

# **BLUE CHIP TEX INDUSTRIES LTD.**

**31<sup>st</sup>**  
**ANNUAL**  
**REPORT**  
**2015–2016**



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

- Board of Directors** : ASHOK K. KHEMANI Chairman and Managing Director  
NAND K. KHEMANI  
RAHUL A. KHEMANI  
SHAHIN N. KHEMANI  
KUMAR S. NATHANI  
MANMOHAN ANAND  
VIJAY MISHRA (Resigned w.e.f. 05/04/2016)  
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 31<sup>ST</sup> ANNUAL GENERAL MEETING OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON SATURDAY 16<sup>TH</sup> JULY, 2016 AT 10 A.M. AT THE M C GHIA HALL, BHOGILAL HARGOVINDAS BUILDING , 18/20, K. DUBASH MARG, MUMBAI – 400 001 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, 2016, the Reports of the Directors and Auditors thereon.
2. To declare a Final Dividend of INR 1.50/- per equity share.
3. To appoint a Director in place of Mr. Rahul Ashok Khemani (DIN 03290468) 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, re-enactment and amendments made from time to time and other applicable Acts, rules, regulations if any, consent of members be and is hereby accorded for re-appointing M/s. Rajendra & Co. Chartered Accountants, bearing registration number 108355W, being retiring Auditors of the Company, as statutory 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 fixed by the Board of Directors, as determined by the Audit Committee 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 Board of Directors

**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** any of 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. **Appointment of Mr. Maulin Samir Gandhi (DIN: 00073064) as Independent Director and to pass, with or without modification, the following Resolution as 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 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Maulin Samir Gandhi (DIN: 00073064), who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (Three)

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

consecutive years for a term up to the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company, and he shall not be liable to retire by rotation

**RESOLVED FURTHER THAT** any of the Director of the Company be and are hereby authorized to do all such acts, deeds, things such as intimation to the relevant authorities and other matters which are necessary, incidental, ancillary to give effect to aforesaid resolution including filling of relevant e-forms with the Registrar of Companies”.

**6. Ratify remuneration of Cost Auditors and to pass, with or without modification, the following Resolution 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 and the Companies (Audit and Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) , the remuneration payable during the year 2016-2017 to M/s NKJ & Associates, Practising Cost Accountants, Navi Mumbai, (Firms’ Registration No.101893) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-2017, amounting to INR 40,000/- exclusive of Service Tax and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the Audit be and is hereby ratified and confirmed

**RESOLVED FURTHER THAT** any of the Director of the Company be and are hereby authorized to do all such acts, deeds, things such as intimation to the relevant authorities and other matters which are necessary, incidental, ancillary to give effect to aforesaid resolution including filling of relevant forms with the Registrar of Companies”.

**7. To approve remuneration payable to Mr. Rahul Khemani and to consider and if thought fit to pass the following resolution with or without modification(s) in this regard as a Special Resolution:**

“**RESOLVED THAT** in supersession of the resolution passed at the Twenty- Ninth Annual General Meeting held on 09<sup>th</sup> September, 2014 and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the Act), read with Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 and Schedule V and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification, re-enactment and amendments made from time to time) and other applicable Acts, rules, regulations if any and the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, the consent of the members be and is hereby accorded to pay remuneration to Mr. Rahul Khemani, Director (DIN: 03290468) with effect from 1<sup>st</sup> April, 2016 , within the limits specified under the provisions of Section 197 and subject to compliance of schedule V to the Companies Act, 2013

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Director, the Company has no profits or its profits are inadequate, Mr. Rahul Khemani shall be entitled to receive the minimum remuneration subject to the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be prescribed by Central Government from time to time

**RESOLVED FURTHER THAT** the terms and conditions of the remuneration may be altered and varied from time to time by the Board of Directors (‘the Board’ which term shall be deemed to include Nomination & Remuneration Committee thereof as may be constituted) as it may in its discretion deem fit within the maximum amount payable to the Director in accordance with the provisions of the Companies Act, 2013 and subject to such other modification/amendments made thereunder

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as “the Board” which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by the Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as

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

**8. To approve remuneration payable to Mr. Shahin Khemani and to consider and if thought fit to pass the following resolution with or without modification(s) in this regard as a Special Resolution:**

**“RESOLVED THAT** in supersession of the resolution passed at the Twenty- Ninth Annual General Meeting held on 09<sup>th</sup> September, 2014 and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the Act), read with Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 and Schedule V and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification, re-enactment and amendments made from time to time) and other applicable Acts, rules, regulations if any and the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, the consent of the members be and is hereby accorded to pay remuneration to Mr. Shahin Khemani, Director (DIN: 03296813) with effect from 1<sup>st</sup> April, 2016 , within the limits specified under the provisions of Section 197 and subject to compliance of schedule V to the Companies Act, 2013

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Director, the Company has no profits or its profits are inadequate, Mr. Shahin Khemani shall be entitled to receive the minimum remuneration subject to the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be prescribed by Central Government from time to time

**RESOLVED FURTHER THAT** the terms and conditions of the remuneration may be altered and varied from time to time by the Board of Directors (‘the Board’ which term shall be deemed to include Nomination & Remuneration Committee thereof as may be constituted) as it may in its discretion deem fit within the maximum amount payable to the Director in accordance with the provisions of the Companies Act, 2013 and subject to such other modification/amendments made thereunder

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as “the Board” which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred by the Board by the resolution) be and is 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 also, to make such alterations and modifications, as may be required within the limits specified in the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.”

By order of the Board

Ashok Kishinchand Khemani  
Managing Director  
DIN:- 00053623

**Place :** Mumbai  
**Date :** 16<sup>th</sup> April, 2016

**Registered Office:**  
Jas Ville 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 Friday, 8<sup>th</sup> July, 2016 to Friday, 15<sup>th</sup> July, 2016 (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 Saturday, 13<sup>th</sup> August, 2016 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 Friday, 7<sup>th</sup> July, 2016;
  - 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 Friday, 7<sup>th</sup> July, 2016.
- 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 Agent, M/s. Bigshare Services Pvt. Ltd to provide efficient and better 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 Company's Registrars and Transfer Agent, 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,



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debenture 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, 2016, 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 Company/Depositories;
- 12) In compliance with the provisions of Section 108 of the Companies Act, 2013 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 correspondences, 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 make any communication/correspondence including claiming dividends, which remain unclaimed, are requested to correspond with Mr. Arun Chokhra 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 its respective due date of transfer of such fund to the Central Government, which remain 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	20.08.2009	2008-2009	19.09.2016
2	20.09.2010	2009-2010	19.10.2017
3	11.08.2011	2010-2011	10.09.2018
4	17.09.2012	2011-2012	17.10.2019
5	21.08.2013	2012-2013	20.09.2020
6	09.09.2014	2013-2014	08.10.2021
7	23.07.2015	2014-2015	22.08.2022

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It may be noted that the claimant of the Dividend shall be entitled to claim the amount of Dividend so entitled from Unpaid Equity Dividend account 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 the 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, 2016 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>
1	25.09.2008	2007-08	1,44, 618	23.10.2015

- 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. The voting period begins from 10.00 a.m. on Wednesday, 13<sup>th</sup> July, 2016 and ends at 5.00 p.m. on Friday, 15<sup>th</sup> July, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 9<sup>th</sup> July, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- iii. Click on Shareholders;
- 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. If you are a first time user follow the steps given below:

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

- viii. After entering these details appropriately, click on "SUBMIT" tab;
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xi. Click on the 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 Resolutions details;
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote;
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote;
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page;
- xvii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

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### **xviii. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as **Corporates**.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. 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).
- 22) 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) witness 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;
- 23) 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

Ashok Kishinchand Khemani  
Managing Director  
DIN:- 00053623

**Place :** Mumbai  
**Date :** 16<sup>th</sup> April, 2016

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

**ANNEXURE TO NOTICE**

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 :**

**Item No. 5**

Mr. Maulin Samir Gandhi (DIN 00073064) 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 22<sup>nd</sup> April, 2016 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 Mr. Maulin Samir Gandhi (DIN 00073064) for the office of Director of the Company.

The Company has also received declarations from Mr. Maulin Samir Gandhi (DIN 00073064) that he meets with criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Maulin Samir Gandhi (DIN 00073064) fulfils the conditions for appointment as Independent Directors as specified in the Act. Mr. Maulin Samir Gandhi is independent of the Management.

Mr. Maulin Samir Gandhi is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Mr. Maulin Gandhi has vast experience in the field of Sales, Marketing, Purchase and Operations & Logistics which will facilitate the Company to achieve its overall objectives and provide maximum benefit to the Members of the Company.

Following is the information required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of a Director:

Name of the Director	Mr. Maulin Samir Gandhi
Director Identification Number	00073064
Date of Appointment	22 <sup>nd</sup> April, 2016
Brief resume	Bachelor of Science in Finance and Management
Nature of his expertise in specific functional areas	He is well-versed in the field of marketing, purchase, sales and has experience in all levels of marketing and has sound knowledge of marketing strategies and its principles. Ability to quick grasp of new technologies and market trends, with the skill to formulate strategies, make decisions is one of the quality of Mr. Gandhi. He has ability to oversee the functions of the company concurrently, and assisting the board in carrying out important governing functions. He also possess knowledge of Logistics and Operations which covers the whole supply chain, from the acquisition of raw materials, through production, to the point of consumption.
Disclosure of relationships between directors inter-se	Not Applicable
Names of listed entities in which he holds the directorship and the membership of Committees of the board	NIL
Number of shares held in the Company	NIL

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

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out In Item No. 5 for re-appointment of Mr. Maulin Samir Gandhi as an Independent Director of the Company.

### **Item No 6**

The Board of Directors of the Company at its meeting held on 16<sup>th</sup> April, 2016, 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 2016 - 2017.

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. 6 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, 2017.

