

Chandni Machines Limited

FORMERLY KNOWN AS CHANDNI MACHINES PRIVATE LIMITED)

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

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

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

CIN: L74999MH2016PLC279940

08th December, 2020

The BSE Limited
Assistant Manager
Listing Compliance
BSE Limited, P J Towers,
Dalal Street, Mumbai – 400001

Scrip Code: 542627

Scrip ID: CHANDNIMACH

Dear Madam,

Sub: Non Compliance with the provisions of Regulations 6(1)

Ref: Correspondence resting with your email dated 07-12-2020 to the above subject

In connection with the above, we submit the following points for your kind and sympathetic consideration:-

Ms. Ekta Kheria, who was working as Company Secretary and Compliance Officer of our Company, resigned in the month of December 2019 and her resignation was taken on record by the Board on 09th January, 2020.

The Company Secretary and Compliance Officer left the company due to personal reasons.

Immediately after her resignation the Company started to look out for a suitable candidate to fill the vacancy as Section 203 of the Companies Act, 2013, permits the companies to fill the vacancy within a period of six months.

1) Impact of prevailing pandemic conditions during the entire period under reference as given below:

The nationwide lockdown announced by the Central Government was announced on midnight of March 24,2020 and extended multiple times and the unlock 1.0 was announced on 8-6-2020 only in certain parts with lot of restrictions and phased reopening began after 75 days of lockdown.

Due to pandemic situation our office was shut on March 20, which is situated at Worli, and was the first to be declared as a red/tightly sealed containment zone on March 29,2020 which continued till July 2020.

Even after the restrictions were partially lifted in a few places, the employees of the Company could not make to the office due to suspension of public transportation between cities and various other

Warehosue / Factory Address:

(1) Survey No. 22/1, Kachigam Road, Ringanwada, Nani Daman, Daman and Diu – 396210

(2) PAP-A-115, Ranjangaon, MIDC, Tal.Shirur, Dist. Pune, Maharashtra

(3) Survey No. 456/466, Ground Floor, Near Parle Factory, At Post, Gonedumala, Tal.Igatpuri, Nashik, Maharashtra - 422403

restrictions put in place by local governing bodies to contain the spread of the unknown deadly virus and it was impossible to open the office and even ask the executives and employees to attend.

2) Convening of Board meeting

No Board meeting could be convened in the 1st quarter of 2020. The Central Government has given general exemption for holding of Board meeting with a gap of not 120 days but 180 days. Therefore, not holding a Board meeting in the 1st quarter was not a violation under the Companies Act, 2013.

3) Loss of Business.

Due to the prevailing pandemic, the factories of the Company were closed and the Company incurred losses in the 1st Quarter

4) MSME

The Company is registered under the MSME Act and is entitled to benefits thereunder.

5) Relief package

When the Central and State Governments are proclaiming various relief packages for revival of in general and MSME in particular, such penal provisions under Regulation 6(1) of LODR is uncalled for and contrary to the objectives of the Government.

6) Relaxation in time lines for various quarterly and annual filings by Government of India considering the difficulties faced by the Businesses

The Government of India has relaxed and extended the due dates for filing the Income-tax returns (for A.Y. 2019-20 and A.Y. 2020-21), TDS returns under the Income-Tax Act, GSTR-1 & GSTR-3B monthly & quarterly returns, GSTR Annual Return for the year 2018-19, Holding of AGM under the Companies Act, 2013 etc.

Even SEBI has extended the due dates for filing the various quarterly compliances. In fact the due date for filing the last quarter unaudited / audited results were extended till 31-7-2020 considering the pandemic was at its peak during that period.

The Company is fully compliant with regard to all its compliances as regards the SEBI (LODR), Income-Tax, Act, GST Act, MCA etc.

7) Liberalisation under the Companies Act, 2013

- a) In this connection attention is invited to provision of Section 454(3) of the Companies Act, 2013 (as amended by the Companies Amendment Act, 2020), in relation to filing of annual return / financial statements, which states that in case the default relates to non-compliance of filing of these documents and such default has been rectified either prior to or within 30 days of the issue of notice then no penalty shall be imposed. (Extract of the provision attached for ready reference – ANNEXURE 1)

8) The non-appointment or delay in appointment has not caused any inconvenience or loss to any of the stake holders.

9) Further, during the pandemic COVID-19 the operations have come to standstill and efforts to identify



suitable candidate has not been possible. Section 203 of the Companies Act, 2013, permits the companies to fill the vacancy within a period of six months. However, during pandemic this could not be accomplished as the Company got only 2 months time to before the harshest ever lockdown started in mid March, 2020.

When some relaxation was granted by the Government under Lockdown 4, the Company made efforts to fill the vacancy and the Company finally appointed the Company Secretary & Compliance Officer with effect from 05th September, 2020

The Board of Directors is fully conscious of its responsibility to comply with regulatory compliances and the company is complying with all regulations within the prescribed time. However, due to prevailing pandemic, it was impossible to fill the vacancy of Company Secretary with a suitable candidate.

In view of the facts stated above you will appreciate that compliance of regulation 6(1) of SEBI (LODR) Regulations, was not humanly possible.

Therefore, it is our humble and sincere request to waive the fine of Rs. 77,880 and all other actions.

Request;

In view of the facts stated above and since we have already complied with the compliance for appointment of the Company Secretary on 5th September, 2020, we earnestly hope that you will favourably consider the matter and drop the penalties particularly during the difficult periods faced by the Companies under pandemic situation.

Please therefore consider our request earnestly looking to our past records where we have never ever defaulted on any compliance.

We further request that opportunity of personal hearing be given to the undersigned.

Thanking you,

Yours faithfully,
For Chandni Machines Limited
(formerly known as Chandni Machines Private Limited)


JR Mehta
Chairman & Managing Director
DIN 00193029



Enclosed: As above (ANNEXURE 1)

each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person" shall be substituted.

64. In section 452 of the principal Act, in sub-section (2), the following proviso shall be inserted, namely:—

Amendment of section 452.

"Provided that the imprisonment of such officer or employee, as the case may be, shall not be ordered for wrongful possession or withholding of a dwelling unit, if the court is satisfied that the company has not paid to that officer or employee, as the case may be, any amount relating to—

(a) provident fund, pension fund, gratuity fund or any other fund for the welfare of its officers or employees, maintained by the company;

(b) compensation or liability for compensation under the Workmen's Compensation Act, 1923 in respect of death or disablement."

19 of 1923.

65. In section 454 of the principal Act, in sub-section (3), the following proviso shall be inserted, namely:—

Amendment of section 454.

"Provided that in case the default relates to non-compliance of sub-section (4) of section 92 or sub-section (1) or sub-section (2) of section 137 and such default has been rectified either prior to, or within thirty days of, the issue of the notice by the adjudicating officer, no penalty shall be imposed in this regard and all proceedings under this section in respect of such default shall be deemed to be concluded."

66. In section 465 of the principal Act, in sub-section (1),—

Amendment of section 465.

(a) the first proviso shall be omitted;

(b) in the second proviso, for the words "Provided further that", the words "Provided that" shall be substituted;

(c) in the third proviso, for the words "Provided also that", the words "Provided further that" shall be substituted.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.