has been transferred to the Capital Reserve.
- (e) The resulting company is a wholly owned subsidiary of the demerged company and upon coming into effect of this scheme, the entire issued, subscribed and paid-up share capital of Rs.1,00,000/- has been cancelled and fresh capital of Rs.3,22,74,526/- is issued to the shareholders of the demerged company which is pending for allotment.
- (f) The profits pertaining to the demerged undertaking from the appointed date till 31st March, 2017 has been credited to retained earnings of the resulting company during the year.



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

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

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

	2017-18		2016-17	
	Rs.	%	Rs.	%
Imported	Nil	0	Nil	0
Indigenous	18,104	100.00	Nil	0
	-----	-----	-----	-----
	18,104	100.00	Nil	0
	=====	=====	=====	=====

32. VALUE OF IMPORTS ON CIF BASIS

	2017-18	2016-17
	(Rs.)	(Rs.)
Engineering Goods	3,00,64,321	Nil

33. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)

Foreign Travelling	3,74,122	Nil
--------------------	----------	-----

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

(i) Short Term Employee Benefits

- I. The Company has provided for bonus amounting to Rs. 54,720/- (Previous year Rs. Nil/-) for all its employees under the Payment of Bonus Act, which has been recognized in the Statement of Profit & Loss 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/Pension Scheme**

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

	2017-18 Rs.	2016-17 Rs.
- Employers' Contribution to Provident Fund/ Pension Scheme	29,862	Nil

35. **Segment Reporting**

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

36. **Disclosure of Related parties & related party transactions**

a) **List of parties where control exists/existed**

Holding Company / (Enterprises over which, individual having indirect significant)

i) Chandni Textiles Engineering Industries Limited

b) **Key Management Personnel :**

i) Jayesh R. Mehta - Director

ii) Amita J. Mehta - Director

Transactions	Key Management Personal	Holding Company/Others
	2017-18 (2016-17)	2017-18 (2016-17)
Sales	-	23,60,000
	-	-
Rent Paid	-	32,500
	-	-

Amount due to/(From)	Holding Company/Others	
	31.03.2018	31.03.2017
Trade Receivable	23,60,000	-
Trade Payable	16,225	-



37. 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.22,58,385/- (Previous Year Rs. NIL)
38. 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 Ambavat Jain & Associates LLP.
Chartered Accountants
ICAI FRN No: 109681W


Ashish J. Jain
Partner
Membership No. 111829



On Behalf of the Board


J.R. Mehta
Director


A.J. Mehta
Director

PLACE : MUMBAI
DATE : 16-08-2018



MANAGEMENT DISCUSSION & ANALYSIS

Industry structure, development and product wise performance

Plastic is an indispensable part of both everyday life and the high-tech sector. It is one of the pillars of economic life in the 21st century. Specialized companies develop and process plastic in countless forms and with various product properties companies who need to produce in a resource efficient manner, effectively utilize machinery and serve global markets if they want to be successful. To be successful as an injection moulding company you need to maintain control over quality, innovation, delivery reliability and costs.

The particular properties of the material that is plastic and the almost limitless possibilities afforded by the various processes for injection moulding plastic make the injection moulding industry one of the most interesting and diverse industry sectors of all. The offering is wide and varied yet success will only come to those injection moulders who have full control over quality, innovation, delivery, reliability and costs. Most vendors operating in the injection moulding industry have been focusing on the development of an effective control system to monitor and control the entire procedure to ensure better efficiency and quality finish.

The global market for injection molded plastic would be worth \$ 162 billion by 2020, registering a CAGR of 4.9% from 2015 to 2020. Increasing demand of injection molded plastics in several end use industries such as automotive, packaging, electronics & consumer goods, building & construction, medical disposal and technological advancements is augmenting the growth of the market. The injection molded plastics industry is fast moving and continuous product improvement is most required to remain competitive. North America and Europe has been prominent consumers of injection molded plastics largely due to high demand from packaging and automotive industries.

Chandni Machines Limited began equipment sourcing activity about 20 years back (through Chandni Textiles Engineering Industries Limited) in a small way as it had all the required credentials to do it well like engineering and manufacturing competence, contacts and relationships with all the sectors of industries. It was our additional source of income but not a main business then. But the Company continued to gain in confidence, competence and execution abilities which we now propose to leverage completely and turn it into a very thriving and lucrative main business exploiting a full, vast and lasting potential.

Chandni Machines Limited is registered with over forty auctioneer companies all over the world. Our team constantly keeps track of auctions coming up. Also we keep in touch with used machinery agents/ suppliers abroad.

Strengths and Weaknesses, Opportunities and Threats,

STRENGTHS

- ✓ Experienced Management Team.
- ✓ Long standing relations with reputed clientele in the industry.
- ✓ Ability to provide quality services.
- ✓ Ability to control costs.

WEAKNESSES

- ✓ Working Capital Intensive Business.
- ✓ Low bargaining power with customers.

OPPORTUNITIES

Today in this cost conscious globalised economy, there are lot of small, mid- sized & even large companies who are unable to afford the latest technology brand new machines due to their very high cost, making costing of the final product uncompetitive. These companies are looking for used machines in good condition at a reasonable cost. On the other hand, along with the growth in economy, there is a huge growth in distressed assets and distressed companies in India and overseas which provides a supply base for a wide spectrum of machinery and equipments across all industrial sectors.

Our infrastructure sector is booming. There is a big boom in construction business. There are a lot of equipments like forklifts, seizure lifts, dumpers, escalators, cranes etc., available all over the world at reasonable cost ready to be picked up. Chandni Machines Limited can source all these at reasonable cost for oil rigging companies, offshore companies, ports and construction companies. There is requirement of all types of latest technology machinery however at a reasonable cost. There is huge pressure to be cost competitive on global scale. The Company play a pivotal role in this. Funds at 5% interest will make us competitive in Asia to begin with and then in 3 years, globally competitive. We can easily and readily get such lucrative orders on the availability of adequate funds.

THREATS

The risk related to the interaction between plastic injection molding machines and their auxiliary equipment are not well known by the people in the industry, and these risks can sometimes lead to fatal occupational accidents. The accident risks on these machines are related mainly to unexpected movement of the injection unit. Trials are often performed before full production runs in an effort to predict defects and determine the appropriate specifications to use in the injection process.

Crushing injuries or amputations may occur if hands or limbs are placed between mold halves or other hazardous areas while machine cycles. Electric shock, amputation, or crushing may result from a service or maintenance worker.

Outlook

The economy is on the path of recovery and the company expects good demand for its products in domestic as well as international markets.

Your Company believes that the competition in the emerging markets will be based on cost efficiency, high productivity and maintaining stringent quality parameters etc.

