

# **BLUE CHIP TEX INDUSTRIES LIMITED**

**32<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2016-2017**



## **BLUE CHIP TEX INDUSTRIES LIMITED**

- Corporate Identification Number** : L17100MH1985PLC037514
- Board of Directors** : ASHOK K. KHEMANI Chairman and Managing Director  
NAND K. KHEMANI  
RAHUL A. KHEMANI  
SHAHIN N. KHEMANI  
KUMAR S. NATHANI  
MANMOHAN ANAND  
MAULIN S. GANDHI (Appointed w.e.f. 22-04-2016)  
SHRADDHA TELI
- Statutory Auditors** : Rajendra & Co.  
Chartered Accountant
- Banker** : Axis Bank Limited
- 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
- Corporate Office** : Office no. 17, Maker Chambers – III,  
Jamnalal Bajaj Road, Nariman Point,  
Mumbai - 400 021
- Cheif Financial Officer** : Rahul A. Khemani
- Company Secretary** : Sonal Shukla (Resigned w.e.f 2<sup>nd</sup> May, 2017)  
Hitesh Kavediya (Appointed w.e.f 1<sup>st</sup> June, 2017)
- 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.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai - 400 059.  
Tel.: 022-6263 8200  
Fax: 022-6263 8299  
e-mail: investor@bigshareonline.com

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

**BLUE CHIP TEX INDUSTRIES LIMITED**

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### **NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 32<sup>ND</sup> ANNUAL GENERAL MEETING OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON TUESDAY 29<sup>TH</sup> AUGUST, 2017 AT 10.00 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, 2017, 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. Nand Kishinchand Khemani (DIN 00053671) 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, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, re-enactment and amendments made from time to time), consent of the members be and is hereby accorded to appoint M/s. D K P & Associates, Chartered Accountants, bearing Firm registration number 126305W as Statutory Auditors of the Company to hold office from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting, subject to ratification at every Annual General Meeting of the Company, on such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised, to take all such steps as may be deemed necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to the above resolutions.”

#### **Special Business**

5. **Re-appointment of Ms. Shraddha Mangesh Teli (DIN 06976334) as an Independent Director of the Company and to pass, with or without modification, the following Resolution as Special Resolution :**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Shraddha Mangesh Teli (DIN 06976334), Independent Director of the Company whose period of office is liable to expire on 32<sup>nd</sup> Annual General Meeting of the Company, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, be and is hereby re-appointed as an Independent Director to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company, and she 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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

which are necessary, incidental, ancillary to give effect to aforesaid resolution including filling of relevant e-forms with the Registrar of Companies”.

**6. Ratification of remuneration of Cost Auditors and to pass, with or without modification, the following Resolution as an 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 2017-2018 to M/s NKJ & Associates, Practising Cost Accountants, Navi Mumbai, (Firm 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 2017-2018, amounting to INR 40,000/- exclusive of Goods and 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”.

By order of the Board

**Ashok Kishinchand Khemani**  
Managing Director  
DIN: 00053623

**Place :** Mumbai  
**Date :** 26<sup>th</sup> July, 2017

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

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### **Notes :**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
- 2) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
- 3) The Register of Members and Transfer Books of the Company will be closed from Tuesday, 22<sup>nd</sup> August, 2017 to Monday, 28<sup>th</sup> August, 2017 (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 Wednesday, 27<sup>th</sup> September, 2017 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 Monday, 21<sup>st</sup> August, 2017;
  - 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 Monday, 21<sup>st</sup> August, 2017.
- 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;

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, 124 and 125 of Companies Act, 2013 read with relevant rules, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the

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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 Company for the amounts so transferred to Investor Education and Protection Fund of Central Government;

- 10) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company/Depositories;
- 11) 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 CDSL, on all resolutions set forth in this Notice;
- 12) 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;
- 13) 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;
- 14) 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;
- 15) 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;
- 16) Member are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Bigshare Services Pvt. Ltd, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400 059.

Tel No: 022 -62638200

Fax No.: 022 - 62638299,

Email :investor@bigshareonline.com

Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Arun Chokhra at Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai-400021. 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 125 of the Companies Act, 2013 read with relevant rules;

- 17) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Government Investor Education and Protection Fund, 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 Investor Education and Protection Fund</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
8	16.07.2016	2015-2016	15.08.2023



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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.

- 18) 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, 2017 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund (₹)	Date of transfer to Investor Education & Protection Fund
1	20.08.2009	2008-2009	129324	18.10.2016

- 19) As per the provisions of the Companies Act, 2013 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;

**20) 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 Saturday, 26<sup>th</sup> August, 2017 and ends at 5.00 p.m. on Monday, 28<sup>th</sup> August, 2017 During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 22<sup>nd</sup> August, 2017 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.

