



# **BLUE CHIP TEX INDUSTRIES LTD.**

**30<sup>th</sup>  
ANNUAL  
REPORT  
2014-2015**



## **BLUE CHIP TEX INDUSTRIES LTD.**

- Board of Directors** : NAND K. KHEMANI Chairman and Managing Director  
KUMAR S. NATHANI  
ASHOK K. KHEMANI  
RAHUL A. KHEMANI  
SHAHIN N. KHEMANI  
MANMOHAN ANAND  
VIJAY MISHRA  
SHRADDHA TELI
- Auditors** : Rajendra & Co.  
Chartered Accountant
- Banker** : Axis Bank
- Registered Office** : "Jasville", 2nd Floor,  
Opp. Liberty Cinema,  
9, New Marine Lines,  
Mumbai 400 020.  
Tel. : 022-4353 0400  
Fax : 022-2200 6437  
Email : bluechiptex@gmail.com  
Website : bluechiptexindustrieslimited.com
- Factory** : Plot No. 63-B, Danudyog Sahakari Sangh Ltd  
Village Piparia,  
District Silvassa,  
Union Territory of Dadra & Nagar Haveli  
Pin - 396 230
- Registrar & Transfer Agent** : BIGSHARE SERVICES PVT. LTD.  
E-2, Ansa Industrial Estate,  
Sakivihar Road,  
Saki Naka, Andheri (East),  
Mumbai 400 072.  
Tel. : 022 - 4043 0200/2847 0652  
Fax : 022 - 2847 5207  
e-mail : investor@bigshareonline.com

**Members are requested to bring their copy of Annual Report at the A.G.M.**

# **BLUE CHIP TEX INDUSTRIES LTD.**

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**NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>TH</sup> ANNUAL GENERAL MEETING OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON THURSDAY, 23RD JULY 2015 AT 10 A.M. AT THE M. C. GHIA HALL, BHOGILAL HARGOVINDAS BUILDING, 18/20, K. DUBASH MARG, MUMBAI 400023 TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business:**

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015, the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend of INR 1.20 per equity share.
3. To appoint a Director in place of Mr. Ashok Khemani who retires by rotation and being eligible, offers himself for re-appointment;
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, re-enactment and amendments made from time to time, consent of members be and is hereby accorded for appointing M/s Rajendra & Co., Chartered Accountants, bearing registration number 108355W, being retiring Auditors of the Company, be and are hereby recommended for re-appointment as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Audit Committee and by the Chairman in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which may be paid on existing terms or as may be agreed upon between the Auditors and the Chairman.

**RESOLVED FURTHER THAT** M/s Rajendra & Co., Chartered Accountants do not attract any disqualification pursuant to Section 141 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Mr. Nand Khemani, Chairman & Managing Director or any other Director of the Company be and are hereby authorised, jointly and/or severally to take all steps as are necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to this resolution.”

**Special Business**

5. To appoint Ms. Shraddha Teli (DIN 06976334) as an Independent Director and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to provisions of Section 149 and Section 152 of the Companies Act, 2013 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Shraddha Teli (DIN 06976334), who was appointed as an Additional Director pursuant to the provisions of the section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years for a term up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company, and she shall not be liable to retire by rotation.”

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6. To consider and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 203, 196, 197 read with Schedule V of the Companies Act, 2013 (“the Act”) and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and approved by the Nomination and Remuneration Committee and unanimously by the Board of Directors, the members hereby approve the appointment of Mr. Ashok Kishinchand Khemani (DIN: 00053623) as a Managing Director of the Company for a period of 5 years on terms and conditions including remuneration as set out in Clauses A to F below:

- A. Period of Appointment: 01/09/2015 to 31/08/2020
- B. Salary : NIL
- C. Perquisites : NIL
- D. Minimum Remuneration: Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Ashok Khemani shall be entitled to receive remuneration including perquisites, commission/performance pay, etc. subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- E. Termination: The appointment is liable for termination by either party by giving 6 months’ notice in writing to the other party.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government’s approval under the provisions of the Companies Act, 2013 for the payment of remuneration, the maximum remuneration permissible for payment to Mr. Ashok Khemani under the provisions of sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

**RESOLVED FURTHER THAT** on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government’s approval is sought, be paid to Mr. Ashok Khemani, Managing Director, in lump sum and that after the date of the approval, Mr. Ashok Khemani be paid the remuneration as per the terms and conditions approved by the Central Government.

**RESOLVED FURTHER THAT** the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors (“the Board” which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments made there under.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Articles of Association of the Company, the Managing Director of the Company shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any duly constituted and authorised committee thereof, for the time being exercising the powers conferred by the Board through passing of the resolution) be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and

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also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

7. To consider and if thought fit, to pass the following resolutions with or without modification(s) as Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of section 148 of the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable rules as may be amended from time to time M/s NKJ & Associates, Practising Cost Accountants, Navi Mumbai, (Firms’ Registration No.101893) appointed as Cost Auditors for conducting audit of the cost records of the Company for the financial year 2015-2016, be paid a remuneration of INR 40,000/- exclusive of Service Tax and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the Audit.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary or incidental in this regard to give effect to the said resolution.”

By order of the Board

Nand Kishinchand Khemani  
Managing Director  
DIN :- 00053671

**Place :** Mumbai  
**Date :** 15<sup>th</sup> May, 2015

**Registered Office:**  
Jasville, 2nd Floor,  
9, New Marine Lines,  
Mumbai 400 020.

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### **Notes :**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
- 2) A person appointed as proxy shall act on behalf of such member or number 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. 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 a proxy for any other person or shareholder;
- 3) The Register of Members and Transfer Books of the Company will be closed from 16<sup>th</sup> July, 2015 to 22<sup>nd</sup> July, 2015, both days inclusive;
- 4) If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or before Thursday, 20<sup>th</sup> August, 2015 as under;
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 15<sup>th</sup> July, 2015;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 15<sup>th</sup> July, 2015.
- 5) Members holding shares in dematerialized form are requested to intimate any changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt. Ltd. to provide efficient and timely services. Members holding shares in physical form are requested to intimate such changes to M/s Bigshare Services Pvt. Ltd.;
- 6) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or M/s Bigshare Services Pvt. Ltd for assistance in this regard;
- 7) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or M/s Bigshare Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon;
- 8) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote;
- 9) Members desirous of obtaining any information or clarifications on the Accounts, Annual Report and Operations of the Company, are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;
- 10) Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956 and section 123 of Companies Act, 2013 all unclaimed/unpaid dividend, application money, debenture



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interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2015, nor shall any payment be made in respect of such claim;

- 11) To support the 'Green Initiative', The Members who have not registered their e-mail addresses are requested to register the same with the Company/Depositories;
- 12) In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, The Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL/CDSL, on all resolutions set forth in this Notice;
- 13) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting;
- 14) Members/Proxies should fill the attendance slip for attending the meeting and bring their attendance slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;
- 15) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting;
- 16) All documents referred to in the notice are open for inspection at the registered office of the Company between Business hours on all working days up to the date of the Meeting;
- 17) Member are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, M/s Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.

Tel No: 022 - 2852 3474 / 40430200 /2847 0652 / 53

Fax No.: 022 - 2847 5207,

Email : investor@bigshareonline.com

Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Arun Chokhra, Compliance Officer, at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956;

- 18) The following are the details of dividend paid by the Company and the respective due dates of transfer of such fund to the Central Government, which remains unpaid:

<b>Sr. No.</b>	<b>Date of Declaration</b>	<b>Dividend for the year</b>	<b>Due date of transfer to the Government</b>
1	25.09.2008	2007-2008	24.10.2015
2	20.08.2009	2008-2009	19.09.2016
3	20.09.2010	2009-2010	19.10.2017
4	11.08.2011	2010-2011	10.09.2018
5	17.09.2012	2011-2012	17.10.2019
6	21.08.2013	2012-2013	20.09.2020
7	09.09.2014	2013-2014	08.10.2021

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It may be noted that the claimant of the shares transferred above shall be entitled to claim the transfer of shares from Investor Education & Protection Fund in accordance with the procedure and submission of such documents as may be prescribed. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

- 19) Particulars of the dividend transferred to the General Revenue Account of the Central Government, i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2015 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

<b>Sr. No.</b>	<b>Date of Declaration of Dividend</b>	<b>Dividend for the Financial Year</b>	<b>Amount transferred to Investor Education &amp; Protection Fund (₹)</b>	<b>Date of transfer to Investor Education &amp; Protection Fund</b>
	Nil	Nil	Nil	Nil

- 20) As per the provisions of the Companies Act, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company;

### **21) E- voting:**

In compliance with section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

#### **Process for E-Voting –**

#### **The procedure and instructions for e-voting are as follows :**

- i. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- ii. Click on “Shareholders” tab to cast your votes;
- iii. Now, select the “BLUE CHIP TEX INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT”;
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. Now, fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical share holders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg.If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the <Default Value> in the PAN field.

\*Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company in which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential;
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xi. Click on the relevant EVSN on which you choose to vote;
- xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolution/s;
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- xvii. If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code click on Forgot Password & enter the details as prompted by the system;

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xviii. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as **Corporates**.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same;
- 22) The voting period begins from 10.00 a.m. on Monday 20th July, 2015 and ends at 5.00 p.m. on Wednesday 22nd July, 2015. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 15th July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- 23) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
- 24) M/s. Pramod S. Shah & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, within a period not exceeding 3(three) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2(two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;
- 25) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com) and on the website of CDSL immediately after the result is declared by the Chairman;

By Order of the Board

Nand Kishinchand Khemani  
Managing Director  
DIN :- 00053671

**Place :** Mumbai  
**Date :** 15<sup>th</sup> May, 2015  
**Registered Office:**  
Jasville, 2nd Floor,  
9, New Marine Lines,  
Mumbai 400 020.

**ANNEXURE TO NOTICE****STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT :****Item No 5**

Ms. Shraddha Teli (DIN 06976334) was appointed as Additional Independent Director of the Company pursuant to provision of Section 152, Section 149, Schedule IV & any other applicable provisions of the Companies Act 2013 with effect from 07<sup>th</sup> November, 2014 to hold office until the conclusion of the next annual general meeting.

The Company has received notices in writing from members along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Shraddha Teli for the office of Director of the Company.

The Company has also received declarations from Ms. Shraddha Teli that she meets with criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Ms. Shraddha Teli fulfills the conditions for appointment as Independent Directors as specified in the Act. Ms. Shraddha Teli is independent of the Management.

Ms. Shraddha Teli is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Following is the information required under clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	Ms. Shraddha Teli
Director Identification Number	06976334
Date of Appointment	07 <sup>th</sup> November, 2014
Brief resume of the Director including Nature of her expertise in specific functional areas	Ms Shraddha is a Bachelor degree holder in Management Studies and MBA from Prestigious University of Exeter, UK. She has experience in co-ordinating activities at the International level, having worked abroad in a multicultural work force from 80 countries. She is specialised in Sustainability of the Business and also in corporate communications and Brand Marketing. She holds one CSIR Patent based on Textile colouration and finishing related subject with roots in sustainability.
Number of shares held in the Company	NIL

**Item No 6**

Mr. Ashok Kishinchand Khemani is serving the Company as an Executive Director since 30<sup>th</sup> September, 1996.