The light engineering goods manufacturers including hand tools, fasteners and forgings industry are facing volatile market due to global financial scenario and factors like rising steel prices and currency fluctuations. However, the industry is riding high on growth in volumes in the domestic market especially from automotive sector, agriculture, tractor parts, construction industries, railways etc.

Several Corporates are expanding their activities to benefit from growth of economy. However, the pressure to get high tech equipment at reasonable costs persists to remain cost competitive globally. Such high tech equipments are available at reasonable costs. This is a much better alternative than brand new equipments which are prohibitively expensive.

Internal Control Systems and their adequacy

The Company has an adequate internal control commensurate with its size and nature of operations. The checks and controls are reviewed by the Audit Committee for improvement in each of these areas on a periodical basis. The internal control systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting treatment. The Company has a well established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent and qualified personnel.

Material Developments in Human Resources/ Industrial relations front, including number of people employed

Human resource management is an important function in the Company. The Company's aim is to create a working environment that attracts, motivate and retains the best people. Companies Value aims to deliver value to its clients and opportunities to its employees in terms of career development and recognition. The firm has always emphasized on quality of life, work life balance and continuous learning and excellence, Company successfully completed following initiatives;

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

Discussion of Financial Performance

1. Share Capital: As on March 31, 2018, the Paid – up Share Capital of the Company stood at INR comprising of 1,00, 000/- consisting of 10,000 Equity Shares of Rs. 10/- each.

2. Reserves & Surplus: During the year 2017-2018 the total Reserves & Surplus of our Company was INR 1,78,19,118/- as against 2016-2017 which was NIL as the company did not conducted any business operation during the Financial Year 2016-2017.

3. Result: During the year 2017-2018 the total profit after tax of our company was INR 82,14,157/- representing an increase as compared to Financial Year 2016-2017.

Operations

Chandni Machines Limited did not have any operations since incorporation. The operations consist of imports and exports of plastic molded injection machines. Chandni Machines Private Limited has been demerged and vested into a separate legal entity under the name “Chandni Machines Limited” pursuant to the scheme of arrangement.

Risk & Concerns

Weakening rupee against dollar and volatility in the cost of raw materials has made imports costlier. Increasing cost also blocks export in view of availability of products in the overseas market at competitive prices. We can track whatever our global competitors can do in terms of locating machinery, equipments as well as prospective customers. Likewise, domestic used machinery suppliers restrict themselves to only one industry or on product group. Domestic competitors can supply only machineries available in India and do not have network or reach to access overseas equipments.

In order to mitigate the risk of financial loss from defaulters, the Company has ongoing credit evaluation process in respect of customers who are allowed credit period. In respect of walk-in customers the Company does not allow any credit period and therefore it is not exposed to any credit risk.

SECTION 5: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

There is no outstanding or pending material litigation, suit, criminal or civil prosecution, proceedings initiated for offence or litigation for tax liabilities against the Company and there are no material defaults, non-payments or overdue of statutory dues, Institutional or bank dues or dues towards holders of debentures, bonds, fixed deposits and arrears of preference shares.

GOVERNMENT APPROVALS

Pursuant to the Scheme, Engineering Division is transferred and vested into Chandni Machines Limited as a going concern w.e.f. Appointed Date i.e. 1st July, 2016. Being in existence for several years, the engineering division has got all approvals and government permissions. However, the Company has already applied to registrar for seeking change of name on all permissions / approvals pursuant to the Scheme of Arrangement.

REGULATORY AND STATUTORY DISCLOSURES

Authority for the Listing

The National Company Law Tribunal, Mumbai Bench vide its Order dated 4th January, 2018 approved the Scheme of Arrangement by way of Demerger between Chandni Textiles Engineering Industries Limited and Chandni Machines Limited (formerly known as Chandni Machines Private Limited) and their respective shareholders and creditors for demerger of engineering division into Chandni Machines Limited (Resulting Company) and retaining the residual business of Textiles and Plastics by Chandni Textiles Engineering Industries Limited (Demerged Company).

Chandni Machines Limited received the certified copies of the Order on 21st January, 2018 and the same was filed with Registrar of Companies, Mumbai on 24th January, 2018. Hence the effective date of the Scheme of Arrangement is 24th January, 2018 and the Appointed Date was 01st July, 2016. Chandni Textiles Engineering Industries Limited fixed record date as 20th August, 2018 for the purpose of ascertaining eligible members for the allotment of shares pursuant to the Scheme and the same was taken on record vide BSE notice reference no. 20180809-10 dated 09th August, 2018. Upon Scheme becoming effective, the shareholders of Chandni Textiles Engineering Industries Limited without any act, or deed were allotted 1 equity shares of Chandni Machines Limited (Formerly known as Chandni Machines Private Limited) of the face value of Rs. 10/- fully paid up, in the following manner for every existing 5 shares held in Chandni Textiles Engineering Industries Limited of the face value of Rs. 10/- each fully paid up.

In accordance with the said scheme, the Equity Shares of Chandni Machines Limited issued pursuant to the Scheme shall be listed and admitted to trading on BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by Chandni Machines Limited of listing criteria of BSE and also subject to such other terms and conditions prescribed by BSE at the time of application seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations, 2009 do not become applicable. However, SEBI has vide the SEBI Circular granted relaxation of clause (b) to sub-rule (2) of the rule 19 thereof by making an application to the board under sub-rule (7) of rule 19 of the SCCR, as amended. Chandni Machines Limited has submitted the Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE for making the said Information Memorandum available to public through their websites www.bseindia.com. Chandni Machines Limited has made the said Information Memorandum available on its website at www.cml.net.in.

CML will publish an advertisement in the newspapers containing its details as per SEBI Circular. The advertisement shall contain specific reference to the availability of this Information Memorandum on the website of our Company.

Prohibition by SEBI

The Company, its' Directors, its Promoters, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by Chandni Machines Limited

Chandni Machines Limited accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Circular or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk should be incorporated. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares of CML. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at BSE Limited is completed within such period as approved by SEBI.

In principle Approval from BSE

The Company has received in-principle approval under clause 24(f) from BSE bearing no. DCS/AMAL/MD/24(F)/658/2016-17 dated December 30, 2016 and listing approval from BSE bearing no [●] dated [●]

SEBI Relaxation of Rule 19(2) (b) of Securities Contracts (Regulation) Rules, 1957

The Securities and Exchange Board of India (SEBI) has given relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 to the company vide the letter bearing no. [●] dated [●]

Disclaimer Clause – BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter dated December 30, 2016 approved the Scheme of Arrangement and virtue of that approval, the BSE's name is included in this Information Memorandum as one of the stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner

- (a) Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- (b) warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- (c) take any responsibility for the financial or other soundness of this Company; and
- (d) It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any

loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copy of this Information Memorandum has been filed with BSE.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE01GZ01011. Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Chandni Textiles Engineering Industries Ltd. in demat form as on the Record Date, 20 August, 2018. The demat shares have been credited to the demat accounts of the shareholders by CDSL on 31st August, 2018 and NSDL on 30th August, 2018.