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- vii. If you are a first time user follow the steps given below:

	<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. 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).
- 21) Mr. Pramod S. Shah, Practicing Company Secretary, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes casts at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit the consolidated scrutinizer report not later than three days of conclusion of the meeting of the total votes cast in favour or against, if any, to the Chairman of the Company;
- 22) 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 :** 26<sup>th</sup> July, 2017

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT :**

#### **Item No. 5**

Ms. Shraddha Teli (DIN : 06976334) is the Independent Director of the Company, appointed pursuant to approval of the Members under the provisions of the Companies Act, 2013 through resolutions passed at the 30<sup>th</sup> Annual General Meeting held on July 23, 2015. As per the said resolutions, the term of appointment of the Independent Director expire on 32<sup>nd</sup> Annual General Meeting to be held on 29<sup>th</sup> August, 2017.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Board Governance, Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution in their meeting held on 26<sup>th</sup> July, 2017 approving appointment of Ms. Shraddha Teli (DIN : 06976334) as Independent Director for a second term of up to 37<sup>th</sup> Annual General Meeting, based on skills, experience, knowledge and performance evaluation. The re-appointments are subject to the approval of the shareholders at this Annual General Meeting by way of Special Resolutions. Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Shraddha Teli Independent Director shall hold office for a term up to Five consecutive years on the Board of a Company, on passing of a special resolution by the Company and disclosure of such appointment in Board's report. The Board of Directors recommend the resolutions at Item No. 5 for approval of the Members of the Company by means of Special Resolution. In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from Ms. Shraddha Teli, along with a deposit of INR 1 Lakh proposing her candidature to be reappointed as Independent Directors as per the provisions of the Companies Act, 2013. Except Ms. Shraddha Teli, being appointees, or their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at item No. 5.

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

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Accordingly, consent of the members is sought for approving the Special Resolution as set out in Item No. 5 for re-appointment of Ms. Shraddha Teli as an Independent Director of the Company.

### Item No. 6

The Board of Directors of the Company at its meeting held on 25<sup>th</sup> May, 2017, on the recommendation of the Audit Committee had approved the appointment and remuneration of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm Registration No.101893) to conduct the audit of the cost records of the Company for the financial year 2017-2018.

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, 2018.

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.

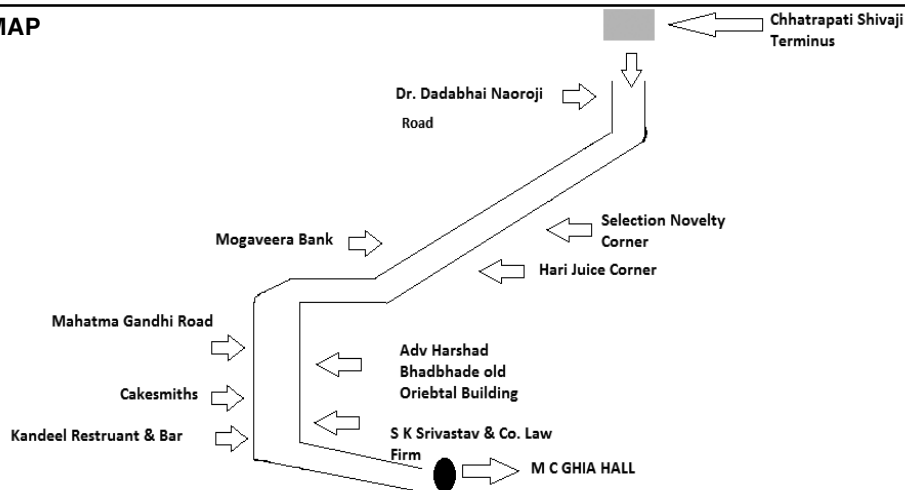
By order of the Board

**Ashok Kishinchand Khemani**  
Managing Director  
DIN: 00053623

**Place :** Mumbai  
**Date :** 26<sup>th</sup> July, 2017

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

### ROUTE MAP



## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **DIRECTORS' REPORT**

To,

The Members

**Blue Chip Tex Industries Limited**

Your Directors are pleased to present herewith the 32<sup>nd</sup> Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31, 2017 together with the Audited Statement of Accounts and Auditor's Report thereon.

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

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

<b>Particulars</b>	<b>In terms of INR</b>	
	<b>As on 31<sup>st</sup> March, 2017</b>	<b>As on 31<sup>st</sup> March, 2016</b>
Profit before depreciation	44,332,294	4,97,52,095
Less: depreciation	1,28,94,214	1,25,51,734
<b>Profit before Tax</b>	<b>3,14,38,080</b>	<b>3,72,00,361</b>
<b>Less: Provision for taxation</b>		
Current tax	1,03,50,000	1,06,01,111
Deferred tax	2,96,716	25,01,091
<b>Profit After Tax</b>	<b>2,07,91,364</b>	<b>2,40,98,159</b>
<b>Earnings per share ( Basic and Diluted)</b>	<b>10.55</b>	<b>12.23</b>
<b>Amount transferred to Profit and Loss account</b>	<b>2,07,91,364</b>	<b>2,40,98,159</b>
<b>Balance in Profit and Loss Account after appropriations</b>	<b>7,50,87,592</b>	<b>5,42,96,228</b>
Transfer to General Reserve	—	—
Proposed Dividend	<b>29,55,750</b>	<b>29,55,750</b>
Tax on Proposed Dividend	<b>6,01,720</b>	<b>6,01,720</b>

During the year under review your Company has reported a total income of INR 140,16,01,860/- out of which non operating income amounts to INR 12,69,589/-. Revenue from operations income registered increase by INR 20,428,282/- as compared to previous year, however profitability of the company was affected due to demonetization and increase in cost of raw materials.

##### **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, 2017.

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

The Company has not transferred any amount to Reserves out of amount available for appropriations.