The Board at its Meeting held on 15<sup>th</sup> May, 2015, decided to appoint Mr. Ashok Khemani as the Managing Director of the Company for a period of five years with effect from 01<sup>st</sup> September, 2015 upto 31<sup>st</sup> August, 2020, at NIL remuneration.

In view of the above, since Mr. Ashok Khemani is already a Director of the Company, the consent of the Board is accorded to re-designate/appoint Mr. Ashok Khemani as the Managing Director of the Company subject to approval by the members at the Annual General Meeting.

The Nomination and Remuneration Committee recommended to the Board of Directors of the Company, the appointment of Mr. Ashok Kishinchand Khemani as the Managing Director of the Company for a period of five years, with effect from 01<sup>st</sup> September, 2015.

The Board accordingly recommends the resolutions to be passed as special resolution set out in item no. 6 of the accompanying notice. Your approval is sought for the same.

Mr. Ashok Kishinchand Khemani is interested in the resolution as it pertains to his appointment as Managing

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Director at item no. 6 and Mr. Nand Kishinchand Khemani, Mr. Rahul Ashok Khemani and Mr. Shahin Nand Khemani, are deemed to be interested as they are the immediate relatives. None of the other Directors of the Company is in any way concerned or interested in this resolution.

This explanation together with the notice is and should be treated as abstract of the terms of appointment of Mr. Ashok Kishinchand Khemani as Managing Director of the Company and a Memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under Section 190 of the Companies Act, 2013.

Following is the information required under clause 49 of the Listing Agreement with respect to appointment of a Director:

Name of the Director	Mr. Ashok Khemani
Director Identification Number	00053623
Date of Appointment	01 <sup>st</sup> September, 2015
Brief resume of the Director including Nature of his expertise in specific functional areas	Mr. Ashok K. Khemani holds B.Com degree from Mumbai University and has been associated with the Company since 1996. He is responsible for developing new marketing strategies and areas for promoting the Company's products and developing value-added products. He also takes care of human resources, attends to legal compliances and liaisons with financial intermediaries for acquiring financial assistance. He is also closely associated with the various Yarn Associations.
Number of shares held in the Company	73490

### **Item No 7**

The Board of Directors of the Company at its meeting held on 15<sup>th</sup> May, 2015, on the recommendation of the Audit Committee had approved the appointment and remuneration of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm's Registration No.101893) to conduct the audit of the cost records of the Company for the financial year 2015-2016.

In accordance with the provisions of section 148 of the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out In Item No. 7 for ratification of remuneration payable to the Cost Auditor for conducting the Audit of the cost records of the Company, for the financial year ended 31<sup>st</sup> March, 2016.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No.7.

The Board of Directors approved the Resolution set out at Item No. 7 of the Notice for ratification by the Members.

By Order of the Board

Nand Kishinchand Khemani  
Managing Director  
DIN :- 00053671

**Place :** Mumbai

**Date :** 15<sup>th</sup> May, 2015

**Registered Office:**

Jasville, 2nd Floor , 9, New Marine Lines ,  
Mumbai 400 020.

**DIRECTORS' REPORT**

To,  
The Members,  
Blue Chip Tex Industries Limited.

Your Directors are pleased to present herewith the 30th Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31, 2015 together with the Audited Statement of Accounts and Auditor's Report thereon.

**The State of the Company's Affairs:****1. KEY FINANCIAL HIGHLIGHTS:**

	In terms of INR	
	<u>2014-15</u>	<u>2013-2014</u>
Profit before depreciation	<b>3,51,01,368</b>	2,90,70,476
Less: depreciation	<b>1,01,73,887</b>	1,15,02,737
<b>Profit before Tax</b>	<b>2,49,27,481</b>	1,75,67,739
<b>Less:</b> Provision for taxation		
Current tax	<b>54,08,817</b>	37,60,000
Deferred tax	<b>23,89,783</b>	22,49,304
Fringe Benefit tax	—	—
<b>Profit After Tax</b>	<b>1,71,28,881</b>	1,15,58,435
<b>Add:</b> Taxation for earlier year	—	—
<b>Total</b>	<b><u>1,71,28,881</u></b>	<b><u>1,15,58,435</u></b>
<b>Balance in Profit and Loss Account</b>	<b>2,12,97,743</b>	1,36,61,772
Surplus available for appropriation	<b>3,83,21,515</b>	2,52,20,207
Transfer to General Reserve	<b>17,20,000</b>	11,56,000
Proposed Dividend	<b>23,64,600</b>	23,64,600
Tax on Proposed Dividend	<b>4,81,377</b>	4,01,864
<b>Balance carried to Balance Sheet</b>	<b><u>3,37,55,538</u></b>	<b><u>2,12,97,743</u></b>

During the year under review your Company has reported a total income of INR 1,11,89,51,367/- out of which non-operating income amounts to INR 32,98,886/-. Revenue from Operations Income registered increase by INR 40,11,76,497/-, i.e. by 56.15%, as compared to the previous year.

**2. DIVIDEND:**

Your Directors are pleased to recommend a final dividend of INR 1.20 per equity share for the Financial Year ended 31<sup>st</sup> March, 2015.

**3. TRANSFER TO RESERVES:**

The Company has proposed to transfer INR 17,20,000/- amount to the General Reserve out of amount available for appropriations.

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **4. THE STATE OF COMPANY'S AFFAIRS:**

The highlights of State Of Company's Affairs are as under:

- The Company has installed 1 Draw Texturising Machine and 2 Air Texturised Machines during the Financial year 2014-15.
- The Company completed its expansion programme by installing 3rd Air Texturising Machine in April 2015.
- During Current Financial year Company will emphasize on achieving the maximum possible production from these Machines.

### **5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013:**

Particulars required to be furnished by the Companies as per Rule 8 of Companies (Accounts) Rules, 2014, are as follows:

#### **A. RULE 8 SUB-RULE 3 (A) PERTAINING TO CONSERVATION OF ENERGY:**

- (i) Energy conservation measures taken:

Appropriate measures have been initiated to conserve energy. The Company has always been conscious about the need for conservation of energy.

- (ii) Additional investments and proposals, if any, being implemented for reduction of energy consumption:

The efforts for conservation of energy are on an ongoing basis throughout the year.

- (iii) The impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken have resulted in savings in the cost of production.

Total energy consumption and energy consumption per unit of production:

#### **Power and Fuel Consumption:**

Electricity:	<b>Financial Year ended 31.03.2015</b>	Financial Year ended 31.03.2014
Purchased Units (KWH)	1,02,33,39	48,85,040
Total Amount (INR)	4,53,70,176	2,06,11,115
Cost/Unit (INR)	4.43	4.22
Consumption per ton polyester Texturised Yarn Production (KWH)	862.21	760.30

#### **B. Rule 8 Sub-Rule 3 (B) pertaining to Technology absorption**

Efforts in brief made towards technology, absorption, adoption and innovation: The Company keeps itself abreast of the technical development and innovation in its line of products worldwide and tries to bring about improvements in the product for better yield, quality and cost effectiveness etc.

Continuous efforts are being made in the areas of quality improvements, waste reduction, process capability and cost minimization to specially improve the market acceptance of the product.



**C. Rule 8 Sub-Rule 3 (C) pertaining to Foreign exchange earnings and Outgo-**

There are NIL Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows

**6. MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR**

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

**7. ANNUAL RETURN:**

The extract of Annual Return pursuant to Section 92 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed as **ANNEXURE 1** to this report as on 31st March, 2015.

**8. FIXED DEPOSITS:**

The Company has not accepted any deposits within the meaning of Section 73(1) of the Companies Act, 2013 and the Rules made thereunder.

**9. BOARD MEETINGS:**

The Board of Directors (herein after called as “the Board”) met **FIVE** times during the Year under review:

<b>Sr. No.</b>	<b>Date of Meetings</b>	<b>Venue and time of the meeting</b>	<b>Directors present</b>	<b>Directors to whom Leave of absence was granted</b>
<b>1</b>	26.05.2014	<b>Venue:</b> ‘Jasville’ Opp. Liberty Cinema, 9, Marine Lines, Mumbai - 400020.  Time: 4:30 P.M.	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Kumar S. Nathani 4) Mr. Rahul A. Khemani 5) Mr. Shahin N. Khemani	Leave of absence was granted to Mr. Anil Kumar Mandhana.
<b>2</b>	30.07.2014	<b>Venue:</b> ‘Jasville’, 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, 9, Marine Lines, Mumbai - 400020.  Time: 4:00 P.M	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Shahin N. Khemani 4) Mr. Kumar S. Nathani 5) Mr. Rahul A. Khemani 6) Mr. Anilkumar Mandhana	None
<b>3</b>	17.10.2014	<b>Venue:</b> ‘Jasville’, 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, 9, Marine Lines, Mumbai - 400020.  Time: 4:00 p.m.	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Kumar S. Nathani	Leave of absence was granted to the following Directors 1) Mr. Shahin Khemani 2) Mr. Rahul Khemani 3) Mr. Manmohan Anand 4) Mr. Vijay Mishra

## **BLUE CHIP TEX INDUSTRIES LTD.**

<b>4</b>	07.11.2014	<b>Venue:</b> 'Jasville' Opp. Liberty Cinema, 9, Marine Lines, Mumbai - 400020.  Time: 4:00 p.m.	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Kumar S. Nathani 4) Mr. Vijay Mishra 5) Mr. Rahul Khemani 6) Mr. Manmohan Anand	Leave of absence was granted to Mr. Shahin Khemani.
<b>5</b>	05.02.2015	<b>Venue:</b> 'Jasville' Opp. Liberty Cinema, 9, Marine Lines, Mumbai - 400020.  Time: 4:00 p.m.	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Kumar S. Nathani 4) Mr. Shahin N. Khemani 5) Mr. Rahul Khemani 6) Mr. Vijaykumar Mishra 7) Ms. Shraddha Teli	Leave of absence was granted to Mr. Manmohan Anand.

### **10. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Changes in Directors and Key managerial personnel are as follows:

<b>Sr. No.</b>	<b>Name of the Director/Key managerial personal</b>	<b>Particulars</b>	<b>Date of Appointment and resignation</b>
1	Mr. Anil Kumar Mandhana	Ceassation	09.09.2014
2	Mr. Manmohan Anand	Appointed as Independent Director	09.09.2014
3	Mr. Vijay Kumar Mishra	Appointed as Independent Director	09.09.2014
4	Ms. Shraddha Teli	Appointed as Additional Independent Director	07.11.2014
5	Mr. Kumar Nathani	Appointed as Independent Director	09.09.2014

### **11. STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013:**

As per the provisions of Section 149(4) of the Companies Act, 2013 every listed public company shall have at least one-third of the total number of directors as independent directors.