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.6.

The Board of Directors approved the Resolution set out at Item No. 6 of the Notice for ratification by the Members.

### **Item No 7**

In the 29<sup>th</sup> Annual General Meeting of the Company, members passed the resolution for payment of remuneration amounting to INR 1, 20,000/- per month, to Mr. Rahul Khemani Director (DIN: 03290468).

It is proposed to increase the current remuneration paid to Mr. Rahul Khemani, Director (DIN: 03290468), based on his commitment to work. Mr. Rahul Khemani has good experience in the field of Textile Industry and is devoting his substantial time and efforts in the Business of the Company.

In the Meeting of the Board of Directors held on 16<sup>th</sup> April, 2016, the Directors of the Company has approved payment of Increased remuneration to Mr. Rahul Khemani, Director (DIN: 03290468) for the period commencing from 1<sup>st</sup> April, 2016 from INR 1,20,000/- per month to the amount of which would be within the limits specified under the provisions of Section 197 and subject to compliance of schedule V to the Companies Act, 2013 , subject to the approval of shareholders.

The aforesaid revisions in the terms of remuneration of Mr. Rahul Khemani, Director, requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends passing of the resolutions as a special resolution, as set out in item no. 7 of the accompanying notice. The approval of the members is sought for the same.

Mr. Ashok Khemani, Managing Director, being father of Mr. Rahul Khemani is deemed to be concerned or interested in this Resolution.

### **Item No 8**

In the 29<sup>th</sup> Annual General Meeting of the Company, members passed the resolution for payment of remuneration amounting to INR 1, 45,000/- per month, to Mr. Shahin Khemani Director (DIN: 03290468).

He heads the management of the company in conceiving the business strategies and undertaking new projects of the Company and hence it is proposed to increase the current remuneration paid to Mr. Shahin Khemani, Director (DIN: 03296813).

In the Meeting of the Board of Directors held on 16<sup>th</sup> April, 2016, the Directors of the Company has approved payment of Increased remuneration to Mr. Shahin Khemani, Director (DIN: 03290468) for the period

## 31<sup>st</sup> ANNUAL REPORT 2015-16

commencing from 1<sup>st</sup> April, 2016 from INR 1, 45,000/- per month to the amount of which would be within the limits specified under the provisions of Section 197 and subject to compliance of schedule V to the Companies Act, 2013, subject to the approval of shareholders.

The aforesaid revisions in the terms of remuneration of Mr. Shahin Khemani, Director, requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends passing of the resolutions as a special resolution, as set out in item no. 8 of the accompanying notice. The approval of the members is sought for the same.

Mr. Nand Khemani, Director, being father of Mr. Shahin Khemani is deemed to be concerned or interested in this Resolution.

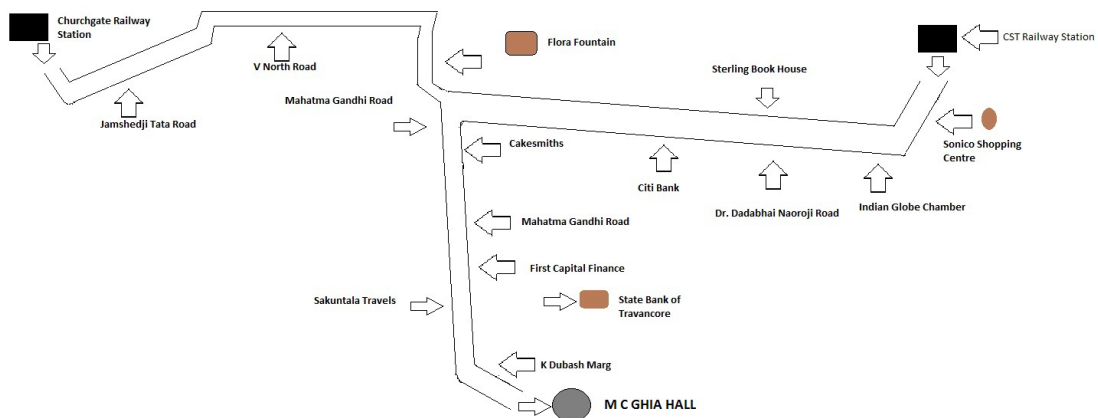
By order of the Board

Ashok Kishinchand Khemani  
Managing Director  
DIN:- 00053623

**Place :** Mumbai  
**Date :** 16<sup>th</sup> April, 2016

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

### ROUTE MAP



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

### **DIRECTORS' REPORT**

To,

The Members

**Blue Chip Tex Industries Limited**

Your Directors are pleased to present herewith the 31<sup>st</sup> Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31, 2016 together with the Audited Statement of Accounts and Auditor's Report thereon.

#### **The State of the Company's Affairs:**

##### **1. KEY FINANCIAL HIGHLIGHTS:**

	<b>In terms of INR</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
Profit before depreciation	<b>4,97,52,095</b>	3,51,01,368
Less: depreciation	<b>1,25,51,734</b>	1,01,73,887
<b>Profit before Tax</b>	<b>3,72,00,361</b>	2,49,27,481
<b>Less:</b> Provision for taxation		
Current tax	<b>1,06,01,111</b>	54,08,817
Deferred tax	<b>25,01,091</b>	23,89,783
Fringe Benefit tax	—	—
<b>Profit After Tax</b>	<b>2,40,98,159</b>	1,71,28,881
Add: Taxation for earlier year	—	—
<b>Total</b>	<b>2,40,98,159</b>	1,71,28,881
<b>Balance in Profit and Loss Account</b>	<b>3,37,55,539</b>	2,12,97,743
Surplus available for appropriation	<b>5,78,53,698</b>	3,83,21,515
Transfer to General Reserve	—	17,20,000
Proposed Dividend	<b>29,55,750</b>	23,64,600
Tax on Proposed Dividend	<b>6,01,720</b>	4,81,377
<b>Balance carried to Balance Sheet</b>	<b>5,42,96,228</b>	3,37,55,538

During the year under review your Company has reported a total income of INR 1,38,07,16,834/- out of which non-operating income amounts to INR 8,12,845/-. Revenue from Operations Income registered increase by INR 26,42,51,508/- i.e. by 23.69 % as compared to the previous year.

##### **2. DIVIDEND:**

Your Directors are pleased to recommend a final dividend of INR 1.50/- per equity share for the Financial Year ended 31<sup>st</sup> March, 2016.

##### **3. TRANSFER TO RESERVES:**

The Company has proposed to transfer NIL amount to the General Reserve out of amount available for appropriations.



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

The highlights of State of Company's affairs are as under :

The Company had completed its expansion programme and presently having own 5 Draw Texturing Machines and 3 Air Texturising Machines.

The Company also hired Machineries to meet the demand.

This year Company is concentrating upon existing production capacities for maximum utilisation and for future expansion the Company is searching suitable Industrial land in Dadra & Nagar Haveli.

**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:**

1. Electricity:	<b>Financial Year ended 31.03.2016</b>	Financial Year ended 31.03.2015
Purchased Units (KWH)	<b>1,60,42,868</b>	1,02,33,398
Total Amount (INR)	<b>6,77,50,977</b>	4,53,70,176
Cost/Unit (INR)	<b>4.22</b>	4.43
Consumption per ton polyester Texturised Yarn Production (units in KWH)	<b>1013.39</b>	862.21

**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 was of INR 59,791/- towards payment of travelling expenses during the year in terms of actual outflows.

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

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

No material changes and commitments other than in the normal course of business have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### **7. DETAILS OF SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES.**

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of becoming of Subsidiary / Joint ventures/ Associate Company.</b>
1	NIL	NIL	NIL

### **8. STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF ASSOCIATE COMPANY:**

Your Company is not having any associate Company and hence the statement containing the salient feature of the financial statement of a company's associate company under the first proviso to sub-section (3) of section 129 in the prescribed Form AOC-1 does not form part of Directors' Report.

### **9. DETAILS OF NEW SUBSIDIARY/ JOINT VENTURES/ASSOCIATE COMPANIES:**

There are no new Subsidiary/Joint Ventures/Associate Companies of the Company during the year under review.

### **10. DETAILS OF THE COMPANY WHO CEASED TO BE ITS SUBSIDIARY/ JOINT VENTURES/ ASSOCIATE COMPANIES:**

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of cession of Subsidiary / Joint ventures/ Associate Company.</b>
1	N.A	N.A.	N.A.

### **11. CHANGE IN THE NATURE OF BUSINESS:**

There has been no change in the nature of business of the Company during the year under review.

### **12. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has adequate and effective control systems, commensurate with its size and nature of business, to ensure that assets are efficiently used and the interest of the Company is safe guarded and the transactions are authorized, recorded and reported correctly. Checks and balances are in place to determine the accuracy and reliability of accounting data.

### **13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Companies Act, 2013 is annexed with this Report in "Annexure II".

### **14. 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 hereby annexed with this report as "Annexure I" and the same is as on 31<sup>st</sup> March, 2016.