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

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

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The Company is now planning an expansion in its present products items and has finalized capital expenditure of approximate of INR 21 crore comprising of construction of factory building and installation of Two (nos.) Draw Texturising Machines and Six (nos.) Air Texturising Machines. The project will be financed by Internal Accruals , Promoter directors and Bank . With the successful implementation of this expansion programme your Company is anticipating increase in turnover by INR 12 crore in this year & INR 58 crore in 2018-19.

### 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:

Your Company have initiated appropriate measures 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:	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
	Purchased Units (KWH)	1,56,37,651	1,60,42,868
	Total Amount (INR)	7,00,23,408	6,77,50,977
	Cost/Unit (INR)	4.48	4.22
	Consumption per ton polyester Texturised Yarn Production (units in KWH)	965.30	1013.39

#### 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 NIL during the year in terms of actual outflows.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **6. MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR TILL THE DATE OF THIS REPORT:**

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>
	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 becoming of Subsidiary / Joint ventures/ Associate Company</b>
	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. THE DETAILS IN RESPECT OF ADEQUACY OF 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 in accordance with Section 186 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2017 are as follows:

**Amount outstanding as at 31 March, 2017:**

<b>Particulars</b>	<b>Amount in INR</b>
Loans given	—
Guarantee given	—
Investments made	<b>41,94,950</b>



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### 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 is a part of this report. The same is as on 31<sup>st</sup> March, 2017.

### 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:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors who were absent with/ without leave of absence
1	16.04.2016	<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. Nand Kishanchand Khemani 2) Mr. Ashok Kishanchand Khemani 3) Mr. Kumar Saturgun Nathani 4) Mr. Manmohan Kishanlal Anand 5) Mr. Rahul A. Khemani 6) Mr. Shahin Khemani 7) Ms. Shraddha Teli	None
2	08.08.2016	<b>Venue:</b> ‘Office No. 17, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400 021. <b>Time:</b> 3:30 P.M.	1) Mr. Ashok Kishinchand Khemani 2) Mr. Kumar Nathani 3) Mr. Manmohan Kishanlal Anand 4) Mr. Nand Kishanchand Khemani 5) Mr. Rahul A. Khemani 6) Mr. Shahin Khemani 7) Mr. Maulin Samir Gandhi	Ms. Shraddha Mangesh Teli
3	11.11.2016	<b>Venue:</b> Office No. 17, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400 021. <b>Time:</b> 3:30 p.m.	1) Mr. Ashok Kishinchand Khemani 2) Mr. Nand Kishinchand Khemani 3) Mr. Rahul Khemani 4) Mr. Shahin Khemani 5) Mr. Kumar Nathani 6) Mr. Manmohan Kishanlal Anand 7) Mr. Maulin Samir Gandhi	Ms. Shraddha Mangesh Teli
4	03.02.2017	<b>Venue:</b> Office No. 17, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400 021. <b>Time:</b> 3:30 p.m.	1) Mr. Ashok Kishinchand Khemani 2) Mr. Nand Kishinchand Khemani 3) Mr. Rahul Khemani 4) Mr. Shahin Khemani 5) Ms. Shraddha Teli 6) Mr. Kumar Saturgun Nathani 7) Mr. Manmohan Kishanlal Anand 8) Mr. Maulin Samir Gandhi	None

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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/ Resignation / Change in Designation</b>
1	Mr. Vijay Kumar Mishra	Resignation from the post of Independent Director	Effective date of Resignation is 05.04.2016
2	Mr. Maulin Samir Gandhi	Appointment as an Additional Independent Director	Effective date of appointment is 22.04.2016
3	Mr. Maulin Samir Gandhi	Change in Designation from Additional Independent Director to Independent Director	Effective date of change in designation is 16.07.2016
4	Ms. Sonal Shukla	Appointed as Company Secretary	Effective date of appointment is 01.12.2016
5	Mr. Manmohan Anand	Appointed as Additional Independent Director	Effective date of appointment is 16.07.2016

### **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., Chartered Accountants (Firm Registration No. 108355W), Statutory Auditor of the Company will complete their tenure of two terms of five consecutive years as specified under Section 139 (2) of the Companies Act, 2013 at the ensuing annual general meeting and hence they shall not be eligible for re-appointment.

Considering the provisions of Section 139, 141, 142 of Companies Act, 2013 and read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors based on recommendations of the Audit Committee considered and approved the appointment of M/s. D K P & Associates, Chartered Accountants (Firm Registration No. 126305W) as the Statutory Auditors of the Company who have expressed their willingness and confirmed their eligibility for being appointed as Statutory Auditors of the Company.

Accordingly, M/s. D K P & Associates, Chartered Accountants (Firm Registration No. 126305W) as Statutory Auditors of the Company will hold office from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting to be held in the year 2022 subject to the approval of shareholders in the ensuing Annual General Meeting.

### **20. SECRETARIAL AUDITOR:**

The Company has appointed M/s. Pramod S. Shah and Associates, Practicing Company Secretaries, as a Secretarial Auditor of the Company, according to the provision of Section 204 of the Companies Act, 2013 read with rules for conducting Secretarial Audit of Company for the for the financial year 2016-17. The Report of the Secretarial Audit is annexed herewith as **Annexure IV**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

### **21. 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

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to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as “Annexure II”

### **22. 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>
	N.A	N.A	N.A	N.A

### **23. 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”.

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

There has been no change in the capital structure of the Company during the year ended 31st March, 2017.