In view of the above your Company has duly complied with the provision by appointing following Independent Directors:

<b>Sr. No.</b>	<b>Name of the Independent Director</b>	<b>Date of appointment/ Reappointment</b>	<b>Date of passing of special resolution (if any)</b>
1.	Mr. Vijay Mishra	30/07/2014	09.09.2014
2.	Mr. Kumar Nathani	16/08/1993	09.09.2014
3.	Mr. Manmohan Anand	30/07/2014	09.09.2014
4.	Ms. Shraddha Teli	07/11/2014	—

All the above Independent Directors meet the criteria of 'independence' prescribed under section 149(6) and have submitted declaration to the effect that they meet with the criteria of 'independence' as required under section 149(7) of the Companies Act, 2013.

**12. COMMITTEES OF THE BOARD:**

**I. Nomination and Remuneration Committee:**

The 'Nomination and Remuneration Committee' consists of four Directors with three independent non-executive directors and one executive director with the Chairman being the Independent Director, and the said constitution is in accordance with the provisions of Section 178 of the Companies Act, 2013. The Committee acts in accordance with the Terms of Reference as approved and adopted by the Board.

The Composition of the Committee is as under:

**Chairman:** Mr. Kumar Nathani

**Members:** 1. Mr. Nand Khemani  
2. Mr. Vijay Mishra  
3. Mr. Manmohan Anand

**Nomination and Remuneration Policy**

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **ANNEXURE 2** to the Directors' Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors. The Company's Nomination and Remuneration Policy is directed towards rewarding performance based on review of achievements periodically. The Nomination and Remuneration Policy is in consonance with the existing industry practice.

**II. Audit Committee:**

In accordance with the provisions of Section 177 of the Companies Act, 2013 your Company has constituted an "Audit Committee" comprising of minimum three directors consisting of two non- executive Independent directors and one executive director with the Chairman being Independent director. The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing.

The Composition of the Committee is as under:

**Chairman:** Mr. Kumar Nathani

**Members:** 1. Mr. Ashok Khemani  
2. Mr. Vijay Mishra

**The Terms of reference of the Audit Committee are broadly stated as under:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **13. THE VIGIL MECHANISM:**

Your Company believes in promoting a fair, transparent, ethical and professional work environment.

The Board of Directors of the Company has established a Whistle Blower Policy & Vigil Mechanism in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement for reporting the genuine concerns or grievances or concerns of actual or suspected, fraud or violation of the Company's code of conduct. The said Mechanism is established for directors and employees to report their concerns. The policy provides the procedure and other details required to be known for the purpose of reporting such grievances or concerns. The same is uploaded on the website of the Company.

### **14. (a) QUALIFICATION GIVEN BY THE STATUTORY AUDITORS:**

There are no qualifications, reservation or adverse remarks or disclaimers made by the Statutory Auditors of the Company in their report.

### **(b) QUALIFICATION GIVEN BY THE SECRETARIAL AUDITOR:**

The Secretarial Auditor is appended as **ANNEXURE 3** in their report has made the following Qualification:

The Company was required to appoint an Internal Auditor within six months of the commencement of Companies Act, 2013 i.e. within six months from 1st April, 2014. However, the Company has appointed an Internal Auditor in the Board Meeting held on 05.02.2015 and hence, has now complied with the provisions of the Act in this regard.

### **15. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

The Company has entered into transactions with related parties in accordance with the provisions of the Companies Act, 2013 and the particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 is appended as **ANNEXURE 4** of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is duly entered in the register.

### **16. ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

**17. AUDITORS:**

M/s Rajendra & Co., Statutory Auditors of your Company, bearing registration number 108355W retires at the ensuing Annual General Meeting and are eligible for re-appointment. The Auditors have given their consent in writing and have furnished a certificate to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 139(1) and that they meet with the criteria prescribed under section 141 of the Companies Act, 2013. Directors recommend their re-appointment in the ensuing Annual General Meeting.

**18. SECRETARIAL AUDITOR**

The Board has appointed M/s. Pramod S. Shah and Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed as **ANNEXURE 3**

**19. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with provisions of section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors state the following:-

- (a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**ACKNOWLEDGEMENT**

Your Directors express their sincere appreciation to the valued Stakeholders, bankers and clients for their support.

**For and on behalf of the Board**

**Sd/-**  
**Nand Khemani**  
(Managing Director)  
DIN: 00053671

**Sd/-**  
**Ashok K. Khemani**  
(Director)  
DIN: 00053623

Place : Mumbai  
Date : 15<sup>th</sup> May, 2015

# **BLUE CHIP TEX INDUSTRIES LTD.**

## **ANNEXURE TO BOARD'S REPORT**

### **ANNEXURE 1: ANNUAL RETURN**

#### **Form No. MGT-9**

#### **EXTRACT OF ANNUAL RETURN**

As on the financial year ended March 31, 2015

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

#### **I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L17100MH1985PLC037514
- ii) Registration Date : 17/09/1985
- iii) Name of the Company : Blue Chip Tex Industries Limited
- iv) Category / Sub-Category of the Company : Limited by shares
- v) Address of the Registered office and contact details : Jasville, 2nd Floor,  
9, New Marine Lines,  
Mumbai - 400020  
Number: 22000488/43530400
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Bigshare Services Pvt. Ltd  
E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072.  
Number : 40430200

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Texturised Yarn of Polyester	5402	100%

#### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Name: M/s. Beekaylon Synthetics Private Limited Address: Jasville, 3rd Fl., 9 - New Marine Lines, Mumbai - 400020	U17110MH 1979PTC020944	Associate Company	24.82	2(6)

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	651088	0	651088	33.04	648288	0	648288	32.90	-0.14
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Directors/Relatives	246221	0	246221	12.50	251216	0	251216	12.75	0.25
g) Group Companies	212700	0	212700	10.79	212700	0	212700	10.79	0
<b>Sub-total (A) (1):</b>	<b>1110009</b>	<b>0</b>	<b>1110009</b>	<b>56.33</b>	<b>1112204</b>	<b>0</b>	<b>1112204</b>	<b>56.44</b>	<b>0.11</b>
(2) <b>Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1110009</b>	<b>0</b>	<b>1110009</b>	<b>56.33</b>	<b>1112204</b>	<b>0</b>	<b>1112204</b>	<b>56.44</b>	<b>0.11</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	1100	5300	6400	0.32	1100	5300	6400	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	1116	0	1116	0.06	0.06
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):</b>	<b>1100</b>	<b>5300</b>	<b>6400</b>	<b>0.32</b>	<b>2216</b>	<b>5300</b>	<b>7516</b>	<b>0.38</b>	<b>0.06</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	24035	4200	28235	1.43	14487	4200	18687	0.95	-0.48
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

## **BLUE CHIP TEX INDUSTRIES LTD.**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	326137	378414	704551	35.75	306304	374114	680418	34.53	-1.22
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	114137	0	114137	5.79	141213	0	141213	7.17	1.38
c) Clearing Member	216	0	216	0.01	200	0	200	0.01	0
d) Non Resident Indian(NRI)	2052	4900	6952	0.35	5362	4900	10262	0.52	0.17
Sub-total (B)(2):	466577	387514	854091	43.34	467566	383214	850780	43.18	-0.16
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>467677</b>	<b>392814</b>	<b>860491</b>	<b>43.67</b>	<b>469782</b>	<b>383614</b>	<b>858296</b>	<b>43.56</b>	<b>0.11</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	<b>1577686</b>	<b>392814</b>	<b>1970500</b>	<b>100.00</b>	<b>1581986</b>	<b>388514</b>	<b>1970500</b>	<b>100.00</b>	<b>0</b>

### **(ii) Shareholding of Promoters**

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s. Beekaylon Synthetics Private Ltd.	488988	24.82	0.00	486188	24.67	0.00	-0.15
2	M/s. Indotex Export House Private Limited	208300	10.57	10.57	208300	10.57	10.57	0
3	M/s. Sangam Syntwist Textiles Private Limited	162100	8.23	8.23	162100	8.23	8.23	0
4	Mr. Ashok K. Khemani	73490	3.73	3.65	73490	3.73	3.65	0
5	Mr. Nand K. Khemani	70531	3.58	3.55	70531	3.58	3.55	0
6	Ms. Roop K. Khemani	35800	1.82	1.69	35800	1.82	1.69	0
7	Mr. Shahin N. Khemani	28600	1.45	1.20	28600	1.45	1.20	0
8	Mr. Rahul A. Khemani	25300	1.28	0.48	25300	1.28	0.48	0
9	Ms. Rachna A. Khemani	12500	0.63	0.63	16495	0.84	0.63	0.21
10	M/s. Setron Textile Mills Pvt. Ltd.	4400	0.22	0.00	4400	0.22	0.00	0
11	Mr. Siddharth A. Khemani	0	0	0.00	1000	0.05	0.00	0.05
	TOTAL	1110009	56.33	30.00	1112204	56.44	30.00	0.11



**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1110009	56.33	1112204	56.44
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<p><b>Date wise increase/decrease of promoters holding:</b></p> <ol style="list-style-type: none"> <li>1) 26/02/2014:-Purchase from exchange 1400 shares by Ms. Rachna Khemani (cumulative holding 13900 shares);</li> <li>2) 28/02/2014:-Purchase from exchange 100 shares by Ms. Rachna Khemani (cumulative holding 14000 shares);</li> <li>3) 19/11/2014:-Purchase of 500 shares from exchange by Ms. Rachna Khemani (cumulative holding 14500 shares);</li> <li>4) 19/11/2014:-Sale of 500 shares through exchange by M/s. Beekaylon Synthetics Private Limited (cumulative holding 488488 shares);</li> <li>5) 08/12/2014:-Purchase of 995 shares through exchange by Ms. Rachna Khemani (cumulative holding 15495 shares);</li> <li>6) 08/12/2014:-Sale of 800 shares through exchange by M/s. Beekaylon Synthetics Private Limited (cumulative holding 487688 shares);</li> <li>7) 10/12/2014:-Purchase of 500 shares through exchange by Ms. Rachna Khemani (cumulative holding 15995 shares);</li> <li>8) 10/12/2014:-Purchase of 500 shares through exchange by Mr. Siddharth Khemani (cumulative holding 500 shares);</li> <li>9) 10/12/2014:-Sale of 500 shares through exchange by M/s. Beekaylon Synthetics Private Limited (cumulative holding 487188 shares);</li> <li>10) 11/12/2014:-Purchase of 500 shares through exchange by Ms. Rachna Khemani (cumulative holding 16495 shares);</li> <li>11) 11/12/2014:-Purchase of 500 shares through exchange by Mr. Siddharth Khemani (cumulative holding 1000 shares);</li> <li>12) 11/12/2014:-Sale of 1000 shares through exchange by M/s. Beekaylon Synthetics Private Limited (cumulative holding 486188 shares);</li> </ol>			
	At the End of the year	1112204	56.44	1112204	56.44

## **BLUE CHIP TEX INDUSTRIES LTD.**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.		Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	<b>At the beginning of the year</b>				
1.	Mr. Ramesh Roop Khemani	40800	2.0705	40800	2.0705
2.	Mr. Rajesh Roop Khemani	33900	1.7204	33900	1.7204
3.	Mr. Sanjay Tulsyan	20323	1.0314	20323	1.0314
4.	Mr. Ronak Kantilal Vora	19114	0.9700	19114	0.9700
5.	M/s. VSL Securities Private Limited	12107	0.6144	0	0
6.	Mr. Suresh Kotturi	9657	0.4901	9657	0.4901
7.	Ms. Meena Jetho Belani	6600	0.3349	6600	0.3349
8.	Ms. Archana Kumari	6090	0.3091	6090	0.3091
9.	Ms. Namita Parakh	6000	0.3045	6000	0.3045
10.	Mr. Faisal Iqbal	5324	0.2702	5324	0.2702

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
	<b>At the beginning of the year</b>				
1	Mr. Nand K Khemani	70531	3.58	70531	3.58
2	Mr. Ashok K Khemani	73490	3.73	73490	3.73
3	Mr. Rahul A Khemani	25300	1.28	25300	1.28
4	Mr. Shahin N Khemani	28600	1.45	28600	1.45
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	—	—	—	—
	At the End of the year	197921	10.04	197921	10.04

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### V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Nand Kishinchand Khemani - Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2.	Stock Option	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission/ Performance Pay	0.00	0.00
	- as % of profit	0.00	0.00
	- others, specify...	0.00	0.00
5.	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	The total managerial remuneration payable in respect of financial year 2014-15 shall not exceed eleven per cent of the net profit of the Company for financial year 2014-15 or if the same exceeds, it shall be within the limits of Schedule V, Part II of the Companies Act, 2013.	