## **31<sup>st</sup> ANNUAL REPORT 2015-16**

### **15. 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.

### **16. BOARD MEETINGS:**

The Board of Directors (herein after called as "the Board") met for **Four** 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 who were absent with/ without leave of absence</b>
<b>1</b>	15.05.2015	<b>Venue:</b> 'Jasville', 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai - 400 020.  <b>Time:</b> 4:00 P.M.	1) Mr. Nand K. Khemani 2) Mr. Ashok K. Khemani 3) Mr. Kumar S. Nathani 4) Mr. Manmohan K. Anand 5) Mr. Rahul A. Khemani 6) Mr. Vijay Kumar Mishra 7) Ms. Shraddha Teli	Mr. Shahin N. Khemani
<b>2</b>	28.07.2015	<b>Venue:</b> 'Jasville', 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai - 400 020.  <b>Time:</b> 3:30 P.M.	1) Mr. Ashok K. Khemani 2) Mr. Kumar Nathani 3) Mr. Manmohan K. Anand 4) Mr. Nand K. Khemani 5) Mr. Rahul A. Khemani 6) Mr. Shahin Khemani 7) Ms. Shraddha Teli 8) Mr. Vijaykumar Mishra	None
<b>3</b>	29.10.2015	<b>Venue:</b> 'Jasville', 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai - 400 020.  <b>Time:</b> 3:30 p.m.	1) Mr. Ashok K. Khemani 2) Mr. Nand K. Khemani 3) Mr. Rahul Khemani 4) Mr. Shahin Khemani 5) Ms. Shraddha Teli 6) Mr. Kumar Nathani 7) Mr. Manmohan K. Anand	Mr. Vijay Narottam Lal Mishra
<b>4</b>	12.02.2016	<b>Venue:</b> 'Jasville', 2 <sup>nd</sup> Floor, Opp. Liberty Cinema, New Marine Lines, Mumbai - 400 020.  <b>Time:</b> 3:30 p.m.	1) Mr. Ashok K. Khemani 2) Mr. Nand K. Khemani 3) Mr. Rahul Khemani 4) Mr. Shahin Khemani 5) Ms. Shraddha Teli 6) Mr. Kumar S.Nathani 7) Mr. Manmohan K. Anand	Mr. Vijay Narottam Lal Mishra

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

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

During the period under review the following Changes in Directors and Key managerial personnel has taken place:

<b>Sr. No.</b>	<b>Name of the Director/ Key managerial personal</b>	<b>Particulars</b>	<b>Date of Appointment</b>
1	Mr. Nand Khemani	Designation changed from Managing Director to Director	Effective date of change is 01.09.2015
2	Mr. Ashok Khemani	Appointed as Managing Director	Effective date of appointment is 01.09.2015
3	Mr. Rahul Khemani	Appointed as Chief Financial Officer	Effective date of appointment is 15.05.2015
4	Shraddha Mangesh Teli	Designation changed from Additional Director to Director	Member's of the Company in the Annual General Meeting held on Thursday, 23 <sup>rd</sup> July, 2015 has regularise the appointment of Ms. Shraddha Mangesh Teli

### **18. 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.

### **19. 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.

### **20. 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 III" of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is duly entered in the register.

### **21. DETAILS OF REMUNERATION/COMPENSATION RECEIVED BY MANAGING DIRECTOR FROM HOLDING/ SUBSIDIARY COMPANIES:**

<b>Sr. No.</b>	<b>Name of Managing/ Whole Time Director</b>	<b>Name of Holding/ Subsidiary Company paying remuneration/ compensation</b>	<b>Nature of remuneration/ compensation</b>	<b>Amount of remuneration/ compensation</b>
1	N.A	N.A	N.A	N.A

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### **22. DISCLOSURE OF REMUNERATION PAID TO DIRECTOR AND KEY MANAGERIAL PERSONNEL AND EMPLOYEES:**

The details with regard to payment of remuneration to Director and Key Managerial Personnel is provided in Form No. MGT 9- extract of annual return appended as “Annexure I”.

### **23. CHANGE IN CAPITAL STRUCTURE:**

There has been no change in the capital structure of the Company during the year ended 31st March, 2016.

### **24. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

During the year under review, the Company has not developed the policy on Corporate Social Responsibility as the Company does not fall under the prescribed classes of Companies mentioned under section 135(1) of the Companies Act, 2013.

### **25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATION IN FUTURE:**

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

### **26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company is committed to provide safe and conducive environment to its employees during the year under review. Your Directors further state that during the year under review, there were no cases filed pursuant to the Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **27. CONSOLIDATION OF FINANCIAL STATEMENTS:**

Company does not have any subsidiaries and Associate Company so there was no need to prepare Consolidated Financial Statement for the Financial year 2015-2016.

### **28. 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 ordinary resolution</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	23.07.2015

All the above Independent Directors meets 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.

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

### **29. COMMITTEES OF 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 IV**" 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 Four directors consisting of Three 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

3. Mr. Manmohan Anand

#### **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.

**30. 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 Regulations 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.

**31. QUALIFICATION GIVEN BY THE SECRETARIAL AUDITOR:**

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

The Board has appointed M/s. Pramod S. Shah and Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as "Annexure V".

**32. 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.

**33. 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, 2016, the applicable accounting standards had 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, 2016 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;

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

- (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.

### **34. MANAGEMENT DISCUSSION AND ANALYSIS:**

#### **Industry Structure**

The Indian textile and apparel Industry has been a significant contributor to the Indian economy and continues to play a pivotal role in India's growth story through its contribution to industrial output, employment generation and export earnings. The textile Industry contributes 14% to the industrial production while its share in Indian exports stands at a significant 12%. The Indian textile Industry contributes 5% to India's GDP. India is one of the few countries with a complete and integrated textile value chain having production at each level of textile manufacturing with an overall annual growth of 8.9%. The textile Industry is labour intensive and is one of the largest employers. The Indian textiles Industry, currently estimated at around 110 billion dollars approx is expected to reach us\$ 114 billion by 2021. The Industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly.

#### **Strength and Opportunities**

- Ambition of the Government of India to make India a hub for textiles will create an opportunity for your company to perform better in the coming years also various initiatives provided by the Government will help to boost the textile Industry;
- Make in India campaign;
- Large overseas and domestic market: Increase in consumption pattern of polyester across the country and even globally will give a boost to the polyester yarn market also the use of polyester yarn as a affordable substitute of much other manmade and natural fibres has led to the increase in consumption of polyester yarn world over;
- Abundant raw material availability;
- Low cost skilled labour;
- Promising export potential.

#### **Weakness and Threats**

- Fragmented Industry;
- Cost competitiveness and low margins: Due to severe recessionary trends which are continuing in the developed countries, unit realisation of products may continue to be under pressure;
- Technological obsolescence in weaving and spinning sector;
- Competition in the domestic as well as world markets specially from China;
- Problems of power yet prevail: Severe power shortage in some of the states will remain a big threat for the utilisation of the plant and equipments due to shortage of power, the utilisation may drop severely and hence volatility in yarn prices may continue;
- Increase in Labour wage rate on an average by 10-15%.
- Shortage of skilled labour;
- Increasing input costs i.e. power, finance and logistics;
- Volatile government policies.



**Management Perception of Risks and Concerns**

- In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the company are imperative. The main risks include strategic risk, operational risk, financial risk and compliances and legal risk. The fast technology obsolescence, high cost of manufacturing and taxation are the major risk/ concerns of the business;
- Fluctuations in foreign exchange adversely impacted exports and long term export orders cannot be booked in view of the uncertainty in exchange rates also the fluctuation in exchange rates makes it difficult to purchase machinery from abroad due to uncertainty of the future;
- Adequate availability of raw material at the right prices is crucial for the company. Disruption in the supply or violent changes in the cost structure would affect the profitability of the company;
- Government's periodical announcements for liberalised tariff concessions offered to least developed countries like Bangladesh, Nepal, Bhutan and other countries under South Asian Free Trade Area (SAFTA) is also an area concern.

However, the future for the textile Industry looks promising, buoyed by strong domestic consumption as well as export demand. Free trade with Asian countries and proposed agreements with EUCountries will also help to boost exports. Also the west has started taken India seriously as a potential supplier of polyester yarn apart from china. Rising government focus and favorable policies to support the Industry has led to growth in the Industry.

**Internal Control and Management Systems:**

Your company has an adequate internal control system. There is a system of continuous internal audit which aims at ensuring effectiveness and efficiency of systems and operations. Your company has the benefit of internal control systems which have been developed over the years and which has ensured that all transactions are satisfactorily recorded and reported and all assets are protected against loss from unauthorised use or otherwise. The process of Internal control and systems, statutory compliance, risk analysis and its management and information technology are taken together to provide a meaningful support to the management process also continuous efforts are being made to strengthen the system.

**Acknowledgement**

Your Directors place on record their sincere gratitude for the assistance, guidance and co-operation the Company has received from all stake holders. The Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

**For and on behalf of the Board**

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

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

Place : Mumbai  
Date : 16<sup>th</sup> April, 2016

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

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

#### **ANNEXURE I: ANNUAL RETURN**

**Form No. MGT-9**

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

**As on the financial year ended March 31, 2016**

**[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 : Company Limited by shares
- v) Address of the Registered office and contact details : Jasville, 2nd Floor,  
9, New Marine Lines,  
Mumbai - 400020  
Number: 022-22000488/43530400
- 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 : 022-40430200

#### **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.	Manufacture of Man Made Fibre	2430	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
NIL					