Dispatch of share certificates

CML has issued and allotted equity shares on 22nd August, 2018 pursuant to the Scheme, to the eligible shareholders of Chandni Textiles Engineering Industries Limited. CML has dispatched share certificates to the eligible shareholders in physical form on 15th October, 2018 which have subsequently been dematerialized.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since its incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

This is the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity Shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Purva Sharegistry (India) Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/ complaints from the investors/ shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries / actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company has set up service standards for each of the various processors involved such as effecting the transfer/ dematerialization of securities/ change of address. Purva Sharegistry (India) Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to.

Ms. Ekta Kheria, Company Secretary and Compliance Officer of the Company is vested with the responsibility of addressing the Investor Grievances in coordination with Registrar & Transfer Agents. She may be contacted in case of any queries at the following address:

Company Secretary and Compliance Officer

Ekta Kheria
110, T.V. Industrial Estate, 52 S.K. Ahire Marg,
Worli, Mumbai – 400 030
Tel: +91-8447215959
Fax: 022-24950328
Email: ektakheria@cml.net.in

Change in Auditors

There has been no change in the Auditors of the Company during the last three years except that M/s. Ambavat Jain & Associates LLP, Chartered Accountants, (Firms Registration No.: 109681W) has been appointed as Statutory Auditor in place of M/s. Chandan Parmar & Co., Chartered Accountant, (Firm Registration No. 101662W) pursuant to Shareholders approval dated September 29, 2017.

SECTION 6: OTHER INFORMATION

MAIN PROVISIONS OF THE NEW SET OF ARTICLES OF ASSOCIATION

The main provisions of the new set of Articles of Association of the Company (as adopted on 21st February, 2018) are furnished hereunder:

Title of Article	Article Number and contents
Table “F” not to apply but company to be governed by these Articles	1. The regulations contained in Table “F” in the First Schedule of the Companies Act, 2013 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of. Or addition to , its regulations /Articles by Special Resolution, as prescribed by the Companies Act, 2013, be such as contained in these Articles.

INTERPRETATION

Title of Article	Article Number and contents
Marginal Notes	2. The marginal notes used in these Articles shall not affect the construction hereof.
Interpretation clause	In the interpretation of these Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context:
The Act	(a) “The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said terms appears in these Articles and any previous company law, so far as may be applicable.
These Articles	(b) “These Articles” means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
Board of Directors or Board	(c) “Board of Directors” or “Board means the Board of Directors of the company or the Directors of the Company collectively as constituted from time to time.
Company	(d) The “Company” shall mean Chandni Machines Limited.
Rules	(e) “Rules “means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
Seal	(f) “Seal” means the common seal for the time being of the Company.
Number and Gender	(g) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
Words and Expressions in the Articles to bear the	(h) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

same meaning as in the Act	
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CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The Authorized Share Capital of the Company shall be such amount, divided into such class(s) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company, with power to increase or reduce such capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013.
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Non Voting Shares	6. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they may deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	7. Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares subject to the provisions of Section 47 of the Act.

Provisions to apply on issue of Redeemable Preference Shares	<p>9. On the issue of redeemable preference shares the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(b) No such shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of Capital	<p>10. The Company may (subject to the provision) of the Act from time to time by Special Resolution reduce</p> <p>(a) the share capital (b) any capital redemption reserve account ;or (c) any security premium account.</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Sub-division and cancellation of Shares	<p>11. Subject to the provisions of the Act, and other applicable provisions if any, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s), Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

MODIFICATION OF RIGHTS

Title of Article	Article Number and Content
Modification of rights	<p>12. Whenever the capital, by reason of the issue of shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of the class, and all</p>

	<p>the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith.</p>
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SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and Content
Restriction on allotment and return of allotment	<p>13. The Board of Directors shall observe the restrictions on allotment of Shares to the public and shall cause to be made the returns as to allotment provided in the Act.</p>
Further issue of share capital	<p>14. (1) Where at anytime , a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely:-</p> <p>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this rights;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the persons to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the company;</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or (b) , either for cash or for consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.</p> <p>(2) The notice referred to in sub-clause (a) (i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company;</p>

	<p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p>
<p>Shares at the disposal of the Directors</p>	<p>15. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid Shares.</p> <p>Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
<p>Power to offer Shares/ options to acquire shares</p>	<p>16. (1) Without prejudice to the generality of the powers of the Board or in any other Article of these Articles of Association, the Board or any committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to the consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares or at premium, for cash or for consideration other cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(2) In addition to the powers of the Board, the Board may also allot the Shares to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees {including by way of options} in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purpose of such trust, as it deems fit.</p> <p>(3) The Board or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things etc as may be necessary or expedient for the purpose of achieving the objectives set out in Articles 16 (1) and (2) above.</p>
<p>Application of premium received on Shares</p>	<p>17. (1) Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "The Securities Premium Account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.</p> <p>(2) The Securities Premium account may, notwithstanding anything in Clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares;</p> <p>(b) In writing off the preliminary expenses of the Company;</p>

	<p>(c) In writing off the expenses of or the commission paid or discount allowed on any issue of Shares or debentures of the Company; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company;</p> <p>(e) For the purchase of its own shares or other securities of the Act.</p>
Power to company in General Meeting to issue Shares	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount in case of shares issued as sweat equity shares as per the Act as such General Meeting shall determine and with full powers to give any person (whether Member or not) the option or right to call for or buy allotted Shares of any class of the Company either at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for issue, allotment or disposal of any Shares.</p>
Power of General Meeting to authorize Board to offer Shares/ Options to employees	<p>18A</p> <p>(1) Without prejudice to the generality of the powers of the General Meeting or any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine or give the right to the Board or any Committee thereof to determine that any existing or further Shares (consequent to increase of capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount in case of shares issued as sweat equity shares or at premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/ plan/ other writing, as may be set out before it, for the aforesaid purpose.</p> <p>(2) In addition to the powers contained in Article 18A (1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/plan/ other writing approved under the aforesaid Article.</p>
Shares at discount	<p>19.</p> <p>The Company shall not issue Shares at discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) the issue is authorized by a Special Resolution passed by the company;</p> <p>(b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued;</p> <p>(c) not less than one year has elapsed from the date of such issue, since the date on which the company had commenced business; and</p> <p>(d) where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board of India in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules.</p>