### **25. 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.

### **26. 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.

### **27. STATEMENT FOR DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY U/S 134:**

At present the company has not identified any element of risk which may threaten the existence of the company.

### **28. 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.

### **29. DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013:**

There are no frauds reported by the Auditor which are required to be disclosed under Section 143(12) of Companies Act, 2013.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **30. 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 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 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/special resolution/ Board Resolution (if any)</b>
1.	Mr. Maulin Gandhi	22/04/2016	16/07/2016
2.	Mr. Kumar Nathani	09/09/2014	09/09/2014
3.	Mr. Manmohan Anand	16/07/2016	16/07/2016
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.

### **31. COMMITTEES OF BOARD:**

#### **I. Nomination and Remuneration Committee:**

The 'Nomination and Remuneration Committee' consists of three Directors with two independent 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:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mr. Kumar Nathani	Chairman
2	Mr. Nand Khemani	Member
3	Mr. Manmohan Anand	Member

#### **Nomination and Remuneration Policy**

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure III** 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 Three directors consisting of Two 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.

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**The Composition of the Committee is as under:**

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mr. Kumar Nathani	Chairman
2	Mr. Ashok Khemani	Member
3	Mr. Manmohan Anand	Member

**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.

### **III. Stakeholders Relationship Committee/ Shareholders Grievance Committee:**

The Committee has the mandate to review, redress shareholders' grievances and to approve all share transfers.

The composition of the Stakeholders Relationship Committee / Shareholders Grievance Committee as on March 31, 2017 is as under:-

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mr. Kumar Saturgun Nathani	Chairman
2	Mr. Nand Khemani	Member
3	Mr. Ashok Khemani	Member

The functions of the Stakeholder's Relationship Committee / Shareholders' Grievance Committee include the following:-

1. Transfer /Transmission of shares;
2. Issue of duplicate share certificates;
3. Review of shares dematerialized and all other related matters;
4. Monitors expeditious redressal of investors' grievances;
5. Non receipt of Annual Report and declared dividend;
6. All other matters related to shares.

### **IV. 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.

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### **32. 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 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed as “**Annexure IV**”.

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

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on code of conduct for Independent directors a Comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried by your company during the year under review as per the evaluation criteria approved by the Board and based on the guidelines given in schedule IV to the Companies Act, 2013.

For the purpose of carrying out performance evaluation exercise, three types of Evaluation forms were devised in which the evaluating director has allotted to the individual Director, the Board as a whole, its Committees and the Chairperson appropriate rating on the scale of six.

Such evaluation exercise has been carried out:

- (i) of Independent Directors by the Board;
- (ii) of Non-Independent Directors by all the Independent Directors in separate meeting held for the purpose on 3<sup>rd</sup> February, 2017;
- (iii) of the Board as a whole by all the Directors;
- (iv) of the Committees by all the Directors;
- (v) of the Chairperson of your Company by the Independent Directors in separate meeting held on 3<sup>rd</sup> February, 2017 after taking into account the views of the Executive/ Non-Executive Directors;
- (v) of the Board by itself.

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

The Independent Director of the Company are evaluated by the Non-Executive Directors and the other Directors of the Board. The criteria's for the evaluation of the Independent Directors are:

- a. Attendance record;
- b. Possesses sufficient skills, experience and level of preparedness which allows the person to clearly add value to discussions and decisions ;
- c. Able to challenge views of others in a constructive manner;
- d. Knowledge acquired with regard to the company's business/activities;
- e. Understanding of industry and global trends;
- f. Any qualitative comments and suggestions for improving effectiveness.

### **34. 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, 2017, 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, 2017 and of the profit of the Company for the year ended on that date;

- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**35. 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. Moreover the use and application of polyester is increasing day by day replacing far more expensive fibers.

**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;

Location Advantage: Silvassa is well connected & close to Big textiles markets like Surat, North India & Bhiwandi;

With GST Implementation the organised sector will definitely benefit.

**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;

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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%.

Increasing input costs i.e. power, finance and logistics;

Volatile government policies;

Fluctuation in Crude Oil Prices.

### **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 EU Countries 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**

**Ashok K. Khemani**  
Managing Director  
DIN: 00053623

**Nand K. Khemani**  
Director  
DIN: 00053671

**Place :** Mumbai  
**Date :** 26<sup>th</sup> July, 2017



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### **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, 2017**

**[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/  
Indian Non-Government
- 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  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai -400 059.  
Number : 022-62638200

#### **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 synthetic or artificial filament yarn, tenacity yarn whether or not textured including high tenacity yarn	20203	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					

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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>									
<b>(1) 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	254695	0	254695	12.93	254 695	0	254695	12.93	0
g) Group Companies	212700	0	212700	10.79	212 700	0	212700	10.79	0
<b>Sub-total (A) (1):</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>0</b>
<b>(2) 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>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	1100	5300	6400	0.32	1100	5300	6400	0.32	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):</b>	<b>1100</b>	<b>5300</b>	<b>6400</b>	<b>0.32</b>	<b>1100</b>	<b>5300</b>	<b>6400</b>	<b>0.32</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	7687	4200	11887	0.60	10563	1200	11763	0.60	(0.01)
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