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### 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.	648288	0	648288	32.90	648288	0	648288	32.90	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Directors/Relatives	251216	0	251216	12.75	254695	0	254695	12.93	-0.18
g) Group Companies	212700	0	212700	10.79	212700	0	212700	10.79	0
<b>Sub-total (A) (1):</b>	<b>1112204</b>	<b>0</b>	<b>1112204</b>	<b>56.44</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>-0.18</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>1112204</b>	<b>0</b>	<b>1112204</b>	<b>56.44</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>-0.18</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	1116	0	1116	0.06	0	0	0	0	-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>2216</b>	<b>5300</b>	<b>7516</b>	<b>0.38</b>	<b>1100</b>	<b>5300</b>	<b>6400</b>	<b>0.32</b>	<b>0.06</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	14487	4200	18687	0.95	7687	4200	11887	0.60	0.35
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 ₹ 1 lakh	306304	374114	680418	34.53	313425	367512	680937	34.56	-0.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	141213	0	141213	7.17	105358	0	105358	5.35	1.82
c) Clearing Member	200	0	200	0.01	795	0	795	0.04	-0.03
d) Non Resident Indian(NRI)	5362	4900	10262	0.52	44540	4900	49440	2.51	-1.99
<b>Sub-total (B)(2):</b>	<b>467566</b>	<b>383214</b>	<b>850780</b>	<b>43.18</b>	<b>471805</b>	<b>376612</b>	<b>848417</b>	<b>43.05</b>	<b>0.13</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>469782</b>	<b>383614</b>	<b>858296</b>	<b>43.56</b>	<b>472905</b>	<b>381912</b>	<b>854817</b>	<b>43.38</b>	<b>0.18</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>1581986</b>	<b>388514</b>	<b>1970500</b>	<b>100.00</b>	<b>1588588</b>	<b>381912</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.	486188	24.67	0.00	486188	24.67	0.00	0
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	74690	3.79	3.65	-0.06
5.	Mr. Nand K. Khemani	70531	3.58	3.55	70531	3.58	3.55	0
6.	Mr. 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	16495	0.84	0.63	16495	0.84	0.63	0
10.	M/s. Setron Textile Mills Pvt. Ltd.	4400	0.22	0.00	4400	0.22	0.00	0
11.	Mr. Siddharth A. Khemani	1000	0.05	0.00	3279	0.16	0.00	-0.11
	<b>TOTAL</b>	<b>1112204</b>	<b>56.44</b>	<b>30.00</b>	<b>1115683</b>	<b>56.62</b>	<b>30.00</b>	<b>-0.18</b>

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**(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	1112204	56.44	1115683	56.62
	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):	<b>Date wise increase/decrease of promoters holding:</b>			
		1) 09.10.2015-Purchase from exchange 200 shares by Mr. Ashok Khemani (cumulative holding 73,690 shares);			
		2) 16.10.2015- Purchase from exchange 1 shares by Mr. Ashok Khemani (cumulative holding 73,691 shares);			
		3) 23.10.2015- Purchase from exchange 999 shares by Mr. Ashok Khemani (cumulative holding 74,690 shares);			
		4) 23.10.2015- Purchase from exchange 2,279 shares by Mr. Siddharth Khemani (cumulative holding 3,279 shares)			
	At the End of the year	1115683	56.62	1115683	56.62

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

Sr. No.	Name of the Shareholder	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
1.	<b>Mr. Ramesh Roop Khemani</b>				
	At the beginning of the year	40800	2.0705	40800	2.0705
	Bought / sold during the year	0		40800	2.0705
	At the end of the year			40800	2.0705
2.	<b>Mr. Amit Arora</b>				
	At the beginning of the year	0	0	0	0
	Bought/sold during the year				
	1) 10-07-2015	952	0.05	952	0.05
	2) 17-07-2015	5134	0.26	6086	0.31
	3) 23-07-2015	8737	0.45	14,823	0.75
	4) 31-07-2015	1750	0.09	16,573	0.84
	5) 07-08-2015	16228	0.83	32,801	1.66
	6) 14-08-2015	(8437)	(0.43)	24,364	1.24
	7) 21-08-2015	4356	0.23	28,720	1.46
	8) 28-08-2015	400	0.02	29,120	1.48
	9) 13-11-2015	5348	0.28	34,468	1.75
10) 20-11-2015	166	0.01	34,634	1.76	
11) 27-11-2015	6100	0.31	40,734	2.07	

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

Sr. No.	Name of the Shareholder	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
	12) 04-12-2015	10	0.00	40,744	2.07
	13) 18-12-2015	5	0.00	40,749	2.07
	14) 15-01-2016	11	0.00	40,760	2.07
	At the end of the year			40760	2.07
<b>3.</b>	<b>Mr. Rajesh Roop Khemani</b>				
	At the beginning of the year	33900	1.72	33900	1.72
	Bought/sold during the year	0		33900	1.72
	At the end of the year			33900	1.72
<b>4.</b>	<b>Mr. Satya Prakash Mittal</b>				
	At the beginning of the year	27076	1.38	27076	1.38
	Bought/sold during the year				
	1) 22-05-2015	(1129)	(0.06)	25,947	1.32
	2) 29-05-2015	29	0.01	25,976	1.32
	3) 05-06-2015	1570	0.08	27,546	1.40
	4) 19-06-2015	(1102)	(0.06)	26,444	1.34
	5) 26-06-2015	(513)	(0.03)	25,931	1.32
	6) 10-07-2015	28	0.01	25,959	1.32
	7) 15-07-2015	(1065)	(0.06)	24,894	1.26
	8) 17-07-2015	(158)	(0.01)	24,736	1.26
	9) 31-07-2015	(3945)	(0.20)	20,791	1.06
	10) 07-08-2015	(13)	(0.00)	20,778	1.05
	11) 04-09-2015	243	0.02	21,021	1.07
	12) 16-10-2015	5764	0.30	26,785	1.36
	13) 23-10-2015	3064	0.16	29,849	1.51
	14) 30-10-2015	182	0.01	30,031	1.52
	15) 06-11-2015	77	0.01	30,108	1.53
	16) 13-11-2015	154	0.01	30,262	1.54
	17) 11-12-2015	6	0.00	30,268	1.54
	18) 18-12-2015	(30)	(0.01)	30,238	1.53
	19) 08-01-2016	(131)	(0.01)	30,107	1.53
	20) 15-01-2016	(38)	(0.01)	30,069	1.53
	21) 05-02-2016	(31)	(0.01)	30,038	1.52
	22) 04-03-2016	620	0.04	30,658	1.56
	At the end of the year			30658	1.56
<b>5.</b>	<b>Mr. Senthamarai M</b>				
	At the beginning of the year			0	0
	Bought/sold during the year				
	1) 05-06-2015	1000	0.05	1000	0.05
	2) 12-06-2015	680	0.04	1,680	0.09
	3) 19-06-2015	3470	0.18	5,150	0.26
	4) 26-06-2015	1100	0.06	6,250	0.32
	5) 30-06-2015	100	0.01	6,350	0.32
	6) 03-07-2015	50	0.01	6,400	0.32
	7) 10-07-2015	(6400)	(0.33)	0	0.00

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Sr. No.	Name of the Shareholder	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
	8) 30-10-2015	2030	0.11	2,030	0.10
	9) 20-11-2015	2022	0.11	2,022	0.10
	10) 27-11-2015	3009	0.16	5,031	0.26
	11) 11-12-2015	929	0.05	5,960	0.30
	12) 18-12-2015	508	0.03	6,468	0.33
	13) 31-12-2015	661	0.04	7,129	0.36
	14) 01-01-2016	1250	0.07	8,379	0.43
	15) 08-01-2016	600	0.03	8,979	0.46
	16) 29-01-2016	1750	0.09	10,729	0.54
	17) 05-02-2016	(729)	(0.04)	10,000	0.51
	At the end of the year			10,000	0.51
<b>6.</b>	<b>Mr. Suresh Kotturi</b>				
	At the beginning of the year	9657	0.49	9657	0.49
	Bought/sold during the year	0		9657	0.49
	At the end of the year			9657	0.49
<b>7.</b>	<b>Ms. Meena Jetho Belani</b>				
	At the beginning of the year	6600	0.34	6,600	0.33
	Bought/sold during the year				
	1) 30-10-2015	857	0.05	7,457	0.38
	2) 06-11-2015	155	0.01	7,612	0.39
	3) 13-11-2015	488	0.03	8,100	0.41
	4) 31-12-2015	24	0.01	8,124	0.41
	5) 01-01-2016	3	0.00	8,127	0.41
	6) 08-01-2016	457	0.03	8,584	0.44
	7) 15-01-2016	(250)	(0.02)	8,334	0.42
	At the end of the year			8,334	0.42
<b>8.</b>	<b>Ms. Namita Parakh</b>				
	At the beginning of the year	6000	0.31	6000	0.31
	Bought/sold during the year	0		6000	0.31
	At the end of the year			6000	0.31
<b>9.</b>	<b>Ms. Jyoti Prem Tolani</b>				
	At the beginning of the year	4496	0.23	4496	0.23
	Bought/sold during the year				
	1) 15-01-2016	1112	0.06	5,608	0.28
	At the end of the year			5,608	0.28
<b>10.</b>	<b>Ms. Archana Kumari</b>				
	At the beginning of the year	6090	0.31	6090	0.31
	Bought/sold during the year				
	1) 15-07-2015	(1000)	(0.05)	5,090	0.26
	2) 17-07-2015	(100)	(0.01)	4,990	0.25
	3) 25-12-2015	(93)	(0.01)	4,897	0.25
	At the end of the year			4897	0.25

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

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

Sr. No.	Name of the Director/KMP	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
1.	<b>Mr. Nand K Khemani, Director</b>				
	At the beginning of the year	70531	3.58	70531	3.58
	Bought/sold during the year	0		70531	3.58
2.	<b>Mr. Ashok K Khemani, Managing Director</b>				
	At the beginning of the year	73490	3.73	73490	3.73
	Bought/sold during the year				
	1) 09-10-2015	200	0.010	73690	3.74
	2) 16-10-2015	1	0.00	73691	3.74
3) 23-10-2015	999	0.05	74690	3.79	
	At the end of the year			74690	3.79
3.	<b>Mr. Rahul A Khemani, Director and Chief Financial officer</b>				
	At the beginning of the year	25300	1.28	25300	1.28
	Bought/sold during the year	0		25300	1.28
4.	<b>Mr. Shahin N Khemani, Director</b>				
	At the beginning of the year	28600	1.45	28600	1.45
	Bought/sold during the year	0		28600	1.45
	At the end of the year			28600	1.45



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### V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,74,47,718	0	0	6,74,47,718
ii) Interest due but not paid	6,88,750	0	0	6,88,750
iii) Interest accrued but not due	450	0	0	450
<b>Total (i+ii+iii)</b>	6,81,36,918	0	0	6,81,36,918
<b>Change in Indebtedness during the financial year</b>				
Addition	13,98,000	0	0	13,98,000
Reduction	1,58,64,143	0	0	1,58,64,143
<b>Net Change</b>	1,44,66,143	0	0	1,44,66,143
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,29,81,575	0	0	5,29,81,575
ii) Interest due but not paid	5,66,300	0	0	5,66,300
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	5,35,47,875	0	0	5,35,47,875

### VI. 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. Ashok Kishinchand Khemani - Managing Director	
1.	Gross salary	NIL	NIL
	(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	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission/ Performance Pay	NIL	NIL
	- as % of profit	NIL	NIL
	- others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	The total managerial remuneration payable in respect of financial year 2015-16 shall not exceed eleven per cent of the net profit of the Company for financial year 2015-16 or if the same exceeds, it shall be within the limits of Schedule V, Part II of the Companies Act, 2013.	