Installments of shares to be duly paid	<p>20. If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21. Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment of any property purchased or acquired or for services rendered to the company, in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up shares.</p>
Acceptance of Shares	<p>22. Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article be a Member.</p>
Deposit and call etc., to be debt payable	<p>23. The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>
Liability of Members	<p>24. Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his shares which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>
Dematerialisation of securities	<p>25. (A) Definitions:</p> <p>Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository;</p> <p>SEBI "SEBI" means the Securities and Exchange Board of India Act, 1992;</p> <p>Bye-laws "Bye Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of section 12 of the SEBI Act, 1992;</p> <p>Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p>

	<p>Regulations “Regulations” mean the regulations made by SEBI;</p> <p>Security “Security” means such security as may be specified by SEBI.</p>
Dematerialisation of securities	<p>25.(B) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>25.(C) Every person subscribing to securities offered by the Company shall have the option to receive the Security certificate or hold securities with a depository;</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on the receipt of such information the depository shall enter in its record the name of the allottee as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D) All securities held by a Depository shall be dematerialised and shall be in a fungible form</p>
Rights of depositories and beneficial owners	<p>25.(E) (1) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner; (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it; (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository to furnish information	<p>25.(F) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.</p>
Service of Documents	<p>25.(G) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p>
Option to opt out in respect of any security	<p>25.(H) If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.</p>

Sections 45 and 56 of the Companies Act, 2013 not to apply	<p>25.(I) Notwithstanding anything to the contrary contained in the Articles: (1) Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository; (2) Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owner in the Records of a Depository.</p>
Share Certificate	<p>26. (a) Every member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. (b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
Limitation of time for issue of certificates	<p>26.A Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p>
Renewal of share certificates	<p>27. No certificate of any Share or Shares shall be issued either in exchange for those, which are subdivided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p>28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 20/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or</p>

	<p>regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Issue of Shares without Voting Rights	<p>30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>31. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provisions and any other applicable provisions of the Act and SEBI (Buy Back of Shares) Regulations as may be permitted by law.</p>
Employee Stock Option Scheme/ Plan	<p>32. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and /or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employee") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.</p>
Postal Ballot	<p>33. The Company may pass such resolution by postal ballot in the manner prescribed by the Act and such other applicable provisions of the Act and any future amendments or re-enactments thereof and as may be required by any other law including Listing Agreement entered with Stock Exchanges, Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a General Meeting of the Company.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>34. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>

Trust recognized	35. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.
Declaration by person not holding beneficial interest in any Shares	36. (1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act. (2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act. (3) Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act. (4) Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.
Funds of Company not to be applied in purchase of Shares of the Company	37. No funds of the Company shall except as provided under the Act be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of the Companies Act, 2013 and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any Share in the Company in its holding Company.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	38. Subject to the provisions of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company.
Brokerage	39. The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	40. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by the Act.

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DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	<p>41.</p> <p>(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of the Act.</p> <p>(c) Certain charges (which expression includes mortgage) mentioned under the Act shall be void against the Liquidator or creditor unless registered as provided under the Act.</p> <p>(d) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(e) Unless the condition of issue thereof otherwise provide, the Company shall (subject to the provisions of the Act) within six months after the allotment of its debentures or debenture-stock and within fifteen days after the application for the registration of the transfer of any such debenture or debenture-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(f) The Company shall comply with the provisions of the Act as regards supply of copies of Debenture Trust Deed and inspection thereof.</p> <p>(g) The Company shall comply with the provisions of the Act as regards registration of charges.</p>

CALLS ON SHARES

Title of Article	Article Number and contents
Board may make calls	<p>42.</p> <p>The Board may ,from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.</p>
Notice of call when to be given	<p>43.</p> <p>Each member shall, subject to receiving at least fourteen days Notice specifying the time or times and place so specified, the amount called on his shares.</p>
Board may extent time for payment	<p>44.</p> <p>The Board may, from time to time, at its discretion, extent the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p>
Revocation or postponement of call	<p>45.</p> <p>A call may be revoked or postponed at the discretion of the Board.</p>
Call to take effect from the date of resolution	<p>46.</p> <p>A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p>

Liability of joint holders of shares	47. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
When interest on call or instalment payable	48. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
Board may waive interest	49. The Board shall be at liberty to waive payment of any such interest wholly or in part.
Sums deemed to be calls	50. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
Effect of non-payment of sums	51. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment in anticipation of calls may carry interest	52. The Board- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by time; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this Clause shall confer on the member - any right to participate in its profits or dividends or - any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.
Instalments on shares to be duly paid	53. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalments shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
Calls on shares of same class to be on uniform basis	54. All calls shall be made on a uniform basis on all shares falling under the same class. {Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class. }
Partial payment not to preclude forfeiture	55. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Provisions as to calls to apply mutatis mutandis to debentures, etc.	56. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.
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LIEN

Title of Article	Article Number and contents
Company's lien on shares	57. The Company shall have a first and paramount lien on every share (not being fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
Lien to extent to dividends etc.;	58. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares from any money owing to the Company.
Waiver of lien in case of registration	59. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.
As to enforcing lien by sale	60. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien- Provided that no sale shall be made : (a) unless a sum in respect of which the lien exists is presently payable: or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
Validity of sale	61. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
Purchaser to be registered holder	62. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
Validity of Company's Receipt	63. The receipt of the Company for the consideration, if any, given for the share on the sale thereof shall subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be, constitute a good title to the share and the purchaser shall be registered as the holder of the share.
Purchaser not affected	64. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

Application of proceeds of sale	65. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
Payment of residual money	66. The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
Outsider's lien not to affect Company's lien	67. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction or unless required by any statute be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
Provisions as to lien to apply mutatis mutandis to debentures, etc.	68. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

FORFEITURE OF SHARES

Title of Article	Article number and contents
If money payable on Shares not paid notice to be given	69. If any member fails to pay the whole or any part of any call or any instalments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	70. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.
Form of Notice	71. The Notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in instalment and such interest thereon at such rate not exceeding ten percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed. Shares in respect of which the call was made or instalments is payable will be liable to be forfeited.
In default of payment Shares to be forfeited	72. If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all the dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Notice of forfeiture to a Member	<p>73. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.</p>
Forfeited Shares to be the property of the Company and may be sold etc.	<p>74. Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.</p>
Member still liable for money owing at the time of forfeiture and interest	<p>75. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding ten percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation to do so.</p>
Effects of forfeiture	<p>76. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.</p>
Declaration of forfeiture	<p>77.</p> <p>(a) A duly verified declaration in writing that the declaration is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p> <p>(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Shares.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, instalments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of non-payment of any sum	<p>78. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>

Cancellation of shares certificates in respect of forfeited Shares	79. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	80. The declaration as mentioned in Article 78 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	81. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	82. The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
Instrument of transfer to be executed by transferor and transferee	83. The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
Board may refuse to register transfer	84. The Board may, subject to the right of appeal conferred by the Act decline to register- (a) the transfer of share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. The company shall within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be, giving reasons for such refusal. PROVIDED THAT the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
Death of one or more joint holders of Shares	85. In case of death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.