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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	313425	367512	680937	34.56	338967	359312	698279	35.44	0.88
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	105358	0	105358	5.35	103088	0	103088	5.23	(0.12)
c) Clearing Member	795	0	795	0.04	735	0	735	0.03	(0.01)
d) Non Resident Indian(NRI)	44540	4900	49440	2.51	29652	4900	34552	1.75	(0.76)
<b>Sub-total (B)(2):</b>	<b>471805</b>	<b>376612</b>	<b>848417</b>	<b>43.06</b>	<b>483005</b>	<b>365412</b>	<b>848417</b>	<b>43.06</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>472905</b>	<b>381912</b>	<b>854817</b>	<b>43.38</b>	<b>484105</b>	<b>370712</b>	<b>854817</b>	<b>43.38</b>	<b>0.00</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>1588588</b>	<b>381912</b>	<b>1970500</b>	<b>100.00</b>	<b>1599788</b>	<b>370712</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 ExportHouse Private Limited	208300	10.57	100	208300	10.57	100	0
3.	M/s. SangamSyntwist Textiles Private Limited	162100	8.23	100	162100	8.23	100	0
4.	Mr. Ashok K. Khemani	74690	3.79	96.38	74690	3.79	96.38	0
5.	Mr. Nand K. Khemani	70531	3.58	99.11	70531	3.58	99.11	0
6.	Mr. Roop K. Khemani	35800	1.82	92.90	35800	1.82	92.90	0
7.	Mr. Shahin N. Khemani	28600	1.45	82.52	28600	1.45	82.52	0
8.	Mr. Rahul A. Khemani	25300	1.28	37.55	25300	1.28	37.55	0
9.	Mrs. Rachna A. Khemani	16495	0.84	75.78	16495	0.84	75.78	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	3279	0.17	0.00	3279	0.17	0.00	0
	<b>TOTAL</b>	<b>1115683</b>	<b>56.62</b>	<b>52.99</b>	<b>1115683</b>	<b>56.62</b>	<b>52.99</b>	<b>0</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	1115683	56.62	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):	Date wise increase/decrease of promoters holding:			
	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	2.07	40800	2.07
	Bought/sold during the year	0		40800	2.07
	At the end of the year			40800	2.07
2.	<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
3.	<b>Mr. Satya Prakash Mittal</b>				
	At the beginning of the year	30658	1.56	30658	1.56
	Bought/sold during the year				
	1) 15.04.2016	(818)	(0.05)	29840	1.51
	2) 20.05.2016	6	0.00	29846	1.51
	3) 03.06.2016	17	0.01	29863	1.52
	4) 15.07.2016	13	0.00	29876	1.52
5) 29.07.2016	(1625)	(0.09)	28251	1.43	
6) 05.08.2016	(401)	(0.02)	27850	1.41	

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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
	7) 12.08.2016	(993)	(0.05)	26857	1.36
	8) 19.08.2016	(195)	(0.01)	26662	1.35
	9) 26.08.2016	8	0.00	26670	1.35
	10) 07.10.2016	(59)	(0.00)	26611	1.35
	11) 21.10.2016	(540)	(0.02)	26071	1.32
	12) 28.10.2016	180	0.01	26251	1.33
	13) 04.11.2016	(325)	(0.01)	25926	1.32
	14) 11.11.2016	22	0.01	25948	1.32
	15) 25.11.2016	(136)	(0.01)	25812	1.31
	16) 02.12.2016	72	0.00	25884	1.31
	17) 09.12.2016	80	0.01	25964	1.32
	18) 30.12.2016	89	0.00	26053	1.32
	19) 20.01.2017	(132)	(0.00)	25921	1.32
	20) 10.02.2017	13	0.00	25934	1.32
	21) 17.02.2017	1150	0.05	27084	1.37
	22) 03.03.2017	1128	0.06	28212	1.43
	23) 31.03.2017	176	0.01	28388	1.44
	At the end of the year			28388	1.44
4.	<b>Mr. Sabyasachi Ghosh</b>				
	At the beginning of the year	0	0	0	0
	Bought /sold during the year				
	1)03.02.2017	500	0.03	500	0.03
	2) 24.02.2017	1985	0.01	2485	0.13
	3) 03.03.2017	5214	0.26	7699	0.39
	4)10.03.2017	2404	0.12	10103	0.51
	5) 17.03.2017	753	0.04	10856	0.55
	6) 31.03.2017	1941	0.10	12797	0.65
	At the end of the year			12797	0.65
5.	<b>Mr. Amit Arora</b>				
	At the beginning of the year	40760	2.07	40760	2.07
	Bought/sold during the year				
	1)10.06.2016	20	0.00	40780	2.07
	2)15.07.2016	40	0.00	40820	2.07
	3) 19.08.2016	(60)	(0.00)	40760	2.07
	4)07.10.2016	10	0.00	40770	2.07
	5) 18.11.2016	(5600)	(0.29)	35170	1.78
	6) 25.11.2016	(100)	(0.00)	35070	1.78
	7) 30.12.2016	(1160)	(0.06)	33910	1.72
	8) 10.02.2017	(11700)	(0.59)	22210	1.13
	9) 17.02.2017	(9145)	(0.47)	13065	0.66
	10) 24.02.2017	(1065)	(0.05)	12000	0.61
	At the end of the year			12000	0.61