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

Sr. No.	Particulars of Remuneration	Mr. Kumar Nathani	Mr. Vijay Kumar Mishra	Mr. Manmohan Anand	Ms. Shraddha Teli	Mr. Nand Khemani	Mr. Rahul A. Khemani	Mr. Shahin N. Khemani	Total
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	20000	10000	20000	20000	0.00	0.00	0.00	70000
	<b>Total (1)</b>	20000	10000	20000	20000	0.00	0.00	0.00	70000
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	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 0.00	0.00 0.00 0.00	0.00 0.00 0.00
	<b>Total (2)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Other 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 1440000	0.00 0.00 1740000	0.00 0.00 0.00
	<b>Total (B)=(1+2+3)</b>	20000	10000	20000	20000	0.00	1440000	1740000	3250000
	Total Managerial Remuneration	20000	10000	20000	20000	0.00	1440000	1740000	3250000
	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	–	–	NIL	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	NIL	–
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	–	–	NIL	–
2.	Stock Option	–	–	NIL	–
3.	Sweat Equity	–	–	NIL	–
4.	Commission - as % of profit - others, specify...	–	–	NIL	–
5.	Others, please specify - Incentive	–	–	NIL	–
	<b>Total</b>	–	–	NIL	–

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### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Clause/ provision/ Section/ Regulation	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Clause 31	Late filing of Annual Report for the Financial year 2014-15	INR 1,000/-	Bombay Stock Exchange	Not applicable
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

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

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

Place : Mumbai  
Date : 16<sup>th</sup> April, 2016

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

### **ANNEXURE II**

Particulars of Loans, Guarantees or Investments in accordance  
with Section 186 of the Companies Act, 2013

**Amount outstanding as at 31 March, 2016**

<b>Particulars</b>	<b>Amount in INR</b>
Loans given	—
Guarantee given	—
Investments made	—

### **ANNEXURE III**

#### **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
—	—	—	—	—	—	—	—	—

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

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	*Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
1.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: kindly refer Note No.1	Machinery Hire Charges Paid (Inclusive of Service Tax)	Ongoing Duration of transaction-From 1 <sup>st</sup> September, 2014 to 31 <sup>st</sup> August, 2019	Salient features: Machine Hire Charges Paid. Value : INR 68,33,600/-	30th July, 2014	NIL

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Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	Date(s) of approval by the Board/ Audit Committee	Amount paid as advances, if any
2.	M/s. Beekaylon Synthetics Private Limited	Purchase of Yarn	Ongoing Duration of transaction-perpetual	Salient features: Purchase of Yarn. Value: INR 98,16,62,417/-	28.07.2015; 29.10.2015; 12.02.2016; 16.04.2016.	NIL
3.	M/s. Beekaylon Synthetics Private Limited	Job Work Charges	Ongoing Duration of transaction-perpetual	Salient features: Job Work Charges. Value: INR 12,72,263/-	28.07.2015; 29.10.2015; 12.02.2016; 16.04.2016.	NIL
4.	M/s. Beekaylon Synthetics Private Limited	Sale of Goods	Ongoing Duration of transaction-perpetual	Salient features: Sale of Goods. Value: INR 3,81,60,325/-	28.07.2015; 29.10.2015; 12.02.2016; 16.04.2016	NIL
5.	M/s. Beekaylon Synthetics Private Limited	Income from Job Work	Ongoing Duration of transaction-perpetual	Salient features : Income from Job work. Value: INR 3,35,80,909/-	28.07.2015; 29.10.2015; 12.02.2016; 16.04.2016	NIL

\* Transactions entered between M/s. Blue Chip Tex Industries Limited with M/s. Beekaylon Synthetics Private Limited are entered in the ordinary course of Business and the same are at arm's length price and hence provisions of Section 188 are not applicable to your Company.

However, the Board of Director' at their meeting held on 28.07.2015, 29.10.2015, 12.02.2016 and 16.04.2016 has ratified the respective transactions.

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

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

**For and on behalf of the Board**

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

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

Place : Mumbai  
Date : 16<sup>th</sup> April, 2016

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

### **ANNEXURE IV**

#### **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 7<sup>th</sup> 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 Policy;
- 2.4 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;



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- 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.

**For and on behalf of the Board**

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

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

Place : Mumbai  
Date : 16<sup>th</sup> April, 2016

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

### **ANNEXURE V**

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

#### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

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

To,  
The Members,  
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 the Company's 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 31<sup>st</sup> March, 2016, 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 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;

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

- (i) The Listing Agreements entered into by the Company with BSE Limited (Bombay Stock Exchange);
- (ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1<sup>st</sup> December, 2015);
- (iii) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

#### **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

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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 for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure 1.

**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: 16<sup>th</sup> April, 2016

Pramod S. Shah-Partner  
Pramod S. Shah & Associates  
F.C.S. No.: 334  
C. P. No.: 3804

### **Annexure I**

1. Employees' Provident Fund Act, 1952 and Rules
2. Payment of Gratuity Act, 1972
3. Employees State Insurance Act, 1947
4. Equal Remuneration Act, 1976
5. Minimum Wages Act, 1948
6. Payment of Bonus Act, 1965
7. Income Tax Act, 1961
8. Finance Act, 1994
9. Factories Act, 1994

## **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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then 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 prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Board of 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, 2016, and its profit and its cash flows for the year ended on that date.

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### **Report on Other Legal and Regulatory Requirements**

1. 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 prescribed under Section 133 of the Act as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Mumbai  
16<sup>th</sup> APRIL, 2016

**Akshay R. Shah**  
*Partner*  
Membership No.103316

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

### **ANNEXURE “A” TO THE INDEPENDENT AUDITORS`S REPORT ON THE FINANCIAL STATEMENTS OF BLUE CHIP TEX INDUSTRIES LIMITED.**

*(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)*

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub section 3 of Section 143 of the Companies act, 2013 (“the ACT”).

We have audited the internal financial controls over financial reporting of **BLUE CHIP TEX INDUSTRIES LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

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principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control states in the Guidance Note.

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

Mumbai  
16<sup>th</sup> April, 2016

**Akshay R. Shah**  
*Partner*  
*Membership No. 103316*

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

### **Annexure B to Independent Auditors' Report**

(Referred to in Paragraph 2, under the "Report on Other Legal and Regulatory Requirements" section 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.
  - c) Immovable properties are held in the name of the Company.
2. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were notice 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 189 of the Companies Act, 2013 and hence clause iii (a), iii (b) and iii (c) of the Order not applicable to the Company.
4. The Company has not given loans, guarantees and security to directors or to any other person in whom the director is interested and provision of section 186 have been complied for investments made in the past by the Company.
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) 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, 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, 2016 for a period of more than six months from the date of becoming payable, except value added tax Rs. 2,27,000.
  - b) According to the information and explanations given to us, there are no disputed statutory dues pending as on 31<sup>st</sup> March 2016, except for Income Tax dues as follows:

<b>Sr No.</b>	<b>Assessment Year</b>	<b>₹</b>	<b>Forum where dispute is pending</b>
1	2009-10	4,38,920	pending with Income Tax Officer
2	2010-11	3,71,690	pending with Income Tax Officer
3	2014-15	15,67,639	pending with Income Tax Officer
4	2015-16	55,238	pending with Income Tax Officer



## **31<sup>st</sup> ANNUAL REPORT 2015-16**

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to the Bank.
9. In our opinion and according to the information and explanations given to us, monies raised by way of the term loan during the year and have been applied for the purposes for which they were raised.
10. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanation given to us, the Company's transactions with its related party are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, provisions of clause xiv of paragraph 3 of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-1A of the Reserve Bank of India Act, 1934.