Board may decline to recognize instrument of transfer	<p>86. In case of Shares held in physical form, the Board may decline to recognise any instrument of transfer unless-</p> <p>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p>
Transfer of Shares when suspended	<p>87. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any time or for more than forty-five days in the aggregate in any year.</p>
Title to shares on death of a member	<p>88. On death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.</p>
Board's right unaffected	<p>89. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
Indemnity to the Company	<p>90. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.</p>
Right to election of holder of shares	<p>91. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p>
Manner of testifying election	<p>92. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p>
Limitations applicable to notice	<p>93. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
Claimant to be entitled to same advantage	<p>94. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>

Provisions as to transfer and transmission to apply mutatis mutandis to debentures, etc.	95. The provisions of these Articles relating to transfer and transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.
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CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	96. The Company may by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of Stock	97. The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferrable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of Stock holders	98. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	99. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article number and contents
Power to borrow	100. Subject to the provisions of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. Provided that , where the moneys to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of monies borrowed	101. The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board by the issue of bonds, debenture or

	debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc, to be subject to control of Directors	102. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
Terms of issue of Debentures	103. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	104. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.
Indemnity may be given	105. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

RELATED PARTY TRANSACTIONS

Title of Article	Article number and contents
Related Party Transactions	106. A. Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board. B. Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of the Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.

MEETING OF MEMBERS

Title of Article	Article number and contents
Annual General Meeting	107. (a) An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. (b) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend the time with which any Annual General Meeting may be held. (c) Every Annual General Meeting shall be called at a time during business hours i.e. 9 a.m. to 6 p.m.

	<p>on a day that is not a National Holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(d) Every member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.</p> <p>(e) At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>(f) The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with the Act.</p>
<p>Extra –Ordinary General Meeting</p>	<p>108. All General Meeting other than Annual General Meeting shall be called Extra –Ordinary General Meeting</p>
<p>Requisitionists' Meeting</p>	<p>109.</p> <p>(1) Subject to the provisions of the Act, the Directors shall on the requisition in writing of such member of Members as is hereinafter specified:-</p> <p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to members of the company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requirement signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered office of the Company.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;</p> <p>(ii) In the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the</p>

	<p>Company's expenses in giving effect thereto.</p> <p>Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved; the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
<p>Extra-Ordinary General Meeting by Board and by requisition</p> <p>When a Director or any two Members may call an Extra-Ordinary General Meeting</p>	<p>110.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Member of the Company holding not less than one-tenth of the total paid up share capital of the company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p>Length of Notice of Meeting</p>	<p>111.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded by 95% of shareholders of the company.</p> <p>Provided that where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the latter.</p>
<p>Contents and manner of service of notice and persons on whom it is to be served</p>	<p>112.</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat:</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given:</p> <p>(a) to every Member of the Company, in any manner authorized by the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and</p>

	<p>(c) to the Auditor or Auditors for the time being of the Company</p> <p>(d) to every director of the Company</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
Special and ordinary business and explanatory statement	<p>113.</p> <p>(1) (a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place of those retiring; and</p> <p>(iv) the appointment of and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement stating out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>Provided that where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every promoter, Director, manager or key managerial personnel of the first mentioned Company shall also be set out in the statement, if the extent of such shareholding interest is not less than two percent of the paid up- share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>114.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>
Notice of business to be given	<p>115.</p> <p>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>
Quorum	<p>116.</p> <p>As per the Act, Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the requisite quorum is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with the Act.</p>
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>117.</p> <p>If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a National Holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed</p>

	for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
Resolution passed at adjourned Meeting	118. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting	119. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within fifteen minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required	120. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done or so passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	121. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	122. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting.
Chairman's declaration of result of voting on show of hands	123. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	124. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than five lakh rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	125. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight

	hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	126. In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutinizers	127. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizers from office and fill vacancies in the office of the scrutinizers arising from such removal or from any other cause.
Demand for poll not to prevent transaction of other business	128. The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special Notice	129. In pursuance of the Act, where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent, of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Member paying money in advance not to be entitled to vote in respect thereof	130. A member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of monies so paid by him until the same would but for such payment become presently payable.
Restrictions on exercise of voting rights of Members who have not paid calls	131. No member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Number of votes to which Member entitled	132. Subject to the provisions of the Article 135, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, or by an agent duly authorized under a Power of Attorney or by proxy.

	<p>Provided however, if any preference shareholders is present at any meeting of the Company, (save as provided in the Act) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.</p> <p>A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.</p>
Votes of Members of unsound mind	<p>133. A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.</p>
Votes of joint Members	<p>134. If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.</p>
Representation of body corporate	<p>135. (a) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his rights to vote thereat.</p> <p>(b) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representatives at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
Votes in respects of deceased or insolvent Members	<p>136. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have</p>

	been complied with.
Voting in person or by proxy	137. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with the Act.
Rights of Members to use votes differently	138. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Proxies	139. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights: Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
Proxy either for specified meeting or for a period	140. An instrument of proxy may appoint either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.
No proxy to vote on a show of hands	141. No proxy shall be entitled to vote by a show of hands.
Instrument of proxy when to be deposited	142. The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company at least forty-eight hours before the time for holding the meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.
Form of proxy	143. Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Act and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it.
Validity of votes given by proxy notwithstanding revocation of authority	144. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned meeting at which the proxy is used provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	145. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned meeting at which the vote is objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any	146. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such

Meeting to be the judge of validity of any value	Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	147. If any such instrument of appointment is confined to the object of appointing an attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	148. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three and not more than fifteen. Provided that a Company may appoint more than fifteen directors after passing a special resolution.
Appointment of Directors	149. The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable.
First Directors	150. The following shall be the First Directors of the Company: 1. Mr. Jayesh Ramniklal Mehta; 2. Mrs. Amita Jayesh Mehta; 3. Mr. Bharat Keshavlal Shah
Debenture Directors	151. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.
Nominee Director or Corporation Director	152. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole-time or non whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or

	<p>persons in his/their places.</p> <p>(b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall be liable to retirement by rotation. Subject, as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(c) The Nominee Director(s) so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ispo facto</i> vacate such office immediately on the monies owing by the Company to the Corporation being paid off.</p> <p>(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, monies or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a Whole-time Director in the management of the affairs of Company, such Nominee Director shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>153.</p> <p>(a) In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person hereinafter in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>(b) The collaborations may at anytime and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its Registered office.</p> <p>(c) It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.</p>

Limit on number of non-retiring Directors	<p>154. The provisions of Article 155 are subject to the provisions of the Act and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Alternate Director	<p>155. The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called “the Original Director”) to act for him during his absence for a period of not less than three months from India. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to India and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.</p>
Directors may fill in vacancies	<p>156. The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have been held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Director	<p>157. Subject to the provisions of the Act the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board (“Additional Director”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for re-election at such Meeting.</p>
Qualification shares	<p>158. A Director need not hold any qualification shares.</p>
Directors’ sitting fees	<p>159. The fees payable to a Director for attending each Board Meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.</p>
Extra remuneration to Directors for special work	<p>160. Subject to the provisions of the Act, if any, Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided. Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:</p> <ol style="list-style-type: none"> i. by way of monthly, quarterly or annual payment with the approval of the Central Government; or ii. by way of commission if the Company by a Special Resolution authorized such payment.