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **B. Remuneration to other Directors :**

Sr. No.	Particulars of Remuneration	Mr. Anil Mandhana	Mr. Kumar Nathani	Mr. Vijay Mishra	Mr. Manmohan Anand	Ms. Shraddha Teli	Mr. Rahul A. Khemani	Mr. Shahin N. Khemani	Total
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,124	14,608	11,236	5,618	5,618	0	0	38,204
	Total (1)	1,124	14,608	11,236	5,618	5,618	0	0	38,204
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, Remuneration	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 14,40,000	0.00 0.00 17,40,000	0.00 0.00 31,80,000
	Total (2)	0.00	0.00	0.00	0.00	0.00	14,40,000	17,40,000	31,80,000
	Total (B)=(1+2)	1,124	14,608	11,236	5,618	5,618	14,40,000	17,40,000	32,18,204
	Total Managerial Remuneration	1,124	14,608	11,236	5,618	5,618	14,40,000	17,40,000	32,18,204
	Overall Ceiling as per the Act	Sitting fee payable to a Director for attending the meeting of the Board or Committee shall not exceed one lakh rupees per meeting of the Board or Committee.							

### **C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD**

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

**VI. INDEBTEDNESS:**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>
Indebtedness at the beginning of the financial year			
i) Principal Amount	43702095	0.00	0.00
ii) Interest due but not paid	519905	0.00	0.00
iii) Interest accrued but not due	1370	0.00	0.00
Total (i+ii+iii)	44223370	0.00	0.00
Change in Indebtedness during the financial year			
Addition	34047334	0.00	0.00
Reduction	10301711	0.00	0.00
Net Change	23745623	0.00	0.00
Indebtedness at the end of the financial year			
i) Principal Amount	67447718	0.00	0.00
ii) Interest due but not paid	688750	0.00	0.00
iii) Interest accrued but not due	450	0.00	0.00
Total (i+ii+iii)	68136918	0.00	0.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** Not Applicable.

# **BLUE CHIP TEX INDUSTRIES LTD.**

## **ANNEXURE 2**

### **NOMINATION AND REMUNERATION POLICY**

The Board of Directors of Blue Chip Tex Industries Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on 7th November 2014 consisting of three (3) Non-Executive Directors forming majority are Independent Directors.

#### **1. Purpose of the Policy:**

The Nomination and Remuneration Committee (“Committee”) of the Company and this Policy shall be in compliance with the provisions of Section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

- 1.1 To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the working potential of all the Directors and Key managerial Personnel (KMP) of the Company;
- 1.2 To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 1.3 To ensure that the remuneration to Directors and Key Managerial Personnel (KMP) 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;
- 1.4 To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
- 1.5 To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- 1.6 To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company’s operations and
- 1.7 To lay down criteria for appointment, removal of directors and Key Managerial Personnel and evaluation of their performance.

#### **2. Definitions:**

- 2.1 Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 Board means Board of Directors of the Company.
- 2.3 Directors mean Directors of the Company
- 2.4 Policy or this Policy means “Nomination and Remuneration Policy.”
- 2.5 Key Managerial Personnel means
  - 2.5.1 Chief Executive Officer or the Managing Director or the Manager;
  - 2.5.2 Whole-time director;
  - 2.5.3 Chief Financial Officer;
  - 2.5.4 Company Secretary and
  - 2.5.5 such other officer as may be prescribed.

**3. Role of Committee**

**3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**

The Committee shall:

- 3.1.1 Identify persons who are qualified to become Directors and Key Managerial Personnel (KMP) who may be appointed in accordance with the criteria laid down,
- 3.1.2 Recommend to the Board appointment and removal of Directors and KMP and shall carry out evaluation of every director's performance,
- 3.1.3 Formulate the criteria for determining qualifications, positive attributes and independence of a director,
- 3.1.4 Recommend to the Board a policy, relating to the remuneration for the Directors and Key Managerial personnel and other employees,
- 3.1.5 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate,
- 3.1.6 Make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant,

**3.2. Policy for appointment and removal of Director and Key Managerial Personnel (KMP)**

**3.2.1 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend to the Board his / her appointment,
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position,
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years,

**3.2.2 Criteria for Remuneration to Directors, Key Managerial Personnel and Senior Management:**

- (a) Performance: The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company,
- (b) Responsibilities and Accountability: The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration,
- (c) Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality,
- (d) Flexibility: The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation,

## **BLUE CHIP TEX INDUSTRIES LTD.**

- (e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

### **3.2.3 Remuneration to Directors and Key Managerial Personnel:**

The Committee shall ensure that the Remuneration payable to Directors and Key Managerial Personnel shall be paid after complying with the provisions of Section 197 and Schedule V and such other applicable provisions of the Companies Act, 2013.

### **3.2.4 Term / Tenure**

- a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### **3.2.5 Evaluation**

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

### **3.2.6 Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and Key Managerial Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **3.2.7 Retirement**

The Director and Key Managerial Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **3.3 Policy relating to the Remuneration for the Whole-time Director.**

### **3.3.1 General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director and Key Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
- b) In determining the remuneration of Whole-time Director and Key Managerial Personnel the Committee should consider among others:
- Conducting benchmarking with companies of similar type on the remuneration package;
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;



- Clear linkage of remuneration and appropriate performance benchmarking and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.
- c) Increments including bonuses, incentive and other rewards to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Central Government, wherever required.

**3.3.2 Remuneration to Non- Executive / Independent Director**

Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that amount of fees shall not exceed INR One Lakh per meeting of the Board and Committee or such amount as may be prescribed by the Central Government from time to time.

**4. Membership**

- 4.1 Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- 4.2 The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 4.3 Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- 4.4 The Chairperson of the Committee or in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.

**5. Frequency of the meetings**

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

**6. Committee Members Interests**

- 6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 6.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**7. Minutes of Committee Meetings:**

Proceedings of all the meetings are recorded and signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. Minutes of the Committee meeting are tabled at the Meeting of the Board and entered in the Minutes binder.

# **BLUE CHIP TEX INDUSTRIES LTD.**

## **ANNEXURE - 3**

### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

##### **FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Blue Chip Tex Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Blue Chip Tex Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to following observation:

The Company was required to appoint an Internal Auditor within six months of the commencement of Companies Act, 2013 i.e. within six months from 1st April, 2014. However, the Company has appointed an Internal Auditor in the Board Meeting held on 05.02.2015 and hence, has now complied with the provisions of the Act in this regard.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were carried out unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor, Internal Auditor for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (as mentioned above and listed in Annexure I )

**We further report that** during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

Place : Mumbai

Date : 15/05/2015

Pramod Shah-Partner

Pramod S. Shah & Associates

FCS No.: 334

C.P No.: 3804

**Annexure I**

1. Employees' Provident Fund Act, 1952 and Rules
2. Payment of Gratuity Act, 1972
3. Minimum Wages Act, 1948
4. Payment of Bonus Act, 1965
5. Factories Act, 1948
6. Income Tax Act, 1961
7. Finance Act, 1994

**ANNEXURE 4**

**Form AOC-2**

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

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

**1. Details of material contracts or arrangement or transactions not at arm's length basis :**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
—	—	—	—	—	—	—	—	—

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **2. Details of material contracts or arrangements or transactions at arm's length basis:**

<b>Sr. No.</b>	<b>Name of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of contracts/ arrangements/ transactions</b>	<b>Salient features of contracts/ arrangements/ transactions, including value, if any</b>	<b>Date(s) of approval by the Board/ Audit Committee</b>	<b>Amount paid as advances, if any</b>
1.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: kindly refer Note No.1	Rent Agreement	Transaction ceased on 31st August, 2015	Salient features: Rent Received for Factory Building.  Value: INR 5,40,000 (for 5 months period)	26th May, 2014 & 30th July, 2014	NIL
2.	Indo Leather Works Nature of the relationship: Kindly refer Note No.2	Rent paid for Mumbai office	Ongoing Duration of transaction-perpetual	Salient features: Rent paid for Mumbai office Value: INR 6,00,000/- (per annum)	26th May, 2014 & 30th July, 2014	NIL
3.	M/s. Beekaylon Synthetics Private Limited	Machine Hire Charges Paid	Ongoing Duration of transaction-From 1st September, 2014 to 31st August, 2017	Salient features: Machine Hire Charges Paid. Value : INR 39,32,600/- for 7 months period	30th July, 2014	NIL
4.	M/s. Beekaylon Synthetics Private Limited	Purchase of Yarn.	Ongoing Duration of transaction-perpetual	Salient features: Purchase of Yarn. Value: INR 86,48,83,167/-	30th July, 2014	NIL
5.	M/s. DNH Spinners Private Limited Nature of the relationship: Kindly refer Note No.3	Purchase of Yarn.	Ongoing Duration of transaction-perpetual	Salient features: Purchase of Yarn. Value: INR 1,27,48,752/-	26th May, 2014 & 30th July, 2014	NIL
6.	M/s. Beekaylon Synthetics Private Limited	Job Work Charges	Ongoing Duration of transaction-perpetual	Salient features: Job Work Charges. Value: INR 13,95,121/-	26th May, 2014 & 30th July, 2014	NIL
7.	M/s. Beekaylon Synthetics Private Limited	Purchase Packing Materials	Ongoing Duration of transaction-perpetual	Salient features: Purchase Packing Materials Value: INR 1912/-	26th May, 2014 & 30th July, 2014	NIL

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8.	M/s. Beekaylon Synthetics Private Limited	Sale of Goods	Ongoing Duration of transaction-perpetual	Salient features : Sale of Goods. Value: INR 7,82,85,373/-	26th May, 2014 & 30th July, 2014	NIL
9.	M/s. Beekaylon Synthetics Private Limited	Sale of Fixed Assets	N.A.	Salient features: Sale of Fixed Assets. Value: INR 1,50,000/-	26th May, 2014 & 30th July, 2014	NIL
10	M/s. Beekaylon Synthetics Private Limited	Income from Job Work	Ongoing Duration of transaction-perpetual	Salient features : Income from Job work. Value: INR 2,70,13,349/-	26th May, 2014 & 30th July, 2014	NIL

**Note No.1 : Following are the common Directors in M/s. Blue Chip Tex Industries Limited and in M/s. Beekaylon Synthetics Private Limited:**

- 1) Mr. Nand Kishinchand Khemani;
- 2) Mr. Ashok Kishinchand Khemani;
- 3) Mr. Rahul Ashok Khemani;
- 4) Mr. Shahin Nand Khemani.