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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
6.	<b>Mr. Suresh Kotturi</b>				
	At the beginning of the year	9657	0.49	9657	0.49
	Bought/sold during the year	0	0	9657	0.49
	At the end of the year			9657	0.49
7.	<b>Mr. Neeraj Kumar</b>				
	At the beginning of the year	0	0	0	0
	Bought/sold during the year				
	1) 05.08.2016	4984	0.25	4984	0.25
	2) 12.08.2016	2127	0.11	7111	0.36
	3) 09.09.2016	200	0.01	7311	0.37
4) 04.11.2016	539	0.03	7850	0.40	
	At the end of the year			7850	0.40
8.	<b>Ms. Jyoti Prem Tolani</b>				
	At the beginning of the year	2399	0.12	2399	0.12
	Bought/sold during the year				
	1) 10.06.2016	2243	0.12	4642	0.24
	2) 15.07.2016	300	0.01	4942	0.25
	3) 10.02.2017	1389	0.07	6331	0.32
	4) 17.02.2017	200	0.01	6531	0.33
	5) 10.03.2017	40	0	6571	0.33
6) 17.03.2017	25	0	6596	0.33	
	At the end of the year			6596	0.33
9.	<b>Ms. Meena Jetho Belani</b>				
	At the beginning of the year	8334	0.42	8334	0.42
	Bought/sold during the year				
	1) 22.04.2016	1	0	8335	0.42
	2) 15.07.2016	1	0	8336	0.42
	3) 12.08.2016	(713)	(0.03)	7623	0.39
	4) 19.08.2016	(469)	(0.03)	7154	0.36
	5) 26.08.2016	(793)	(0.04)	6361	0.32
	6) 14.10.2016	(50)	(0.00)	6311	0.32
7) 03.03.2017	245	0.01	6556	0.33	
	At the end of the year			6556	0.33
10.	<b>Ms. Namita Parakh</b>				
	At the beginning of the year	6000	0.30	6000	0.30
	Bought/sold during the year				
1) 30.09.2016	(319)	(0.02)	5681	0.29	
	At the end of the year			5681	0.29

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### (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	74690	3.79	74690	3.79
	Bought /sold during the year	0		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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **V. INDEBTEDNESS:**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,29,81,575	0	0	5,29,81,575
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>5,29,81,575</b>	<b>0</b>	<b>0</b>	<b>5,29,81,575</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	18,428,004	0	0	18,428,004
<b>Net Change</b>	<b>18,428,004</b>	<b>0</b>	<b>0</b>	<b>18,428,004</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,45,53,571	0	0	3,45,53,571
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>3,45,53,571</b>	<b>0</b>	<b>0</b>	<b>3,45,53,571</b>

### **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/ Manager</b>	<b>Total Amount</b>
		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 2016-17 shall not exceed eleven per cent of the net profit of the Company for financial year 2016-17 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. Manmohan Anand	Mr. Maulin Gandhi	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	20,000	20,000	15,000	10,000	0.00	0.00	0.00	65,000
	<b>Total (1)</b>	20,000	20,000	15,000	10,000	0.00	0.00	0.00	65,000
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 23,40,000	0.00 0.00 26,40,000	0.00 0.00 49,80,000
	<b>Total (3)</b>	0.00	0.00	0.00	0.00	0.00	23,40,000	26,40,000	49,80,000
	<b>Total Managerial Remuneration (1+2+3)</b>	20,000	20,000	15,000	10,000	0.00	23,40,000	26,40,000	50,45,000
	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 (Ms. Sonal Shukla)	CFO (Mr. Rahul Khemani)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	60,000	NIL	60,000
	(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>	–	60,000	NIL	60,000

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
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**

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

**Nand K. Khemani**  
(Director)  
DIN: 00053671

Place : Mumbai  
Date : 26<sup>th</sup> July, 2017

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### ANNEXURE II

#### 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 arm's 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
NIL								

#### 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 if, any	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 1st September, 2014 to 31st August, 2017	Salient features: Machine Hire Charges Paid. Value : INR 68,95,000/-	30th July, 2014	NIL

## **BLUE CHIP TEX INDUSTRIES LIMITED**

<b>Sr. No.</b>	<b>Name of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of contracts/ arrangements/ transactions</b>	<b>Salient features of contracts/ arrangements/ transactions, including value, if any</b>	<b>Date(s) of approval by the Board/ Audit Committee</b>	<b>Amount paid as advances, if any</b>
2.	M/s. Beekaylon Synthetics Private Limited	Purchase of Yarn	Ongoing Duration of transaction-perpetual	Salient features: Purchase of Yarn. Value: INR 1,00,57,89,128/-	08.08.2016; 11.11.2016; 03.02.2017; 25.05.2017.	NIL
3.	M/s. Beekaylon Synthetics Private Limited	Job Work Charges	Ongoing Duration of transaction-perpetual	Salient features: Job Work Charges. Value: INR 13,53,047/-	08.08.2016; 11.11.2016; 03.02.2017; 25.05.2017	NIL
4.	M/s. Beekaylon Synthetics Private Limited	Sale of Goods	Ongoing Duration of transaction-perpetual	Salient features: Sale of Goods. Value: INR 5,20,54,775/-	08.08.2016; 11.11.2016; 03.02.2017; 25.05.2017	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 3,49,34,391/-	08.08.2016; 11.11.2016; 03.02.2017; 25.05.2017	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 08.08.2016, 11.11.2016, 03.02.2017 and 25.05.2017 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**