Travelling expenses incurred by Directors on Company's business	<p>161. The Board of Directors may subject to the limitations, provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.</p>
Director may act notwithstanding vacancy	<p>162. The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.</p>
Board resolution necessary for certain contracts	<p>163. (1) Subject to the provisions of the Act and except as permitted by the rules made thereunder, without the consent of the Board of Directors of the Company, the Company shall not enter into a contract with a related party:</p> <ul style="list-style-type: none"> (a) for the sale, purchase or supply of goods, materials or services; (b) selling or otherwise disposing of, or buying, property of any kind; (c) leasing of property of any kind ; (d) availing or rendering of any services; (e) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and (f) for underwriting the subscription of any Share in or debentures of the Company; (g) appointment of any agent for purchase or sale of goods, materials, services or property. <p>(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its Ordinary course of business other than transactions which are not on an arm's length basis.</p> <p>(3) Notwithstanding anything contained in clause (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act.</p> <p>(4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(5) if consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>(6) The Directors so contracting or being so interested shall not be liable to the Company for any profits realised by any such contract or the fiduciary relation thereby established.</p>
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing-Director	<p>164. When the Company:-</p> <ul style="list-style-type: none"> (a) enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or

or Whole-time Director	(b) varies any such contracts already in existence and in which a Director is concerned or interested as aforesaid, the provisions of the Act shall be complied with.
Directors of interest General Notice of disclosure	<p>165.</p> <p>(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided under the Act.</p> <p>(b) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under the Act shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting or any other meeting, in case of any change in the interest of a director of the Board after it is given.</p>
Directors and Managing Director may contract with Company	<p>166.</p> <p>Subject to the provisions of the Act the Director (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such form holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided under the Act and in this respect all the provisions of the Act shall be duly observed and complied with.</p>
Disqualification of the Director	<p>167.</p> <p>A person shall not be capable of being appointed as a Director of the Company if:-</p> <p>(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) he is an undischarged insolvent;</p> <p>(c) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether along or jointly with others and six months have lapsed from the day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment.</p> <p>(g) he has been convicted of the offence dealing with related party transactions at any time preceding five years;</p> <p>(h) he must have obtained Director Identification Number.</p>

Vacation of office by Directors	<p>168. The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company or</p> <p>(e) he fails to pay any call in respect of Shares of the Company held by him, whether along or jointly with others and six months have lapsed from the day fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(f) absents himself from all the meetings of the Board of Directors, or from all meetings of the Board for a continuous period of twelve months, whichever is longer, with or without obtaining leave of absence from the Board; or</p> <p>(g) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required under the Act;</p> <p>(h) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice, or</p> <p>(i) if by notice in writing to the Company, he resigns his office, or</p> <p>(j) having been appointed as a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that Company, or</p> <p>(k) he becomes disqualified by an order of a court or the Tribunal.</p>
Vacation of office by Directors (contd.)	<p>169. Notwithstanding anything contained in sub-clauses (d), and (k) of Article 171 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Removal of Directors	<p>170. (a) The Company may subject to the provisions of the Act and other applicable provisions of the Act</p>

	<p>and these Articles by Ordinary Resolution remove any Director (not being a Director appointed by the Central Government in pursuance of the Act) before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or under the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director.</p> <p>(c) On receipt of Notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late/ or because of the Company's default, the Directors may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting.</p> <p>(iii) Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 166 or under the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) if the vacancy is not filled under Sub clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 159 or under the Act and all other provisions of that Article and Act shall apply accordingly. Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(g) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Interested Directors not to participate or vote in Board's proceedings	<p>171. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in anyway, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p>

	<p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely:</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the Company	<p>172. A Director may be or become a director of any company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far under the Act as applicable.</p>

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	<p>173. Not less than two third of the total number of Directors shall;</p> <p>(a) Be persons whose period of the office is liable to termination by retirement by rotation and</p> <p>(b) Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
Retirement of Directors	<p>174. Subject to the provisions of Articles 158 and 160, the non-retiring Directors should be appointed by the Board for such period as it may in its discretion deem appropriate.</p>
Retiring Directors	<p>175. Subject to the provisions of the Act and Articles 155 to 167 at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Managing Director if any, subject to Article 193, shall not be liable to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p>
Ascertainment of Directors retiring by rotation and filling of vacancies	<p>176. Subject to the provisions of the Act, the Directors retiring by rotation under Article 180 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.</p>
Eligibility for re-election	<p>177. A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.</p>
Company to fill	<p>178. At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the</p>

vacancies	vacancy by appointing the retiring Director or some other persons thereto.
Provision in default of appointment	<p>179.</p> <p>(a) If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost;</p> <p>(ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed;</p> <p>(iii) he is not qualified or is disqualified for appointment;</p> <p>(iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>180.</p> <p>Subject to the provisions under the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>181.</p> <p>(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>182.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than twenty-five percent of total valid votes cast either on show of hands or on poll on such resolution.</p> <p>The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices on the members not less than seven days before the meeting and by placing notice of such candidature or intention on the website of the company, if any. Provided that it shall not be necessary</p>