**Note No.2: Following is a Director in M/s. Blue Chip Tex Industries Limited and is also a Partner in Indo Leather Works:**

Mr. Nand Kishinchand Khemani.

**Note No.3: Following is the common Director in M/s. Blue Chip Tex Industries Limited and in M/s. DNH Spinners Private Limited:**

Mr. Ashok Kishinchand Khemani.

# **BLUE CHIP TEX INDUSTRIES LTD.**

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of BLUE CHIP TEX INDUSTRIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of BLUE CHIP TEX INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Sub-Section 11 of Section 143 of the Act, we give in the Annexure a statement on the matters specified in 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 28 to the financial statements.
    - (ii) There are no foreseeable losses as required on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Rajendra & Co.**  
*Chartered Accountants*  
(Firm Registration Number 108355W)

Mumbai  
15<sup>th</sup> May 2015

Sd/-  
**Akshay R. Shah**  
*Partner*  
Membership No: 103316

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

*Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date*

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
3. Company has not granted any loans , secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 198 of the Companies Act, 2013 and hence clause 3 (a) and 3 (b) of the Order not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has an adequate internal control system commensurate with its size and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. In respect of statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no disputed statutory dues pending as on 31<sup>st</sup> March 2015, except for Income Tax dues as follows:



## 30<sup>th</sup> ANNUAL REPORT 2014-15

Sr. No.	Assessment Year	₹	Forum where dispute is pending
1	2009-10	4,38,920	pending with CIT
2	2010-11	3,71,690	pending with CIT
3	2011-12	2,82,270	pending with CIT

- (c) According to the records of the Company, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within the time.
8. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
10. The Company has not given any guarantees for loans taken by others from banks and financial institutions.
11. The Company has raised new terms loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
12. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **Rajendra & Co.**  
Chartered Accountants  
(Firm Registration Number 108355W)

Mumbai  
15<sup>th</sup> May 2015

Sd/-  
**Akshay R.Shah**  
Partner  
Membership No: 103316

# BLUE CHIP TEX INDUSTRIES LTD.

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

	NOTE No.	As at 31 <sup>ST</sup> March 2015		As at 31 <sup>ST</sup> March 2014	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	1	1,97,55,450		1,97,55,450	
(b) Reserves and Surplus	2	4,54,85,330	6,52,40,780	3,13,07,535	5,10,62,985
<b>Non-Current Liabilities</b>					
(a) Long Term Borrowings	3	5,15,83,575		3,38,94,384	
(b) Deferred Tax Liability (Net)	4	1,06,57,254		83,14,473	
(c) Long-term Provisions	5	10,31,285	6,32,72,114	1,38,834	4,23,47,691
<b>Current Liabilities</b>					
(a) Short Term Borrowings	6	2,34,70,401		1,61,94,454	
(b) Trade Payables	7	14,46,06,779		3,01,33,052	
(c) Other Current Liabilities	8	3,23,13,178		4,31,77,462	
(d) Short-term Provisions	9	49,25,240	20,53,15,598	46,81,256	9,41,86,224
TOTAL			33,38,28,492		18,75,96,900
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	10	14,22,94,260		11,66,72,239	
(ii) Capital Work-in-progress	10	1,71,749		1,07,87,036	
<b>(b) Non-Current Investments</b>	11	4,500		4,500	
<b>(c) Long Term Loans and Advances</b>	12	2,05,88,322	16,30,58,831	1,34,35,137	14,08,98,912
<b>Current Assets</b>					
Inventories	13	3,35,52,672		1,45,26,890	
Trade Receivables	14	7,96,10,222		2,03,35,948	
Cash and Cash Equivalents	15	4,42,11,876		1,01,84,350	
Short Term Loans and Advances	16	1,33,94,891		16,50,800	
			17,07,69,661		4,66,97,988
TOTAL			33,38,28,492		18,75,96,900
Significant Accounting Policies Notes on Financial Statements	1 to 30				

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Registration No. 108355W  
Chartered Accountants

sd/-  
**Nand Khemani**  
Managing Director

sd/-  
**Akshay R. Shah**  
Partner  
Membership No. 103316  
Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

sd/-  
**Ashok Khemani**  
Director

sd/-  
**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

## 30<sup>th</sup> ANNUAL REPORT 2014-15

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	NOTE NO.	2014-15 ₹	2013-14 ₹
<b>INCOME</b>			
Revenue from Operations	17	1,11,56,52,481	71,44,75,984
Other Income	18	32,98,886	19,07,345
<b>Total Revenue</b>		<b>1,11,89,51,367</b>	<b>71,63,83,329</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	93,40,67,919	60,54,78,633
Changes in Inventories of Finished Goods,	20	(93,59,248)	(5,06,714)
Employee Benefits Expense	21	1,47,54,994	56,17,600
Finance Costs	22	73,28,301	1,07,76,551
Depreciation and Amortisation Expense		1,01,73,887	1,15,02,737
Other Expenses	23	13,70,58,033	6,59,46,783
<b>Total Expenses</b>		<b>1,09,40,23,886</b>	<b>69,88,15,590</b>
<b>Profit before taxes</b>		<b>2,49,27,481</b>	<b>1,75,67,739</b>
<b>Tax Expenses</b>			
Current Tax - for the current year		54,00,000	37,60,000
Current Tax - related to earlier years		8,817	—
Deferred Tax		23,89,783	22,49,304
<b>Profit after tax</b>		<b>1,71,28,881</b>	<b>1,15,58,435</b>
Earnings per equity share of face value of ₹10 each			
Basic and Diluted	26	8.69	5.87
Significant Accounting Policies			
Notes on Financial Statements			

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Registration No. 108355W  
Chartered Accountants

sd/-  
**Nand Khemani**  
Managing Director

sd/-  
**Akshay R. Shah**  
Partner  
Membership No. 103316  
Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

sd/-  
**Ashok Khemani**  
Director

sd/-  
**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

# BLUE CHIP TEX INDUSTRIES LTD.

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

	2014 - 2015 ₹	2013 - 2014 ₹
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax	2,49,27,481	1,75,67,739
Adjustment for:		
Depreciation	1,01,73,887	1,15,02,737
Provision for Gratuity and Leave encashment	9,55,113	79,320
Share of Loss from Partnership Firm	69,713	1,16,304
Loss/(Profit) on fixed assets sold	(20,23,791)	2,22,950
Interest Received	(18,68,037)	(8,58,949)
Interest Paid to a Partnership firm	1,63,207	25,07,534
Interest Paid to banks and others	84,40,574	84,79,522
Bad debts	—	32,872
Debit balances written off	37,434	60,984
Credit balances written back	(72,673)	(9,857)
Dividend Received	—	(3)
<b>Operating Profit before Working Capital Changes</b>	<b>4,08,02,908</b>	<b>3,97,01,153</b>
Adjustment for:		
Inventories	(1,90,25,782)	2,00,140
Trade and other receivables	(6,68,25,984)	(48,39,301)
Trade and other payables	12,06,83,656	2,63,75,713
<b>Cash generated in Operations</b>	<b>7,56,34,798</b>	<b>6,14,37,705</b>
Income taxes paid	(53,07,008)	(18,57,382)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>7,03,27,790</b>	<b>5,95,80,323</b>
<b>B. Cash flow from Investing Activities</b>		
Withdrawals from ( Contributions to) a Firm - net	(1,56,69,929)	(3,75,50,000)
Proceeds from Sale of fixed assets	58,45,111	2,05,000
Purchase of fixed assets	(4,83,80,706)	(27,94,061)
Interest received	18,68,037	8,58,949
Dividend received	—	3
<b>Net Cash used in Investing Activities (B)</b>	<b>(5,63,37,487)</b>	<b>(3,92,80,109)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from secured loans	3,40,47,334	8,43,233
Repayment of secured loans	(30,25,764)	(97,82,613)
Dividend paid ( Including tax on dividend)	(25,43,773)	(18,95,526)
Interest paid to banks and others	(84,40,574)	(84,79,522)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>2,00,37,223</b>	<b>(1,93,14,428)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>3,40,27,526</b>	<b>9,85,786</b>
Cash and cash equivalents at the beginning of the year	1,01,84,350	91,98,564
Cash and cash equivalents at the end of the year	<b>4,42,11,876</b>	<b>1,01,84,350</b>

### NOTES TO CASH FLOW STATEMENT

- The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3 Revised) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous years figures have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Registration No. 108355W  
Chartered Accountants

sd/-  
**Nand Khemani**  
Managing Director

sd/-  
**Akshay R. Shah**  
Partner  
Membership No. 103316  
Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

sd/-  
**Ashok Khemani**  
Director

sd/-  
**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

**SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis for preparation of accounts:**

The Financial Statements have been prepared on accrual basis and on historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

**b) Use of Estimates:**

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

**c) Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. All costs including cost of financing till commencement of commercial production are capitalised.

**d) Depreciation:**

Depreciation on furniture is provided on written down value basis and on all other assets on straight-line. The Company has provided depreciation on fixed assets as per the revised useful life as specified in Schedule II of the Companies Act 2013, except for Texturizing Machines and Compressors wherein based on the certification obtained from the Chartered Engineer, the useful life is taken as 25 Years instead of 15 years prescribed by Schedule II.

**e) Investments:**

Investments classified as Long-Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

**f) Inventories:**

Items of Inventories are valued as under:

I. Packing Material and Oil :

At cost, on First-in-first-out (FIFO) basis or net realisable value, whichever is lower.

II. Raw Materials:

At cost, on FIFO basis or net realisable value, whichever is lower.

III. Finished Goods (manufactured):

At cost which includes cost of raw materials determined on FIFO basis plus appropriate share of overhead expenses or net realisable value, whichever is lower.

IV. The stock of stores and spares is charged to revenue in the year of purchase and no adjustment is made for such stocks, if any, at the year end.

**g) Employee Benefits :**

Short term Employee Benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which related service is rendered. Post employment and other long

## **BLUE CHIP TEX INDUSTRIES LTD.**

term employee benefits are recognised as expense in the Profit and Loss Account for the year in which the Employees have rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques.