**Ashok K. Khemani**  
Managing Director  
DIN: 00053623

**Nand K. Khemani**  
Director  
DIN: 00053671

Place : Mumbai  
Date : 26<sup>th</sup> July, 2017

**ANNEXURE III**

**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 there under, as amended from time to time.
- 2.2 Board means Board of Directors of the Company.
- 2.3 Directors mean Directors of the Company;
- 2.4 Policy 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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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,

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- 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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

and motivate Directors of the quality required to run the Company successfully;

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

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

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

## **4. Membership:**

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

## **5. Frequency of the meetings:**

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

## **6. Committee Members Interests:**

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

## **7. Minutes of Committee Meetings:**

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

**For and on behalf of the Board**

**Ashok K.Khemani**  
Managing Director  
DIN: 00053623

**Nand K. Khemani**  
Director  
DIN: 00053671

Place : Mumbai  
Date : 26<sup>th</sup> July, 2017



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### **ANNEXURE IV**

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

#### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[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 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 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 2011, as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (Not applicable during the audit period)

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

- (i) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- (ii) 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,

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

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

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

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

**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 II)

**We further report that** during the audit period company has:

1. Declared and paid Final dividend during the financial year ended 31st March, 2017 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.

**Pramod S. Shah & Associates**  
(Practising Company Secretaries)

Place: Mumbai  
Date: 26th July, 2017

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

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### **Annexure I**

To,  
The Members  
Blue Chip Tex Industries Limited

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

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

### **Annexure II**

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, 1948;
10. The Environment (Protection) Act, 1986 and Rules made thereunder;
11. Air (Prevention and Control of Pollution) Act, 1986 and Rules issued by the State Pollution Control Boards;
12. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

**Pramod S. Shah & Associates**  
(Practising Company Secretaries)

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

Place: Mumbai  
Date: 26th July, 2017

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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, 2017, 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, 2017, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedure performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the Company.
3. 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  
Date: 25th May, 2017

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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 March31, 2017 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 principles , and that receipts and expenditures of the company are being made only in accordance with

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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, 2017, 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  
Date: 25th May, 2017

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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 noticed on physical verification.
3. Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 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 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, 2017 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 dues of income tax , sale tax, service tax , duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute as on 31st March 2017, except for Income Tax dues as follows:



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<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	2012-13	144	Pending with Income tax Officer
4	2014-15	15,67,640	Pending with Income tax Officer
5	2015-16	55,240	Pending with Income tax Officer

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. The Company has not raised any moneys by way of initial public offer, further public offer ( including debt instruments) and term loans. Accordingly, the provisions of clause (ix) of the paragraph 3 of the Order are not applicable to the Company.
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  
Date: 25thMay, 2017

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

	NOTE No.	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
		₹	₹	₹	₹
<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	8,68,17,384	10,65,72,834	6,60,26,020	8,57,81,470
<b>Non-Current Liabilities</b>					
(a) Long Term Borrowings	3	1,71,67,334		3,45,53,571	
(b) Deferred Tax Liabilities (Net)	4	1,34,55,061		1,31,58,345	
(c) Long-term Provisions	5	18,99,180	3,25,21,575	12,20,435	4,89,32,351
<b>Current Liabilities</b>					
(a) Short Term Borrowings	6	2,72,23,333		3,41,99,146	
(b) Trade Payables	7				
Outstanding Dues to Micro and Small Enterprises			—		—
Outstanding dues of creditors other than Micro and Small Enterprise		12,69,18,688		11,28,56,970	
(c) Other Current Liabilities	8	3,49,22,524		3,65,16,538	
(d) Short-term Provisions	9	19,68,460	19,10,33,005	65,89,312	19,01,61,966
<b>TOTAL</b>			<b>33,01,27,414</b>		<b>32,48,75,787</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	10	13,48,51,463		14,51,69,747	
(b) Non-Current Investments	11	41,94,950		4,500	
(c) Long Term Loans and Advances	12	1,42,500		1,42,500	
(d) Other Non Current Assets	12A	53,52,184	14,45,41,097	17,08,181	14,70,24,928
<b>Current Assets</b>					
Inventories	13	3,30,68,789		2,70,00,530	
Trade Receivables	14	7,64,33,650		7,93,88,112	
Cash and Bank Balances	15	93,74,832		2,18,07,526	
Short Term Loans and Advances	16	6,67,09,046		4,96,54,691	
			<b>18,55,86,317</b>		<b>17,78,50,859</b>
<b>TOTAL</b>			<b>33,01,27,414</b>		<b>32,48,75,787</b>
Significant Accounting Policies Notes on Financial Statements	1 to 33				