	<p>for the Company to serve individual notices on the members as aforesaid, if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.</p> <p>(2) Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under the Act, signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(3) A person other than:</p> <p>(a) a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>(b) an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under the Act appointed as a Director or re-appointed as Alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Company.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	<p>183. Every Director and every person deemed to be Director of the Company by virtue of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of the Act. Any such notice shall be given in writing and if it is not given at a meeting of the board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>184. Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Act to the extent applicable.</p> <p>(b) Subject to the provisions under the Act the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.</p>
Remuneration of Managing Director	<p>185. Subject to the provisions of the Act a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p>
Special position of Managing Director	<p>186. Subject to any contract between him and the Company, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number</p>

	of Directors to retire but (subject to the provisions of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Directors from any cause.
Powers of Managing Director	187. The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors from any cause.
	187A. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.
	187B. Receipts signed by the Managing Director for any monies, goods or property received in the usual course of business of the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such monies shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company.
	187C. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorney's for the management and transaction of the affairs of the Company in any specified locality in such manner as they think fit.
	187D. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work, for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole-time Director and /or Whole-time Directors	188. Subject to the provisions of the Act and of these Articles, the board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-time Director or Whole-time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vests in such Whole-time Director or Whole-time Directors such of the powers, authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or

	them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 201 only. The Whole-Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary Resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.
Resignation/ Removal/Retirement of Whole Time Director/Directors'	189. Subject to the provisions of the Act and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/ they shall ipso facto and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Directors.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	190. The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of the Act allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.
Quorum	191. (a) Subject to the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher. Provided that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time. (b) For the purpose of clause (a) (i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and (ii) "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter in which he is, whether directly or indirectly, concerned or interested.
Procedure when Meeting adjourned for want of quorum	192. If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.

Chairman of Meeting	<p>193.</p> <p>a. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p> <p>b. Subject to the Act and rules made thereunder, one person can act as a Chairman as well as Managing Director or Chief Executive Officer at the same time.</p>
Question at Board meeting	<p>194.</p> <p>Subject to the provisions of the Act questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p>
Powers of Board meeting	<p>195.</p> <p>A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Directors may appoint Committee	<p>196.</p> <p>The Board of Directors may subject to the provisions of the Act and other relevant provisions of the Act and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.</p>
Meeting of the Committee how to be governed	<p>197.</p> <p>The meetings and proceedings of any such Committee of the Board consisting of three or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article, Quorum for the Committee meetings shall be two.</p>
Circular resolution	<p>198.</p> <p>(a) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 210 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>(b) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p>
Acts of Board or Committee valid notwithstanding defect in	<p>199.</p> <p>All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered, that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed</p>

appointment	to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director, provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
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POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	<p>200.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not consistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting:-</p> <p>(a) sell ,lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director;</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (A) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free-reserves that is to say, reserves not set apart for any specific purpose.</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, five percent of its average net profits for the three financial years immediately preceding financial year, provided that the Company in the General Meeting or the Board of Directors may contribute any amount to any political party or for any political to any individual or body or subject to the provisions of the Act.</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e);</p> <p>(ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short terms loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
Certain powers to be exercised by the	<p>201.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under the Act and these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do</p>

Board only at Meetings	<p>so only by means of resolution passed at the meeting of the Board:</p> <p>(a) the power to make calls on shareholders in respect of money unpaid on their Shares;</p> <p>(b) the power to issue Debentures;</p> <p>(c) the power to borrow monies otherwise than on Debentures;</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans.</p> <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) , (d) and (e) to the extent specified below.</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which monies may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount up to which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
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MANAGEMENT

Title of Article	Article Number and contents
Appointment of different categories of Key Managerial Personnel	<p>202.</p> <p>The Company shall have the following whole-time key managerial personnel:-</p> <p>(i) managing director, or Chief Executive Officer or manager and in their absence, a whole-time director;</p> <p>(ii) company secretary; and</p> <p>(iii) Chief Financial Officer</p>

MINUTES

Title of Article	Article Number and contents
Minutes to be made	<p>203.</p> <p>(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:</p> <p>(a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting;</p>

	(b) in the case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
Minutes to be evidence of the proceeds	204. (a) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
Books of minutes of General Meeting to be kept	(b) The books containing the aforesaid minutes of general meeting shall be kept at the Registered office of the Company and be open to the inspection of any Member without charge as provided in the Act and as per the Rules mentioned therein, any member shall be furnished with a copy of any minutes in accordance with the terms of the Act.
Presumptions	205. Where the minutes of the proceedings of any General meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of the Act until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

THE SECRETARY

Title of Article	Article Number and contents
Secretary	206. The Directors may from time appoint, and at their discretion, remove any individual,(hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Act.
The Seal, its custody and use	207. (a) The Board shall provide for the safe custody of the seal, (b)The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	208. (a) Subject to the rights of persons ,if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Shares in the Company, dividends may be declared and paid according to the amounts of the Shares. (b) No amount paid or credited as paid on a Share in advance of calls, shall be treated for the

	purpose of this Article as paid on the Shares.
The Company at General Meeting may declare dividend	209. The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of the Act but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
Dividends out of profits only	210. No dividends shall be payable except out of profits of the Company arrived at the manner provided for in the Act.
Interim Dividend	211. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	212. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same
Capital paid-up in advance to carry interest, not the right to earn dividend	213. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	214. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid. But if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	215. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares whilst any money may be due to or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	216. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	217. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Dividend how remitted	<p>218. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividends lost, to the Member or person entitled thereto by forged endorsements of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.</p>
Notice of dividend	<p>219. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.</p>
Reserves	<p>220. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.</p>
Dividend to be paid within time required by law	<p>221. The Company shall pay dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-</p> <ul style="list-style-type: none"> (a) where the dividend could not be paid by reason of the operation on any law; or (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or (c) where there is dispute regarding the right to receive the dividend; or (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
Unpaid or unclaimed dividend	<p>222.</p> <ul style="list-style-type: none"> (a) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any Scheduled bank, to be called "Chandni Machines Limited (year) Unpaid Dividend Account". (b) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under the Act. (c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.

Set-off of calls against dividends	<p>223. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>224. No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any share held by Members of the Company.</p>
Capitalisation	<p>225. (1) The Company in General Meeting may upon the recommendation of the Board, resolve: (a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members, who would have been entitled thereto, if distributed by way of dividend and in the same proportion. (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards: (a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or (b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or (c) partly in the way specified in sub-clause (a) and partly in that way specified in sub-clause (b) (3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	<p>226. The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>227. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall; (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and (b) generally do all acts and things required to give effect thereto. (2) The Board shall have full power: (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited</p>

	<p>as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>
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ACCOUNTS

Title of Article	Article Number and contents
Books to be kept	<p>228.</p> <p>(1) The Company shall keep at its Registered office proper books of accounts as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</p> <p>(b) all sales and purchases of goods by the Company</p> <p>(c) the assets and liabilities of the Company and</p> <p>(d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed by the Government.</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarized returns, made up to date at intervals of not more than three month, are sent by the branch office to the Company at its Registered Office or such other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Directors during business hours.</p>
Inspection by Members	<p>229.</p> <p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>230.</p> <p>The Board of Directors shall from time to time in accordance with the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Rights of Members or other to copies of	<p>231.</p> <p>(1) The Company shall comply with the requirements of the Act.</p>