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

Mumbai  
16<sup>th</sup> April, 2016

**Akshay R. Shah**  
*Partner*  
*Membership No. 103316*

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

### **BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	NOTE No.	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
		₹	₹	₹	₹
<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	6,60,26,020	8,57,81,470	4,54,85,330	6,52,40,780
<b>Non-Current Liabilities</b>					
(a) Long Term Borrowings	3	3,45,53,571		5,15,83,575	
(b) Deferred Tax Liability (Net)	4	1,31,58,345		1,06,57,254	
(c) Long-term Provisions	5	12,20,435	4,89,32,351	10,31,285	6,32,72,114
<b>Current Liabilities</b>					
(a) Short Term Borrowings	6	3,41,99,146		2,34,70,401	
(b) Trade Payables	7				
Outstanding dues to Micro and Small Enterprises			—		—
Outstanding dues of creditors other than Micro and Small Enterprises		11,28,56,970		14,46,06,779	
(c) Other Current Liabilities	8	3,65,16,538		3,23,13,178	
(d) Short-term Provisions	9	65,89,312	19,01,61,966	49,25,240	20,53,15,598
<b>TOTAL</b>			<b>32,48,75,787</b>		<b>33,38,28,492</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	10	14,51,69,747		14,22,94,260	
(ii) Capital Work-in-progress	10	—		1,71,749	
<b>(b) Non-Current Investments</b>	11	4,500		4,500	
<b>(c) Long Term Loans and Advances</b>	12	1,42,500	14,53,16,747	1,42,500	14,26,13,009
<b>Current Assets</b>					
Inventories	13	2,70,00,530		3,35,52,672	
Trade Receivables	14	7,93,88,112		7,96,10,222	
Cash and Cash Equivalents	15	2,35,15,707		4,42,11,876	
Short Term Loans and Advances	16	4,96,54,691		3,38,40,713	
			17,95,59,040		19,12,15,483
<b>TOTAL</b>			<b>32,48,75,787</b>		<b>33,38,28,492</b>

Significant Accounting Policies

Notes on Financial Statements **1 to 32**

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Chartered Accountants

sd/-  
**Ashok Khemani**  
Managing Director

sd/-  
**Akshay R. Shah**  
Partner  
Place: Mumbai

sd/-  
**Nand Khemani**  
Director  
Place: Mumbai

sd/-  
**Rahul Khemani**  
Director (CFO)

Dated: 16<sup>th</sup> April, 2016

Dated: 16<sup>th</sup> April, 2016

## 31<sup>st</sup> ANNUAL REPORT 2015-16

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	NOTE NO.	2015-16 ₹	2014-15 ₹
<b>INCOME</b>			
Revenue from Operations	17	1,37,99,03,989	1,11,56,52,481
Other Income	18	8,12,845	32,98,886
<b>TOTAL OF REVENUE</b>		<u>1,38,07,16,834</u>	<u>1,11,89,51,367</u>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	1,09,88,82,947	93,40,67,919
Changes in Inventories of Finished Goods,	20	23,20,261	(93,59,248)
Employee Benefits Expense	21	2,18,73,838	1,47,54,994
Finance Costs	22	1,68,22,640	73,28,301
Depreciation and Amortisation Expense		1,25,51,734	1,01,73,887
Other Expenses	23	19,10,65,053	13,70,58,033
<b>TOTAL OF EXPENSES</b>		<u>1,34,35,16,473</u>	<u>1,09,40,23,886</u>
<b>Profit before taxes</b>		<u>3,72,00,361</u>	2,49,27,481
<b>Tax Expenses</b>			
Current Tax - for the current year		1,06,00,000	54,00,000
Current Tax - related to earlier years		1,111	8,817
Deferred Tax		25,01,091	23,89,783
<b>Profit after tax</b>		<u>2,40,98,159</u>	<u>1,71,28,881</u>
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted	26	12.23	8.69
Significant Accounting Policies			
Notes on Financial Statements			

As per our report of even date

For **Rajendra & Co.**  
Chartered Accountants

sd/-  
**Akshay R. Shah**  
Partner

Place: Mumbai

Dated: 16<sup>th</sup> April, 2016

For and on behalf of the Board

sd/-  
**Ashok Khemani**  
Managing Director

sd/-  
**Nand Khemani**  
Director

Place: Mumbai

Dated: 16<sup>th</sup> April, 2016

sd/-  
**Rahul Khemani**  
Director (CFO)

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

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	2015 - 2016	2014 - 2015
	₹	₹
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax	3,72,00,361	2,49,27,481
Adjustment for:		
Depreciation	1,25,51,734	1,01,73,887
Provision for Gratuity and Leave encashment	2,04,193	9,55,113
Share of Loss from Partnership Firm	68,249	69,713
Loss/(Profit) on fixed assets sold	—	(20,23,791)
Interest Received	(24,29,862)	(18,68,037)
Interest (from)/to a Partnership firm	(270)	1,63,207
Interest Paid to banks and others	1,86,64,066	84,40,574
Bad debts	11,212	—
Debit balances written off	23,119	37,434
Credit balances written back	(1,15,308)	(72,673)
<b>Operating Profit before Working Capital Changes</b>	<b>6,61,77,494</b>	<b>4,08,02,908</b>
Adjustment for:		
Inventories	65,52,142	(1,90,25,782)
Trade and other receivables	(1,56,26,198)	(6,68,25,984)
Trade and other payables	(2,99,21,547)	12,06,83,656
<b>Cash generated in Operations</b>	<b>2,71,81,891</b>	<b>7,56,34,798</b>
Income taxes paid	(96,63,575)	(53,07,008)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>1,75,18,316</b>	<b>7,03,27,790</b>
<b>B. Cash flow from Investing Activities</b>		
Withdrawals from ( Contributions to) a Firm - net	—	(1,56,69,929)
Proceeds from Sale of fixed assets	—	58,45,111
Purchase of fixed assets	(1,54,71,385)	(4,83,80,706)
Interest received	24,29,862	18,68,037
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,30,41,523)</b>	<b>(5,63,37,487)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from secured loans	1,21,26,745	3,40,47,334
Repayment of secured loans	(1,58,64,143)	(30,25,764)
Dividend paid ( Including tax on dividend)	(27,71,498)	(25,43,773)
Interest paid to banks and others	(1,86,64,066)	(84,40,574)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(2,51,72,962)</b>	<b>2,00,37,223</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,06,96,169)</b>	<b>3,40,27,526</b>
Cash and cash equivalents at the beginning of the year	4,42,11,876	1,01,84,350
Cash and cash equivalents at the end of the year	<b>2,35,15,707</b>	<b>4,42,11,876</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 **Rajendra & Co.**  
Chartered Accountants

sd/-  
**Akshay R. Shah**  
Partner

Place: Mumbai  
Dated: 16<sup>th</sup> April, 2016

For and on behalf of the Board

sd/-  
**Ashok Khemani**  
Managing Director

sd/-  
**Nand Khemani**  
Director

Place: Mumbai  
Dated: 16<sup>th</sup> April, 2016

sd/-  
**Rahul Khemani**  
Director (CFO)

**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.

**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. Unfunded Post employment and other long term employee benefits are recognised as expense in the Profit and Loss Account for the

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

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.
- Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.

### **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 assets up to the date when such assets are ready for their intended use. 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.

## 31<sup>st</sup> ANNUAL REPORT 2015-16

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

#### NOTE NO.

#### 1 SHARE CAPITAL:

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>Authorised Share Capital</b>				
25,00,000 (25,00,000) Equity Shares of ₹ 10 each		2,50,00,000		2,50,00,000
		2,50,00,000		2,50,00,000
<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	
		1,97,55,450		1,97,55,450
<b>TOTAL</b>		1,97,55,450		1,97,55,450

- 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 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No.of Shares	% held	No.of Shares	% held
	1 Beekaylon Synthetics Private Limited	4,86,188	24.67	4,86,188
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

- 1.3 There were no shares issued pursuant to contracts without payment being received in cash, by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which the Balance Sheet is prepared.

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

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>General Reserve</b>				
As per last Balance sheet	58,33,829		41,13,829	
Add: Transferred from surplus in statement of profit and loss	—	58,33,829	17,20,000	58,33,829
<b>Profit and Loss Account</b>				
As per last Balance sheet	3,37,55,539		2,12,97,743	
Less: Adjustment related to Fixed Assets	—		1,05,109	
Add : Profit for the year	2,40,98,159		1,71,28,881	
	5,78,53,698		3,83,21,515	
<b>Less: Appropriations</b>				
Transferred to General Reserve	—		17,20,000	
Proposed Dividend on Equity Shares	29,55,750		23,64,600	
[Dividend per share ₹ 1.50 (Previous year ₹ 1.20)]				
Tax on Dividend	6,01,720	5,42,96,228	4,81,377	3,37,55,538
<b>TOTAL</b>		<b>6,60,26,020</b>		<b>4,54,85,330</b>
<b>3 LONG TERM BORROWINGS:</b>				
<b>Secured</b>				
Term Loans-From a Bank	5,29,81,575		6,71,46,992	
Less : Short Term Maturities of Term Loans	(1,84,28,004)	3,45,53,571	(1,55,63,417)	5,15,83,575
Secured Vehicle Loans	—		3,00,726	
Less : Short Term Maturities of Vehicle Loans	—		(3,00,726)	
<b>TOTAL</b>		<b>3,45,53,571</b>		<b>5,15,83,575</b>

### 3.1 Term Loans from Axis Bank Ltd.

Term Loans from Axis Bank Ltd. aggregating to ₹ 5,29,81,575/- (Previous Year ₹ 6,71,46,992/-) 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 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 Amlī, silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq. mtrs.

3.2 Personal guarantee of the two directors of the company.

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

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



## 31<sup>st</sup> ANNUAL REPORT 2015-16

Loan No.	Rate of Interest	Repayment Schedule				
		2016-17 ₹	2017-18 ₹	2018-19 ₹	2019-20 ₹	2020-21 ₹
1	12.15%	1,25,00,004	1,14,58,237	—	—	—
2	12.15%	59,28,000	59,28,000	59,28,000	59,28,000	53,11,334

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

#### 4 DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	1,32,25,857	1,10,69,839
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	67,512	4,12,585
<b>TOTAL</b>	<u>1,31,58,345</u>	<u>1,06,57,254</u>

#### 5 LONG TERM PROVISIONS:

Provision for Leave Encashment	2,51,863	2,28,086
Provision for Gratuity	9,68,572	8,03,199
<b>TOTAL</b>	<u>12,20,435</u>	<u>10,31,285</u>

#### 6 SHORT TERM BORROWINGS:

<b>Secured #</b>		
Bank Overdraft - Working capital loans	3,41,99,146	2,34,70,401
<b>TOTAL</b>	<u>3,41,99,146</u>	<u>2,34,70,401</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 Amlī, silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq. mtrs. Personal guarantee of the two directors of the company. Pledge of promoters equity shares 30% of the total shareholding.

#### 7 TRADE PAYABLES:

Micro, Small and Medium enterprises *	—	—
Others #	11,28,56,970	14,46,06,779
<b>TOTAL</b>	<u>11,28,56,970</u>	<u>14,46,06,779</u>

\* 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.