### **h) Income taxes:**

Income taxes are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, (AS 22) issued by The Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured at relevant enacted or substantially enacted tax rates. At each Balance sheet date, the company reassesses unrealised deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

### **i) Revenue Recognition:**

- Revenue on sale of products is recognised when the products are despatched to the customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. The sales are stated net of returns.
- Revenue from sale of power produced on generation of electrical energy is accounted when electricity is delivered at the metering point in terms of power purchase agreement with the customer.
- Revenue in respect of insurance or other claims, quantity discount on purchase, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

### **j) Provisions, Contingent liabilities and Contingent assets:**

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

### **k) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### **l) Borrowing costs:**

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 30<sup>th</sup> ANNUAL REPORT 2014-15

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

**Note No.**

**1 SHARE CAPITAL:**

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>Authorised Share Capital</b>				
25,00,000 (25,00,000) Equity Shares of ₹10 each		2,50,00,000		2,50,00,000
		<u>2,50,00,000</u>		<u>2,50,00,000</u>
<b>Issued, Subscribed and Paid up</b>				
19,70,500 (19,70,500) Equity Shares of ₹10 each fully paid up	1,97,05,000		1,97,05,000	
Add: Forfeited Shares	50,450		50,450	
		<u>1,97,55,450</u>		<u>1,97,55,450</u>
<b>TOTAL</b>		<u>1,97,55,450</u>		<u>1,97,55,450</u>

- 1.1 All the equity shares carry equal rights and obligations including for dividend and with respect to voting.  
 1.2 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	No. of Shares	% held	No. of Shares	% held
1 Beekaylon Synthetics Private Limited	4,86,188	24.67	4,88,988	24.82
2 Indotex Export House Private Limited	2,08,300	10.57	2,08,300	10.57
3 Sangam Syntwist Textile Private Limited	1,62,100	8.23	1,62,100	8.23

**2 RESERVES AND SURPLUS:**

**Capital Reserve No.1**

(Central Government Investment subsidy for unit in Backward Area)

As per last Balance sheet	25,00,000	25,00,000
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**Capital Reserve No.2**

(Amount forfeited on equity shares warrants)

As per last Balance sheet	15,600	15,600
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**Securities Premium**

As per last Balance sheet	33,80,363	33,80,363
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**General Reserve**

As per last Balance sheet	41,13,829	29,57,829
Add: Transferred from surplus in statement of profit and loss	<u>17,20,000</u>	<u>11,56,000</u>
	<b>58,33,829</b>	<b>41,13,829</b>

## **BLUE CHIP TEX INDUSTRIES LTD.**

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>Profit and Loss Account</b>				
As per last Balance sheet	2,12,97,743		1,36,61,772	
Less: Adjustment related to Fixed Assets (Refer note no 30.3)	1,05,109		—	
Add : Profit for the year	1,71,28,881		1,15,58,435	
	<b>3,83,21,515</b>		<b>2,52,20,207</b>	
<b>Less: Appropriations</b>				
Transferred to General Reserve	17,20,000		11,56,000	
Proposed Dividend on Equity Shares	23,64,600		23,64,600	
[Dividend per share ₹1.20 (Previous year Re.1.20)]				
Tax on Dividend	4,81,377	3,37,55,538	4,01,864	2,12,97,743
<b>TOTAL</b>		<b>4,54,85,330</b>		<b>3,13,07,535</b>
<b>3 LONG TERM BORROWINGS:</b>				
<b>Secured</b>				
Term Loans - From a Bank	6,71,46,992		4,29,68,658	
Less : Short Term Maturities of Term Loans	(1,55,63,417)	5,15,83,575	(93,75,000)	3,35,93,658
Secured Vehicle Loans	3,00,726		7,33,437	
Less : Short Term Maturities of Vehicle Loans	(3,00,726)	—	(4,32,711)	300,726
<b>TOTAL</b>		<b>5,15,83,575</b>		<b>33,894,384</b>

### **3.1 Term Loans from Axis Bank Ltd.**

Term Loans from Axis Bank Ltd. aggregating to ₹6,71,46,992/- (Previous Year ₹4,29,68,658/-) is secured by Primary Security: Extension of first charge on entire current assets of the company, both present and future.

Collateral Security : Extension of first and exclusive charge on a) All that piece and parcel of land totally admeasuig about 6924.50 sq.mtrs bearing plot no.63B admeasuring 1474.50 sq mtrs, plot no.64A (part) admeasuring above 523.00 sq mtrs, Plot No.68B admeasuring about 1825.50 sq mtrs and plot no.69 admeasuring about 3102.00 sq mtr, lying being and situated at Piparia Industrial Estate, Village Amli, silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq. mtrs. b) All that piece and parcel of the property being pathway land an extent of 0.12 Cents out of Hac, 1.42.5 Acre 3.52 comprised in S F Na63/2A in Thungavi village Udumalpet Taluka, Tirupur Registration District and Koniur Sub Registration District.

3.2 Personal guarantee of the two directors of the company.

3.3 Pledge of promoters equity shares at 30% of the total shareholding.

3.4 Repayment Schedule and Rate of interest of Term Loans from Axis Bank Ltd. as set out below :



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Loan No.	Rate of Interest	Repayment Schedule					
		2015-16 ₹	2016-17 ₹	2017-18 ₹	2018-19 ₹	2019-20 ₹	2020-21 ₹
1	13.5%	96,35,417	1,25,00,004	1,14,58,237	-	-	-
2	13%	59,28,000	59,28,000	59,28,000	59,28,000	59,28,000	39,13,334

3.5 Vehicle Loan is secured by charge on the Specific Vehicle.

3.6 Repayment Schedule and Rate of interest of Term Loan for Vehicles as set out below :

### Repayment Schedule

Year	2015-16
₹	3,00,726
Rate of Interest	5.99%

#### 4 DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	1,10,69,839	84,39,684
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961 and unabsorbed loss	4,12,585	1,25,211
<b>TOTAL</b>	<u>1,06,57,254</u>	<u>83,14,473</u>

#### 5 LONG TERM PROVISIONS:

Provision for Leave Encashment	2,28,086	54,408
Provision for Gratuity	8,03,199	84,426
<b>TOTAL</b>	<u>10,31,285</u>	<u>1,38,834</u>

#### 6 SHORT TERM BORROWINGS:

<b>Secured #</b>		
Bank Overdraft - Working capital loans	2,34,70,401	1,61,94,454
<b>TOTAL</b>	<u>2,34,70,401</u>	<u>1,61,94,454</u>

# Primary Security: Extension of first charge on entire current assets of the company, both present and future.

Collateral Security : Extension of first and exclusive charge on a) All that piece and parcel of land totally admeasuring about 6924.50 sq.mtrs bearing plot no.63B admeasuring 1474.50 sq mtrs, plot no.64A (part) admeasuring above 523.00 sq mtrs, Plot No.68B admeasuring about 1825.50 sq mtrs and plot no.69 admeasuring about 3102.00 sq mtr, lying being and situated at Piparia Industrial Estate, Village Amli, silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq. mtrs. b) All that piece and parcel of the property being pathway land an extent of 0.12 Cents out of Hac, 1.42.5 Acre 3.52 comprised in S F Na63/2A in Thungavi village Udumalpet Taluka, Tirupur Registration District and Koniur Sub Registration District.

Personal guarantee of the two directors of the company.

Pledge of promoters equity shares at 30% of the total shareholding.

## **BLUE CHIP TEX INDUSTRIES LTD.**

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>7 TRADE PAYABLES:</b>				
Micro, Small and Medium enterprises *		—		—
Others #		<b>14,46,06,779</b>		3,01,33,052
<b>TOTAL</b>		<b>14,46,06,779</b>		<b>3,01,33,052</b>
<p>* The company has not received intimation from suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.</p> <p># Includes ₹13,22,62,667/- (Previous year ₹2,40,67,076/-) payable to a related party - Beekaylon Synthetics Private Limited. [Refer Note No.27]</p>				
<b>8 OTHER CURRENT LIABILITIES:</b>				
Current Maturities of Long Term Loans (Secured) (Refer Note No.3)		<b>1,55,63,417</b>		93,75,000
Current Maturities of Vehicle Loan (Secured) (Refer Note No.3)		<b>3,00,726</b>		4,32,711
Creditors for Capital Goods		<b>2,15,913</b>		80,59,567
Unclaimed dividend *		<b>10,84,517</b>		8,61,826
Due to a firm wherein the Company is a Partner (Refer Note No. 27 and 29)		—		1,54,37,009
Other Payables**, #		<b>1,51,48,605</b>		90,11,349
<b>TOTAL</b>		<b>3,23,13,178</b>		<b>4,31,77,462</b>
<p>* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.</p> <p>** Includes ₹Nil (Previous Year ₹5,00,000/-) due to related party (Refer Note No.27)</p> <p># Includes mainly statutory dues, security deposits and advances from customers</p>				
<b>9 SHORT TERM PROVISIONS:</b>				
Provision for Leave Encashment		<b>29,486</b>		7,703
Provision for Gratuity		<b>41,614</b>		735
Proposed dividend		<b>23,64,600</b>		23,64,600
Tax on dividend		<b>4,81,377</b>		4,01,864
Provision for tax (Net of Advance Tax paid)		<b>20,08,163</b>		19,06,354
<b>TOTAL</b>		<b>49,25,240</b>		<b>46,81,256</b>

Notes No. 10

FIXED ASSETS (AT COST)

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 01.04.2014	ADDITIONS	DEDUCTIONS	AS ON 31.03.2015	AS ON 01.04.2014	FOR THE YEAR	DEDUCTIONS	UP TO 31.03.2015	AS ON 31.03.2015	AS ON 31.03.2014
<b>TANGIBLE ASSETS</b>										
FREE HOLD LAND	45,22,633	—	1,05,000	44,17,633	—	—	—	—	44,17,633	45,22,633
BUILDINGS	5,57,71,907	81,600	—	5,58,53,507	75,30,169	20,99,990	—	96,30,159	4,62,23,348	4,82,41,738
PLANT AND MACHINERY #	7,79,95,476	3,96,52,001	1,19,74,419	10,56,73,058	2,56,86,843	65,42,950	90,68,055	2,31,61,738	8,25,11,320	5,23,08,633
FACTORY EQUIPMENT	4,75,655	—	—	4,75,655	4,51,873	—	—	4,51,873	23,782	23,782
ELECTRICAL INSTALLATIONS	1,23,70,723	—	—	1,23,70,723	37,30,963	10,54,975	—	47,85,938	75,84,785	86,39,760
COMPUTER	1,68,375	27,300	—	1,95,675	71,862	73,323	—	1,45,185	50,490	96,513
FURNITURE AND FIXTURES	7,81,877	8,438	—	7,90,315	4,72,913	86,432	—	5,59,345	2,30,970	3,08,964
VEHICLE	35,62,483	—	19,12,627	1,649,856	10,32,267	4,68,328	11,02,671	3,97,924	12,51,932	25,30,216
<b>TOTAL</b>	<b>15,56,49,129</b>	<b>3,97,69,339</b>	<b>1,39,92,046</b>	<b>18,14,26,422</b>	<b>3,89,76,890</b>	<b>1,03,25,998</b>	<b>1,01,70,726</b>	<b>3,91,32,162</b>	<b>14,22,94,260</b>	<b>11,66,72,239</b>
<b>PREVIOUS YEAR</b>	<b>15,61,02,737</b>	<b>66,592</b>	<b>5,20,200</b>	<b>15,56,49,129</b>	<b>2,75,66,403</b>	<b>1,15,02,737</b>	<b>92,250</b>	<b>3,89,76,890</b>	<b>11,66,72,239</b>	<b>—</b>
Capital Work in Progress									<b>1,71,749</b>	<b>1,07,87,036</b>

10.1 The Company holds 10 (Previous year: 10) Equity shares of face value of Rs 1,000 each in Danudyog Sahakari Sangh Ltd at Silvassa, Piplaria Factory in respect of ownership of Land, cost of which is included in "Land (Free hold)".