<p>balance sheet and Auditors report and statement under the Act</p>	<p>(2) The copies of every balance sheet including the Profit and Loss Account, the Auditors' Report and every other document required to be laid before the Company in General meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</p> <p>(3) A statement containing the salient features of such document in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
<p>Accounts to be audited</p>	<p>232. Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.</p>
<p>Appointment of Auditors</p>	<p>233. (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the Act.</p> <p>(2) The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.</p> <p>(3) The company shall not appoint or re-appoint-</p> <p>(a) an individual as auditor for more than one term of five consecutive years; and</p> <p>(b) an audit firm as auditor for more than two terms of five consecutive years.</p> <p>Provided that-</p> <p>(1) an individual auditor who has completed his terms under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term;</p> <p>(2) an audit firm which has completed its terms under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.</p> <p>(4) Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if-</p> <p>(a) he is not disqualified for re-appointment;</p> <p>(b) he has not given the company a notice in writing of his unwillingness to be re-appointed and</p> <p>(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.</p> <p>(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.</p> <p>(6) Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendations of the Board and he shall hold the office till the conclusion of the next general meeting.</p> <p>(7) Special notice shall be required for a resolution at an annual general meeting appointing as</p>

	auditor a person other than a retiring auditor, or providing expressly that a retiring auditor shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause (3).
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DOCUMENTS AND NOTICES

Title of Article	Article Number and contents
To whom documents must be served or given	234. Document or notice of every General Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company
Members bound by documents or notices served on or given to previous holders	235. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.
Service of documents on the Company	236. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post or by speed post or by courier services or by electronic means or by leaving it at its Registered Office or such other modes as may be prescribed under the Act from time to time.
Authentication of documents and proceedings	237. Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company.

REGISTERS AND DOCUMENTS

Title of Article	Article Number and contents
Registers and documents to be maintained by the Company	238. The Company shall keep and maintain registers, books and documents required by the Act or these Articles including the following: (a) Register of investments made by the Company but not held in its own name, as required by Section 187 of the Act. (b) Register of mortgages and charges as required under the Act and copies of instruments creating requiring registration according to Section 85 of the Act. (c) Register and index of Members and debenture holders as required by Section 88 of the Act. (d) Foreign register, if so thought fit, as required by Section 88 of the Act. (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act. (f) Register of Directors and Secretaries etc as required by Section 170 of the Act.

	<p>(g) Register as to holdings by Directors of Shares and /or Debentures in the Company as required by Section 170 of the Act.</p> <p>(h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Act.</p> <p>(i) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act.</p>
Inspection of Registers	<p>239. The registers mentioned in clause (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

WINDING UP

Title of Article	Article Number and contents
Winding – up	<p>240. Subject to the provisions of the Companies Act, 2013 and rules made thereunder and as per Insolvency and Bankruptcy Code, 2016:</p> <p>(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members;</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>

SECRECY CLAUSE

Title of Article	Article Number and contents
Secrecy Clause	<p>241. Every Director/ Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>

No Member to enter the premises of the Company without permission	242. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose or to communicate.
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MATERIAL CONTRACTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be delivered to the BSE Limited. These documents may be inspected at the Registered Office of Chandni Machines Limited at 110, T.V. Industrial Estate, 52, S. K. Ahire Marg, Worli, Mumbai – 400030 from 10.00 A.M. to 05.00 P.M. on all working days from Monday to Friday.

1. Memorandum of Understanding dated 05th October, 2018 entered into between the Company and Purva Sharegistry India (Private) Limited, Registrar and Share Transfer Agent.
2. Certificate of Incorporation of the Company dated 12th April, 2018 and fresh Certificate of Incorporation of the Company pursuant to conversion of Company dated 26 July, 2018.
3. Tripartite Agreement dated 17th August, 2018 entered between the Company, National Securities Depository Limited (NSDL) and Share Registrar and Share Transfer Agent.
4. Tripartite Agreement dated 20th August, 2018 entered between the Company, Central Depository Services (India) Limited (CDSL) and Share Registrar and Share Transfer Agent.
5. Listing Agreement with BSE.
6. Audited financial statements and Independent Auditors Report of the Company for the Financial Year 2017-18.
7. Order dated 04th January, 2018 of the National Company Law Tribunal at Mumbai approving the Scheme of Arrangement.
8. Letter under Clause 24(f) of Listing Agreement dated December 30, 2016 of BSE Limited approving the Scheme of Arrangement.
9. SEBI'S letter bearing no. [●] dated [●] granting relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 for the purpose of listing of shares of Chandni Machines Limited.
10. BSE Letter No. [●] dated [●] granting in-principle approval for listing of [●] Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.

DECLARATION

To the best of our knowledge and information, all statements made in this Information Memorandum is true and correct.

For and on behalf of the Board of Directors of Chandni Machines Limited

(Jayesh Ramniklal Mehta)
Managing Director

Dated: ___ November, 2018

MATERIAL CONTRACTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be delivered to the BSE Limited. These documents may be inspected at the Registered Office of Chandni Machines Limited at 110, T.V. Industrial Estate, 52, S. K. Ahire Marg, Worli, Mumbai – 400030 from 10.00 A.M. to 05.00 P.M. on all working days from Monday to Friday.

1. Memorandum of Understanding dated 05th October, 2018 entered into between the Company and Purva Sharegistry India (Private) Limited, Registrar and Share Transfer Agent.
2. Certificate of Incorporation of the Company dated 12th April, 2018 and fresh Certificate of Incorporation of the Company pursuant to conversion of Company dated 26 July, 2018.
3. Tripartite Agreement dated 17th August, 2018 entered between the Company, National Securities Depository Limited (NSDL) and Share Registrar and Share Transfer Agent.
4. Tripartite Agreement dated 20th August, 2018 entered between the Company, Central Depository Services (India) Limited (CDSL) and Share Registrar and Share Transfer Agent.
5. Listing Agreement with BSE.
6. Audited financial statements and Independent Auditors Report of the Company for the Financial Year 2017-18.
7. Order dated 04th January, 2018 of the National Company Law Tribunal at Mumbai approving the Scheme of Arrangement.
8. Letter under Clause 24(f) of Listing Agreement dated December 30, 2016 of BSE Limited approving the Scheme of Arrangement.
9. SEBI'S letter bearing no. [●] dated [●] granting relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 for the purpose of listing of shares of Chandni Machines Limited.
10. BSE Letter No. [●] dated [●] granting in-principle approval for listing of [●] Equity Shares of Rs. 10/- (Rupees Ten) each fully paid up.

DECLARATION

To the best of our knowledge and information, all statements made in this Information Memorandum is true and correct.

For and on behalf of the Board of Directors of Chandni Machines Limited

(Jayesh Ramniklal Mehta)
Managing Director



Dated: 20th November, 2018