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

	As at		As at	
	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
# Includes ₹ 9,62,99,299/- (Previous year ₹13,22,62,667/-) payable to a related party - Beekaylon Synthetics Private Limited. [Refer Note No.28]				
<b>8 OTHER CURRENT LIABILITIES:</b>				
Current Maturities of Long Term Loans (Secured) (Refer Note No.3)	1,84,28,004		1,55,63,417	
Current Maturities of Vehicle Loan (Secured) (Refer Note No.3)	—		3,00,726	
Creditors for Capital Goods	—		2,15,913	
Unclaimed dividend *	11,58,996		10,84,517	
Due to a firm wherein the Company is a Partner (Refer Note No. 28 and 30)	67,979		—	
Interest accrued and due on borrowing-bank	5,66,300		6,88,750	
Other Payables #	1,62,95,259		1,44,59,855	
<b>TOTAL</b>	<b>3,65,16,538</b>		<b>3,23,13,178</b>	
* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.				
# Includes mainly statutory dues, security deposits and advances from customers				
<b>9 SHORT TERM PROVISIONS:</b>				
Provision for Leave Encashment	35,123		29,486	
Provision for Gratuity	51,020		41,614	
Proposed dividend	29,55,750		23,64,600	
Tax on dividend	6,01,720		4,81,377	
Provision for tax (Net of Advance Tax paid)	29,45,699		20,08,163	
<b>TOTAL</b>	<b>65,89,312</b>		<b>49,25,240</b>	

Notes No. 10

FIXED ASSETS (AT COST) AS ON 31.03.2016

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 01.04.2015	ADDITIONS	DEDUCTIONS	AS ON 31.03.2016	AS ON 01.04.2015	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
<b>TANGIBLE ASSETS</b>										
FREE HOLD LAND	44,17,633	—	—	44,17,633	—	—	—	—	44,17,633	44,17,633
BUILDINGS	5,58,53,507	—	—	5,58,53,507	96,30,159	19,64,142	—	1,15,94,301	4,42,59,206	4,62,23,348
PLANT AND MACHINERY	10,56,73,058	1,54,13,383	—	12,10,86,441	2,31,61,738	92,45,411	—	3,24,07,149	8,86,79,292	8,25,11,320
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	47,85,938	10,56,016	—	58,41,954	65,28,769	75,84,785
COMPUTER	1,95,675	7,200	—	2,02,875	1,45,185	18,726	—	1,63,911	38,964	50,490
FURNITURE AND FIXTURES	7,90,315	6,638	—	7,96,953	5,59,345	64,467	—	6,23,812	1,73,141	2,30,970
VEHICLE	16,49,856	—	—	16,49,856	3,97,924	2,02,972	—	6,00,896	10,48,960	12,51,932
<b>TOTAL</b>	<b>18,14,26,422</b>	<b>1,54,27,221</b>	<b>—</b>	<b>19,68,53,643</b>	<b>3,91,32,162</b>	<b>1,25,51,734</b>	<b>—</b>	<b>5,16,83,896</b>	<b>14,51,69,747</b>	<b>14,22,94,260</b>
<b>PREVIOUS YEAR</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>—</b>
Capital Work in Progress										1,71,749

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

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

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>11 NON CURRENT INVESTMENTS:</b>				
(Long Term Investments)				
(i) <b>Trade Investments (Unquoted)</b>				
<b>Investment in Partnership Firm</b>				
Jay Gee Rayons (Refer Note 28 and 30)		4,500		4,500
<b>TOTAL</b>		<u>4,500</u>		<u>4,500</u>
<b>12 LONG TERM LOANS AND ADVANCES:</b>				
(i) Security Deposits		1,42,500		1,42,500
<b>TOTAL</b>		<u>1,42,500</u>		<u>1,42,500</u>
<b>13 INVENTORIES (As valued, verified and certified by the management)</b>				
(i) Raw materials		96,54,623		1,35,97,347
(ii) Finished goods		1,57,91,227		1,81,11,488
(iii) Packing materials and oil		15,54,680		18,43,837
<b>TOTAL</b>		<u>2,70,00,530</u>		<u>3,35,52,672</u>
<b>14 TRADE RECEIVABLES:</b>				
(Unsecured and Considered Good)				
Over six months from the date they are due for payment		3,00,240		2,25,429
Other debts #		7,90,87,872		7,93,84,793
<b>TOTAL</b>		<u>7,93,88,112</u>		<u>7,96,10,222</u>
# Includes ₹43,31,134/- (Previous year ₹ 93,61,283/-) from related party - Beekaylon Synthetics Private Limited. [Refer Note No.28]				
<b>15 CASH AND CASH EQUIVALENTS:</b>				
(i) Balances with banks				
(a) Current accounts - unclaimed dividend accounts		11,58,996		10,84,517
(b) Current accounts		1,63,72,865		3,71,96,607
(c) Fixed deposits accounts @ #		59,66,506	2,34,98,367	58,88,570
<b>TOTAL</b>			<u>2,34,98,367</u>	4,41,69,694
(ii) Cash on hand		17,340		42,182
<b>TOTAL</b>		<u>2,35,15,707</u>		<u>4,42,11,876</u>

@ 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 ₹42,68,506 (Previous year ₹41,90,570) 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 ₹17,08,181 (Previous Year ₹16,73,000) with maturity of more than 12 months.

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	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>16 SHORT TERM LOANS AND ADVANCES:</b>				
Advances for capital Expenditure		—		1,13,83,000
Interest Accrued on Deposit with banks	10,01,588			5,51,471
Prepaid Expenses	4,23,223			3,34,044
Advance to Suppliers	1,86,393			3,64,220
Others #	4,80,43,487			2,12,07,978
		4,96,54,691		3,38,40,713
# Includes mainly VAT Refund Receivable				
<b>17 REVENUE FROM OPERATIONS:</b>				
(a) Sale of Products				
Texturised and Twisted Yarn	1,34,63,23,080		1,08,80,90,654	
Power	—	1,34,63,23,080	5,48,478	1,08,86,39,132
(b) Sale of Services				
Job Work Income		3,35,80,909		2,70,13,349
<b>TOTAL</b>		1,37,99,03,989		1,11,56,52,481
<b>18 OTHER INCOME:</b>				
Interest Income		5,88,706		5,52,557
Miscellaneous Income		5,000		—
Profit on sale of Fixed Assets ( Net)		—		20,23,791
Sundry Income - (Inclusive Scrap sale)		1,03,831		1,09,865
Rent Income		—		5,40,000
Sundry Balances written back		1,15,308		72,673
<b>TOTAL</b>		8,12,845		32,98,886
<b>19 COST OF MATERIAL CONSUMED (Indigenous):</b>				
<b>Yarn</b>				
Opening Stock		1,35,97,347		48,34,669
Add: Purchases during the year		1,09,49,40,223		94,28,30,597
Less: Closing Stock		96,54,623		1,35,97,347
<b>TOTAL</b>		1,09,88,82,947		93,40,67,919
<b>20 CHANGES IN INVESTORIES OF FINISHED GOODS:</b>				
<b>Inventories - at close</b>				
Finished Goods		1,57,91,227		1,81,11,488
<b>Inventories - at commencement</b>				
Finished Goods		1,81,11,488		87,52,240
<b>TOTAL</b>		23,20,261		(93,59,248)

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

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>21 EMPLOYEE BENEFITS EXPENSE:</b>				
(a) Salaries and Wages (₹31,80,000 (Previous Year ₹31,80,000) paid to directors)		2,06,13,214		1,40,19,598
(b) Contribution to Provident Fund [Refer Note No.21.1]		9,50,210		5,22,855
(c) Staff Welfare Expenses		3,10,414		2,12,541
<b>TOTAL</b>		<b>2,18,73,838</b>		<b>1,47,54,994</b>
21.1 As per Accounting standard – 15 “Employees Benefits” the disclosure of Employees benefits as defined in the Accounting Standard are given below:				
<b>Defined Contribution Plan :</b>				
Employers contribution to Provident Fund ₹9,50,210 (Previous Year ₹ 5,22,855) charged to Profit & Loss account.				
<b>Defined benefits Plan (Non funded) :</b>				
The liability in respect of Gratuity has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹ 8,44,813 (Previous Year ₹ 85,161). Current Service Cost is ₹1,74,779 (Previous Year ₹ 7,59,652) and liability at the end of the year is ₹10,19,592 (Previous Year ₹ 8,44,813). The same have been provided for by way of charge to Profit & Loss account.				
<b>Defined benefits Plan (Non funded) :</b>				
The liability in respect of Leave Encashment has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹ 2,57,572 (Previous Year ₹62,111). Current Service Cost is ₹29,414 (Previous Year ₹1,95,461) and liability at the end of the year is ₹ 2,86,986 (Previous Year ₹2,57,572). The same have been provided for by way of charge to Profit & Loss account.				
<b>22 FINANCE COST:</b>				
Interest Expenses		1,70,27,315		76,09,005
Other Borrowing Costs		—		4,39,147
		<b>1,70,27,315</b>		<b>80,48,152</b>
Less: Finance Cost Capitalised		<b>2,04,675</b>		<b>7,19,851</b>
<b>TOTAL</b>		<b>1,68,22,640</b>		<b>73,28,301</b>
<b>23 OTHER EXPENSES:</b>				
(a) <b>Manufacturing expenses</b>				
Packing materials	4,01,26,186		2,99,10,197	
Stores, Spares and Oil consumed	3,29,44,904		2,79,73,036	
Power and fuel	6,77,53,977		4,53,70,176	
Contract labour charges	1,41,20,484		83,94,112	
Job work charges	13,98,049		13,95,121	
Repairs to Building	1,69,628		8,44,603	
Repairs to Plant and Machinery	30,49,323		32,38,854	
Repairs to Others	14,66,716		4,51,499	
Rent - Office	6,00,000		6,00,000	
Machine Hire Charges	68,33,600		39,32,600	
Rates and taxes	13,849		13,849	
Insurance	2,90,259	<b>16,87,66,975</b>	1,99,519	12,23,23,566