10.2 Plant and Machinery includes Windmill.

10.3 # Sale of Machinery [Refer Note no.27]

## **BLUE CHIP TEX INDUSTRIES LTD.**

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>11 NON CURRENT INVESTMENTS:</b>				
(Long Term Investments)				
<b>(i) Trade Investments (Unquoted)</b>				
<b>Investment in Partnership Firm</b>				
Jay Gee Rayons (Refer Note 27 and 29)		4,500		4,500
<b>TOTAL</b>		<b>4,500</b>		<b>4,500</b>
<b>12 LONG TERM LOANS AND ADVANCES:</b>				
(i) Security Deposits		1,42,500		1,42,500
(ii) Other Loans and Advances #		2,04,45,822		1,32,92,637
<b>TOTAL</b>		<b>2,05,88,322</b>		<b>1,34,35,137</b>
# Includes mainly VAT Refund Receivable etc.				
<b>13 INVENTORIES (As valued, verified and certified by the management)</b>				
(i) Raw materials		1,35,97,347		48,34,669
(ii) Finished goods		1,81,11,488		87,52,240
(iii) Packing materials and oil		18,43,837		9,39,981
<b>TOTAL</b>		<b>3,35,52,672</b>		<b>1,45,26,890</b>
<b>14 TRADE RECEIVABLES:</b>				
(Unsecured and Considered Good)				
Over six months from the date they are due for payment		2,25,429		3,33,771
Other debts #		7,93,84,793		2,00,02,177
<b>TOTAL</b>		<b>7,96,10,222</b>		<b>2,03,35,948</b>
# Includes ₹93,61,283/- (Previous year ₹13,17,382/-) from related party - Beekaylon Synthetics Private Limited. [Refer Note No.27]				
<b>15 CASH AND CASH EQUIVALENTS:</b>				
(i) Balances with banks				
(a) Current accounts -				
unclaimed dividend accounts	10,84,517		8,61,826	
(b) Current accounts	3,71,96,607		39,71,218	
(c) Fixed deposits accounts @ #	58,88,570	4,41,69,694	53,23,000	1,01,56,044
(ii) Cash on hand		42,182		28,306
<b>TOTAL</b>		<b>4,42,11,876</b>		<b>1,01,84,350</b>

@ Fixed deposit receipt of ₹16,98,000 (Previous year ₹16,98,000) of Dena Bank Ltd. pledged as margin money under bank's lien for guarantee given by the bank on behalf of the Company and Fixed deposit receipt of ₹41,90,570 (Previous year ₹36,25,000) of Axis Bank Ltd. pledged towards DSR money under bank's lien for term loan given by bank to the company.

# Fixed Deposits with Bank includes ₹16,73,000 (Previous Year ₹15,05,000) with maturity of more than 12 months.

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	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>16 SHORT TERM LOANS AND ADVANCES:</b>				
Advances for capital Expenditure		1,13,83,000		—
Others #		20,11,891		16,50,800
		1,33,94,891		16,50,800
# Includes mainly Prepaid expenses and Advances to Suppliers				
<b>17 REVENUE FROM OPERATIONS:</b>				
(a) Sale of Products				
Texturised and Twisted Yarn [Refer Note No.27]	1,08,80,90,654		70,61,70,564	
Power	5,48,478	1,08,86,39,132	9,45,467	70,71,16,031
(b) Sale of Services				
Job Work Income [Refer Note No.27]		2,70,13,349		73,59,953
		1,11,56,52,481		71,44,75,984
<b>TOTAL</b>		1,11,56,52,481		71,44,75,984
<b>18 OTHER INCOME:</b>				
Interest Income [Refer Note No.27]		5,52,557		5,49,543
Dividend Income - (On Long Term Investments)		—		3
Profit on sale of Fixed Assets ( Net)		20,23,791		—
Sundry Income - (Inclusive Scrap sale)		1,09,865		51,942
Rent Income [Refer Note No.27]		5,40,000		12,96,000
Sundry Balances written back		72,673		9,857
<b>TOTAL</b>		32,98,886		19,07,345
<b>19 COST OF MATERIAL CONSUMED (Indigenous):</b>				
<b>Yarn</b>				
Opening Stock		48,34,669		51,64,422
Add: Purchases during the year [Refer Note No.27]		94,28,30,597		60,51,48,880
Less: Closing Stock		1,35,97,347		48,34,669
<b>TOTAL</b>		93,40,67,919		60,54,78,633
<b>20 CHANGES IN INVESTORIES OF FINISHED GOODS:</b>				
<b>Inventories - at close</b>				
Finished Goods		1,81,11,488		87,52,240
<b>Inventories - at commencement</b>				
Finished Goods		87,52,240		82,45,526
<b>TOTAL</b>		(93,59,248)		(5,06,714)

## **BLUE CHIP TEX INDUSTRIES LTD.**

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>21 EMPLOYEE BENEFITS EXPENSE:</b>				
(a) Salaries and Wages [Refer Note No.27] (₹31,80,000 (Previous Year ₹7,80,000) paid to directors)		1,40,19,598		55,00,768
(b) Contribution to Provident Fund [Refer Note No.21.1]		5,22,855		97,111
(c) Staff Welfare Expenses		2,12,541		19,721
<b>TOTAL</b>		<b>1,47,54,994</b>		<b>56,17,600</b>

21.1 As per Accounting standard – 15 “Employees Benefits” the disclosure of Employees benefits as defined in the Accounting Standard are given below:

### **Defined Contribution Plan :**

Employers contribution to Provident Fund ₹ 5,22,855 (Previous Year ₹ 97,111) charged to Profit & Loss account.

### **Defined benefits Plan (Non funded) :**

The liability in respect of Gratuity has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹85,161

(Previous Year ₹53,002). Current Service Cost is ₹7,59,652 (Previous Year ₹32,159) and liability at the end of the year is ₹8,44,813 (Previous Year ₹85,161). The same have been provided for by way of charge to Profit & Loss account.

The liability in respect of Leave Encashment has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹62,111 (Previous Year ₹14,950). Current Service Cost is ₹1,95,461 (Previous Year ₹47,161) and liability at the end of the year is ₹2,57,572 (Previous Year ₹62,111). The same have been provided for by way of charge to Profit & Loss account.

## **22 FINANCE COST:**

Interest Expenses	72,88,301	1,06,77,650
Other Borrowing Costs	40,000	98,901
<b>TOTAL</b>	<b>73,28,301</b>	<b>1,07,76,551</b>

22.1 Interest expenses includes ₹11,49,931 (Previous year ₹25,07,534) to related parties-[Refer Note No.27]

## **23 OTHER EXPENSES:**

### **(a) Manufacturing expenses**

Packing materials [Refer Note No.27]	2,99,10,197	1,51,13,228
Stores, Spares and Oil consumed	2,79,73,036	1,59,40,392
Power and fuel [Refer Note No.27]	4,53,70,176	2,06,11,115
Contract labour charges	83,94,112	26,60,945
Job work charges [Refer Note No.27]	13,95,121	6,22,827
Repairs to Building	8,44,603	1,14,253
Repairs to Plant and Machinery	32,38,854	18,20,944
Repairs to Others	4,51,499	1,24,770
Rent - Office[Refer Note No.27]	6,00,000	6,00,000
Machine Hire Charges [Refer Note No.27]	39,32,600	—
Rates and taxes	13,849	13,849
Insurance [Refer Note No.27]	1,99,519	12,23,23,566
		1,31,965
		5,77,54,288

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	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>(b) Establishment Expenses</b>				
Payment to Auditors [Refer Note No.25]	2,52,810		2,70,220	
Directors sitting fees [Refer Note No.27]	38,204		6,744	
Share of Loss from a Partnership Firm [Refer Note No.27 and 29]	69,713		1,16,304	
Donation	10,000		13,000	
Loss on sale of Assets	—		2,22,950	
Prior Period Expenses	43,329		26,270	
Miscellaneous expenses	28,94,253	33,08,309	1,775,050	24,30,538
[Refer Note No.27 for security charges paid to related party]				
<b>(c) Selling and Distribution Expenses</b>				
Brokerage and Commission	1,07,17,965		55,30,413	
Bad Debts	—		32,872	
Freight Charges	7,08,193	1,14,26,158	1,98,672	57,61,957
<b>TOTAL</b>		<b>13,70,58,033</b>		<b>6,59,46,783</b>

### 24 VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:

	As at		As at	
	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	₹	%	₹	%
Imported	—	—	—	—
Indigenous	5,78,83,233	100%	3,10,53,620	100%
<b>TOTAL</b>	<b>5,78,83,233</b>	<b>100%</b>	<b>3,10,53,620</b>	<b>100%</b>

### 25 PAYMENT TO AUDITORS AS:

	F.Y.2014-15	F.Y.2013-14
(a) Auditor		
Statutory Audit Fees	1,79,776	1,57,304
Tax Audit Fees	44,944	39,326
Certification Fees - Transfer Price	28,090	28,090
Out of Pocket Expenses	—	556
(b) Cost Audit Fees	—	44,944
<b>TOTAL</b>	<b>2,52,810</b>	<b>2,70,220</b>

### 26 EARNING PER SHARE:

	F.Y.2014-15	F.Y.2013-14
a. Net Profit after tax		
Profit attributable to Equity Shareholders	1,71,28,881	1,15,58,435
b. Weighted average number of Equity Shares	19,70,500	19,70,500
c. Nominal value of Equity Shares	10	10
d. Earning per Share (Basic and diluted)	8.69	5.87

## **BLUE CHIP TEX INDUSTRIES LTD.**

### **27 RELATED PARTY DISCLOSURES:**

a) Names of related parties and description of relationship:

- i. Key Management Personnel : Mr. Nand K. Khemani  
Mr. Ashok K. Khemani  
Mr. Kumar Nathani  
Mr. Anil Mandhana  
Mr. Rahul A. Khemani  
Mr. Shahin N. Khemani  
Mr. Vijay Kumar Mishra  
Mr. Manmohan Anand  
Mrs. Sraddha Teli
- ii. Others (Entities in which Key Management Personnel have control or significant influence)  
Beekaylon Synthetics Private Limited  
DNH Spinners Pvt. Ltd.  
Indo Leather Works  
Jay Gee Rayons

b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
		₹	₹	₹
1	Security Deposit Received Balance as at 31st March, 2015 Beekaylon Synthetics Pvt. Ltd.	Nil (5,00,000)	Nil (Nil)	Nil (5,00,000)
2	Rent Received on Factory Building Beekaylon Synthetics Pvt. Ltd.	5,40,000 (12,96,000)	Nil (Nil)	5,40,000 (12,96,000)
3	Rent Paid Indo Leather Works	6,00,000 (6,00,000)	Nil (Nil)	6,00,000 (6,00,000)
4	Machine Hire Charges Paid Beekaylon Synthetics Pvt. Ltd.	39,32,600 (Nil)	Nil (Nil)	39,32,600 (Nil)
5	Insurance Premium (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	2,75,916 (1,85,402)	Nil (Nil)	2,75,916 (1,85,402)
6	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.  DNH Spinners Pvt. Ltd.	86,48,83,167 (55,58,52,027) 1,27,48,752 (Nil)	Nil (Nil) Nil (Nil)	86,48,83,167 (55,58,52,027) 1,27,48,752 (Nil)
7	Job Work Charges Beekaylon Synthetics Pvt. Ltd.	13,95,121 (6,22,827)	Nil (Nil)	13,95,121 (6,22,827)
8	Packing Material (Purchased) Beekaylon Synthetics Pvt. Ltd.	1,912 (Nil)	Nil (Nil)	1,912 (Nil)



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Sr. No.	Nature of Transactions	Others (₹)	Key Management Personnel and Relatives (₹)	Total (₹)
9	Security Charges (Reimbursed to) Beekaylon Synthetics Pvt. Ltd.	2,05,084 (5,94,128)	Nil (Nil)	2,05,084 (5,98,304)
10	Security Charges (Reimbursed from) Beekaylon Synthetics Pvt. Ltd.	90,289 (Nil)	Nil (Nil)	90,289 (Nil)
11	Electricity Power (Reimbursed to) Beekaylon Synthetics Pvt. Ltd.	30,09,723 (Nil)	Nil (Nil)	30,09,723 (Nil)
12	Sale of goods Beekaylon Synthetics Pvt. Ltd.	7,82,85,373 (2,90,44,957)	Nil (Nil)	7,82,85,373 (2,90,44,957)
13	Sale of Fixed Assets Beekaylon Synthetics Pvt. Ltd.	1,50,000 (Nil)	Nil (Nil)	1,50,000 (Nil)
14	Job Work (Income) Beekaylon Synthetics Pvt. Ltd.	2,70,13,349 (73,59,953)	Nil (Nil)	2,70,13,349 (73,59,953)
15	Remuneration to Director Rahul A. Khemani  Shahin N. Khemani	Nil (Nil)  Nil (Nil)	14,40,000 (2,40,000)  17,40,000 (5,40,000)	14,40,000 (2,40,000)  17,40,000 (5,40,000)
16	Sitting Fees Anil Mandhana  Kumar Nathani  Vijay Kumar Mishra  Manmohan Anand  Shraddha Teli	Nil (Nil)  Nil (Nil)  Nil (Nil)  Nil (Nil)	1,124 (3,372)  14,608 (3,372)  11,236 (Nil)  5,618 (Nil)  5,618 (Nil)	1,124 (3,372)  14,608 (3,372)  11,236 (Nil)  5,618 (Nil)  5,618 (Nil)
17	Interest Paid Beekaylon Synthetics Pvt. Ltd.	9,86,724 (Nil)	Nil (Nil)	9,86,724 (Nil)
18	Interest Received Beekaylon Synthetics Pvt. Ltd.	1,43,806 (Nil)	Nil (Nil)	1,43,806 (Nil)
19	Interest to Partnership Firm Jay Gee Rayons	1,63,207 (25,07,534)	Nil (Nil)	1,63,207 (25,07,534)

## **BLUE CHIP TEX INDUSTRIES LTD.**

<b>Sr. No.</b>	<b>Nature of Transactions</b>	<b>Others (₹)</b>	<b>Key Management Personnel and Relatives (₹)</b>	<b>Total (₹)</b>
20	Reimbursement - Gratuity Beekaylon Synthetics Pvt. Ltd.	5,21,800 (Nil)	Nil (Nil)	5,21,800 (Nil)
21	Share of Loss from Partnership Firm Jay Gee Rayons	69,713 (1,16,304)	Nil (Nil)	69,713 (1,16,304)
22	Balance Recoverable /Receivable Beekaylon Synthetics Pvt. Ltd.	93,61,283 (13,17,382)	Nil (Nil)	93,61,283 (13,17,382)
23	Balance Payable Beekaylon Synthetics Pvt. Ltd.	13,22,62,667 (2,40,67,076)	Nil (Nil)	13,22,62,667 (2,40,67,076)
24	Investment in Partnership Firm Jay Gee Rayons	4,500 (4,500)	Nil (Nil)	4,500 (4,500)
25	Withdrawals during the year Jay Gee Rayons	Nil (64,50,000)	Nil (Nil)	Nil (64,50,000)
26	Contribution during the year Jay Gee Rayons	1,56,69,929 (4,40,00,000)	Nil (Nil)	1,56,69,929 (4,40,00,000)
27	Balance as at 31 <sup>st</sup> March, 2015 Jay Gee Rayons Payable	Nil (1,54,37,009)	Nil (Nil)	Nil (1,54,37,009)

27.1 Related party relationship is as identified by the management and relied upon by the Auditors.

27.2 Previous year figures are given in brackets.

27.3 Amount includes service tax paid under Reverse Charge Mechanism during the year 2014-15.

### **28 CONTINGENT LIABILITIES AND COMITMENTS:**

(To the extent not provided for)

<b>(i) In respect of Disputed Income Tax Liabilities/Demand :</b>	<b>F.Y.2014-15</b>	<b>F.Y.2013-14</b>
Disputed Income Tax liability of assessment year 2009-10	<b>4,38,920</b>	4,38,920
Disputed Income Tax liability of assessment year 2010-11	<b>3,71,690</b>	3,71,690
Disputed Income Tax liability of assessment year 2011-12	<b>2,82,270</b>	2,82,270
<b>(ii) Custom Duty in respect of future export obligation in accordance with EXIM Policy</b>	<b>94,14,773</b>	1,14,51,974
<b>(iii) Bank Guarantee Outstanding.</b>	<b>84,62,000</b>	16,73,000

**29 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:**

**Name of the Firm - Jay Gee Rayons**

Name of the Partners	As at 31.03.2015			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	—	5,000	10%
M/s.Bluechip Tex Industries Ltd.	4,500	—	4,500	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	—	4,500	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	—	4,500	9%
Mr. Roop K. Khemani	4,500	6,857	11,357	9%
Mr. Nand K. Khemani	4,500	6,859	11,359	9%
Mr. Ashok K. Khemani	4,500	9,88,079	9,92,579	9%
Mr. Rahul A. Khemani	4,500	6,918	11,418	9%
Mr. Ramesh R. Khemani	4,500	6,918	11,418	9%
Mr. Shahin N. Khemani	4,500	6,917	11,417	9%
Mr. Siddharth A. Khemani	4,500	1,14,85,845	1,14,90,345	9%
<b>Total</b>	<b>50,000</b>	<b>1,25,08,393</b>	<b>1,25,58,393</b>	

Name of the Partners	As at 31.03.2014			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	39,16,115	39,21,115	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(1,54,37,009)	(1,54,32,509)	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	51,20,798	51,25,298	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	1,91,35,065	1,91,39,565	9%
Mr. Roop K. Khemani	4,500	20,349	24,849	9%
Mr. Nand K. Khemani	4,500	20,352	24,852	9%
Mr. Ashok K. Khemani	4,500	20,404	24,904	9%
Mr. Rahul A. Khemani	4,500	20,407	24,907	9%
Mr. Ramesh R. Khemani	4,500	20,407	24,907	9%
Mr. Shahin N. Khemani	4,500	20,407	24,907	9%
Mr. Siddharth A. Khemani	4,500	20,407	24,907	9%
<b>Total</b>	<b>50,000</b>	<b>1,28,77,702</b>	<b>1,29,27,702</b>	

30.1 Previous year's figures are given in brackets and regrouped /rearranged wherever necessary.

## **BLUE CHIP TEX INDUSTRIES LTD.**

30.2 The Company's main business segment is manufacturing of polyester yarn. Hence there are no separate reportable segments as per Accounting Standard 17 "Segment Reporting"- AS17.

30.3 The Company has provided depreciation on fixed assets as per the revised useful life as specified in Schedule II of the Companies Act 2013, except for certain items of Plant and Machinery wherein the useful life is taken based on certification obtained from a Chartered Engineer.

The carrying value of the assets whose useful life is already exhausted on 1st April 2014 has been adjusted against opening balance of retained earnings ₹1,05,109 (net of deferred tax)

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As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Registration No. 108355W  
Chartered Accountants

sd/-  
**Nand Khemani**  
Managing Director

sd/-  
**Akshay R. Shah**  
Partner  
Membership No. 103316

sd/-  
**Ashok Khemani**  
Director

sd/-  
**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

Place: Mumbai  
Dated: 15<sup>th</sup> May, 2015

**Form No. MGT-11  
Proxy form**

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

CIN: L17100MH1985PLC037514

**BLUE CHIP TEX INDUSTRIES LIMITED**

**Registered office:** Jasville, 2nd Floor, 9, New Marine Lines, Mumbai - 400 020

Name of the member (s): .....

Registered address: .....

E-mail Id: .....

Folio No/ Client Id: .....

DP ID: .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

Address: .....

E-mail Id: .....

Signature:..... or failing him

2. Name: .....

Address: .....

E-mail Id: .....

Signature:..... or failing him

3. Name: .....

Address: .....

E-mail Id: .....

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30<sup>th</sup> Annual general meeting of the company, to be held on Thursday, 23<sup>rd</sup> day of July, 2015 at 10 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai- 400 023 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1..... 2..... 3.....

Signed this..... day of..... 2015



\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

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



**ATTENDANCE SLIP**

**BLUE CHIP TEX INDUSTRIES LIMITED**

Registered Office: Jasville, 2nd Floor, 9, New Marine Lines, Mumbai 400020

CIN : L17100MH1985PLC037514

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the Member :	
Registered Folio No.:	No. of Shares held:
Client ID No.:	DP ID No.:

(Please write your name in BLOCK Letters)

I hereby record my presence at the 30<sup>th</sup> ANNUAL GENERAL MEETING of the Company scheduled to be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 023. on Thursday, 23<sup>rd</sup> July 2015 at 10 A.M.

Members/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Notice and Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

## BOOK-POST

If Undelivered, please return to :  
**BLUE CHIP TEX INDUSTRIES LTD**  
Jasville, 2nd Floor,  
Opp. Liberty Cinema,  
9, New Marine Lines,  
Mumbai 400 020.

[aplusg99@gmail.com](mailto:aplusg99@gmail.com)