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	As at		As at	
	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	₹	₹	₹	₹
<b>(b) Establishment Expenses</b>				
Payment to Auditors [Refer Note No.25]	3,69,880		2,52,810	
Directors sitting fees	79,547		38,204	
Share of Loss from a Partnership Firm	68,249		69,713	
Donation	—		10,000	
Miscellaneous expenses	40,45,292	45,62,968	29,37,582	33,08,309
<b>(c) Selling and Distribution Expenses</b>				
Brokerage and Commission	1,66,76,053		1,07,17,965	
Bad Debts	11,212		—	
Freight Charges	10,47,845	1,77,35,110	7,08,193	1,14,26,158
<b>TOTAL</b>		<b>19,10,65,053</b>		<b>13,70,58,033</b>
<b>24 VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:</b>				
	₹	%	₹	%
Imported	—	—	—	—
Indigenous	7,30,71,090	100%	5,78,83,233	100%
<b>TOTAL</b>	<b>7,30,71,090</b>	<b>100%</b>	<b>5,78,83,233</b>	<b>100%</b>
<b>25 PAYMENT TO AUDITORS AS:</b>		<b>F.Y.2015-16</b>		<b>F.Y.2014-15</b>
(a) Auditor				
Statutory Audit Fees		2,29,000		1,79,776
Tax Audit Fees		57,250		44,944
Certification Fees - Transfer Price		34,350		28,090
Other Matters		3,480		—
(b) Cost Audit Fees		45,800		—
<b>TOTAL</b>		<b>3,69,880</b>		<b>2,52,810</b>
<b>26 EARNING PER SHARE:</b>		<b>F.Y.2015-16</b>		<b>F.Y.2014-15</b>
a. Net Profit after tax				
Profit attributable to Equity Shareholders		2,40,98,159		1,71,28,881
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)		12.23		8.69
<b>27 EXPENDITURE IN FOREIGN CURRENCY:</b>				
Travelling Expenses		59,791		—

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

### **28 RELATED PARTY DISCLOSURES:**

- a) Names of related parties and description of relationship:
- i. Key Management Personnel : 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 Private Limited  
Indo Leather Works  
Jay Gee Rayons

b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
		₹	₹	₹
1	Rent Received on Factory Building Beekaylon Synthetics Pvt. Ltd.	Nil (5,40,000)	Nil (Nil)	Nil (5,40,000)
2	Rent Paid Indo Leather Works	6,00,000 (6,00,000)	Nil (Nil)	6,00,000 (6,00,000)
3	Machine Hire Charges Paid Beekaylon Synthetics Pvt. Ltd.	68,33,600 (39,32,600)	Nil (Nil)	68,33,600 (39,32,600)
4	Insurance Premium (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	3,60,250 (2,75,916)	Nil (Nil)	3,60,250 (2,75,916)
5	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.  DNH Spinners Pvt. Ltd.	98,16,62,417 (86,48,83,167) Nil (1,27,48,752)	Nil (Nil) Nil (Nil)	98,16,62,417 (86,48,83,167) Nil (1,27,48,752)
6	Job Work Charges Beekaylon Synthetics Pvt. Ltd.	12,72,263 (13,95,121)	Nil (Nil)	12,72,263 (13,95,121)
7	Packing Material (Purchased) Beekaylon Synthetics Pvt. Ltd.	Nil (1,912)	Nil (Nil)	Nil (1,912)
8	Security Charges (Reimbursed to) Beekaylon Synthetics Pvt. Ltd.	Nil (2,05,084)	Nil (Nil)	Nil (2,05,084)



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Sr. No.	Nature of Transactions	Others ₹	Key Management Personnel and Relatives ₹	Total ₹
9	Security Charges (Reimbursed from) Beekaylon Synthetics Pvt. Ltd.	Nil (90,289)	Nil (Nil)	Nil (90,289)
10	Electricity Power (Reimbursed to) Beekaylon Synthetics Pvt. Ltd.	Nil (30,09,723)	Nil (Nil)	Nil (30,09,723)
11	Sale of goods Beekaylon Synthetics Pvt. Ltd.	3,81,60,325 (7,82,85,373)	Nil (Nil)	3,81,60,325 (7,82,85,373)
12	Sale of Fixed Assets Beekaylon Synthetics Pvt. Ltd.	Nil (1,50,000)	Nil (Nil)	Nil (1,50,000)
13	Job Work (Income) Beekaylon Synthetics Pvt. Ltd.	3,35,80,909 (2,70,13,349)	Nil (Nil)	3,35,80,909 (2,70,13,349)
14	Remuneration to Director Rahul A. Khemani  Shahin N. Khemani	Nil (Nil) Nil (Nil)	14,40,000 (14,40,000) 17,40,000 (17,40,000)	14,40,000 (14,40,000) 17,40,000 (17,40,000)
15	Sitting Fees Anil Mandhana  Kumar Nathani  Vijay Kumar Mishra  Manmohan Anand  Shraddha Teli	Nil (Nil) Nil (Nil) Nil (Nil) Nil (Nil)	Nil (1,124) 22,743 (14,608) 11,318 (11,236) 22,743 (5,618) 22,743 (5,618)	Nil (1,124) 22,743 (14,608) 11,318 (11,236) 22,743 (5,618) 22,743 (5,618)
16	Interest Paid Beekaylon Synthetics Pvt. Ltd.	1,09,90,617 (9,86,724)	Nil (Nil)	1,09,90,617 (9,86,724)
17	Interest Received Beekaylon Synthetics Pvt. Ltd.	Nil (1,43,806)	Nil (Nil)	Nil (1,43,806)
18	Interest paid to Partnership Firm Jay Gee Rayons	Nil (1,63,207)	Nil (Nil)	Nil (1,63,207)

## **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>
		₹	₹	₹
19	Interest received from Partnership Firm Jay Gee Rayons	270 (Nil)	Nil (Nil)	270 (Nil)
20	Reimbursement - Gratuity Beekaylon Synthetics Pvt. Ltd.	Nil (5,21,800)	Nil (Nil)	Nil (5,21,800)
21	Share of Loss from Partnership Firm Jay Gee Rayons	68,249 (69,713)	Nil (Nil)	68,249 (69,713)
22	Balance Recoverable/Receivable Beekaylon Synthetics Pvt. Ltd.	43,31,134 (93,61,283)	Nil (Nil)	43,31,134 (93,61,283)
23	Balance Payable Beekaylon Synthetics Pvt. Ltd.	9,62,99,299 (13,22,62,667)	Nil (Nil)	9,62,99,299 (13,22,62,667)
24	Investment in Partnership Firm Jay Gee Rayons	4,500 (4,500)	Nil (Nil)	4,500 (4,500)
25	Contribution during the year Jay Gee Rayons	Nil (1,56,69,929)	Nil (Nil)	Nil (1,56,69,929)
26	Balance Payable as at 31 <sup>st</sup> March, 2016 Jay Gee Rayons Payable	67,979 (Nil)	Nil (Nil)	67,979 (Nil)

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

28.2 Previous year figures are given in brackets.

28.3 Amount includes service tax paid under Reverse Charge Mechanism during the year 2015-16.

### **29 CONTINGENT LIABILITIES AND COMITMENTS:**

(To the extent not provided for)

	<b>F.Y.2015-16</b>	<b>F.Y.2014-15</b>
<b>(i) Disputed Income Tax Liabilities/Demand :</b>	<b>24,33,487</b>	10,92,880
<b>(ii) Custom Duty in respect of future export obligation in accordance with EXIM Policy</b>	—	94,14,773
<b>(iii) Outstanding Bank Guarantee</b>	<b>73,97,000</b>	84,62,000

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### 30 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:

Name of the Firm - Jay Gee Rayons

Name of the Partners	As at 31.03.2016			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	(75,532)	(70,532)	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(67,979)	(63,479)	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	(67,979)	(63,479)	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	(67,979)	(63,479)	9%
Mr. Roop K. Khemani	4,500	(60,711)	(56,211)	9%
Mr. Nand K. Khemani	4,500	(60,711)	(56,211)	9%
Mr. Ashok K. Khemani	4,500	11,19,434	11,23,934	9%
Mr. Rahul A. Khemani	4,500	(60,646)	(56,146)	9%
Mr. Ramesh R. Khemani	4,500	(60,646)	(56,146)	9%
Mr. Shahin N. Khemani	4,500	(60,646)	(56,146)	9%
Mr. Siddharth A. Khemani	4,500	1,21,92,802	1,21,97,302	9%
<b>Total</b>	<b>50,000</b>	<b>1,27,29,407</b>	<b>1,27,79,407</b>	

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>	

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

32 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.

As per our report of even date

For **Rajendra & Co.**  
Chartered Accountants  
sd/-

**Akshay R. Shah**  
Partner

Place: Mumbai  
Dated: 16<sup>th</sup> April, 2016

For and on behalf of the Board  
sd/-

**Ashok Khemani**  
Managing Director

sd/-  
**Nand Khemani**  
Director

sd/-  
**Rahul Khemani**  
Director (CFO)

Place: Mumbai  
Dated: 16<sup>th</sup> April, 2016

**BLUE CHIP TEX INDUSTRIES LTD.**

**NOTES**

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**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 31<sup>st</sup> Annual general meeting of the company, to be held on Saturday 16<sup>th</sup> July, 2016 at 10 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai- 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

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

4..... 5..... 6.....

Signed this..... day of..... 2016

**Affix  
Revenue  
Stamp**

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 31<sup>st</sup> Annual general meeting of the company, to be held on Saturday 16<sup>th</sup> July, 2016 at 10 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai- 400 001

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.

[aplus99@gmail.com](mailto:aplus99@gmail.com)