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Chartered Accountants

**Ashok K. Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Shahin N. Khemani**  
Director

**Rahul A. Khemani**  
Director (CFO)

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

## 32<sup>nd</sup> ANNUAL REPORT 2016-17

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	NOTE NO.	2016-17 ₹	2015-16 ₹
<b>INCOME</b>			
Revenue from Operations	17	1,40,03,32,271	1,37,99,03,989
Other Income	18	12,69,589	8,12,845
<b>TOTAL OF REVENUE</b>		<b>1,40,16,01,860</b>	<b>1,38,07,16,834</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	1,12,08,25,545	1,09,88,82,947
Changes in Inventories of Finished Goods,	20	(24,18,678)	23,20,261
Employee Benefits Expense	21	2,69,66,897	2,18,73,838
Finance Costs	22	1,51,37,845	1,69,40,549
Depreciation and Amortisation Expense		1,28,94,214	1,25,51,734
Other Expenses	23	19,67,57,957	19,09,47,144
<b>TOTAL OF EXPENSES</b>		<b>1,37,01,63,780</b>	<b>1,34,35,16,473</b>
<b>Profit before taxes</b>		<b>3,14,38,080</b>	<b>3,72,00,361</b>
<b>Tax Expenses</b>			
Current Tax - for the current year		1,03,50,000	1,06,00,000
Current Tax - related to earlier years		—	1,111
Deferred Tax		2,96,716	25,01,091
<b>Profit after tax</b>		<b>2,07,91,364</b>	<b>2,40,98,159</b>
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted	26	10.55	12.23
Significant Accounting Policies			
Notes on Financial Statements	1 to 33		

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Chartered Accountants

**Ashok K. Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Shahin N. Khemani**  
Director

**Rahul A. Khemani**  
Director (CFO)

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	2016 - 2017	2015 - 2016
	₹	₹
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax	3,14,38,080	3,72,00,361
Adjustment for:		
Depreciation	1,28,94,214	1,25,51,734
Provision for Gratuity and Leave encashment	7,50,267	2,04,193
Share of Loss from Partnership Firm	66,975	68,249
Interest Received	(25,50,655)	(24,29,862)
Interest (from)/to a Partnership firm	3,295	(270)
Interest Paid to banks and others	1,69,23,037	1,86,64,066
Bad debts	3,536	11,212
Debit balances written off	12,448	23,119
Credit balances written back	(1,95,650)	(1,15,308)
<b>Operating Profit before Working Capital Changes</b>	<b>5,93,45,547</b>	<b>6,61,77,494</b>
Adjustment for:		
Inventories	(60,68,259)	65,52,142
Trade and other receivables	(1,43,53,648)	(2,15,92,704)
Trade and other payables	1,35,53,937	(2,99,21,547)
<b>Cash generated in Operations</b>	<b>5,24,77,577</b>	<b>2,12,15,385</b>
Income taxes paid	(1,14,84,904)	(96,63,575)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>4,09,92,673</b>	<b>1,15,51,810</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Investments	(41,90,450)	—
(Contribution to)/Withdrawals from a Firm - net	(67,979)	—
Purchase of fixed assets	(25,75,930)	(1,54,71,385)
Interest received	25,50,655	24,29,862
<b>Net Cash used in Investing Activities (B)</b>	<b>(42,83,704)</b>	<b>(1,30,41,523)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from secured loans	—	1,21,26,745
Repayment of secured loans	(2,54,03,817)	(1,58,64,143)
Dividend paid ( Including tax on dividend)	(34,08,577)	(27,71,498)
Interest paid to banks and others	(1,69,23,037)	(1,86,64,066)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>(4,57,35,431)</b>	<b>(2,51,72,962)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(90,26,462)</b>	<b>(2,66,62,675)</b>
Cash and cash equivalents at the beginning of the year	1,75,49,201	4,42,11,876
Cash and cash equivalents at the end of the year	<b>85,22,739</b>	<b>1,75,49,201</b>

#### **NOTES TO CASH FLOW STATEMENT**

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

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Chartered Accountants

**Ashok K. Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Shahin N. Khemani**  
Director

**Rahul A. Khemani**  
Director (CFO)

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

**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 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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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 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.

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### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

#### NOTE NO.

#### 1 SHARE CAPITAL:

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<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>	<b>1,97,55,450</b>	<b>1,97,55,450</b>

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, 2017		As at 31 <sup>st</sup> March, 2016	
	No. of Shares	% held	No. of Shares	% held
1 Beekaylon Synthetics Private Limited	4,86,188	24.67	4,86,188	24.67
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

##### Capital Reserve No.2

(Amount forfeited on equity shares warrants)

As per last Balance sheet 15,600 15,600

## **BLUE CHIP TEX INDUSTRIES LIMITED**

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>Securities Premium</b>				
As per last Balance sheet		33,80,363		33,80,363
<b>General Reserve</b>				
As per last Balance sheet		58,33,829		58,33,829
<b>Profit and Loss Account</b>				
As per last Balance sheet	5,42,96,228		3,37,55,539	
Add : Profit for the year	2,07,91,364		2,40,98,159	
	<u>7,50,87,592</u>		<u>5,78,53,698</u>	
<b>Less: Appropriations</b>				
Proposed Dividend on Equity Shares	—		29,55,750	
[Dividend per share (Previous year ₹ 1.50)]				
Tax on Dividend	—	7,50,87,592	6,01,720	5,42,96,228
<b>TOTAL</b>		<u><u>8,68,17,384</u></u>		<u><u>6,60,26,020</u></u>
<b>3 LONG TERM BORROWINGS:</b>				
<b>Secured</b>				
Term Loans - From a Bank	3,45,53,571		5,29,81,575	
Less : Short Term Maturities of Term Loans	<u>(1,73,86,237)</u>	<u>1,71,67,334</u>	<u>(1,84,28,004)</u>	<u>3,45,53,571</u>
<b>TOTAL</b>		<u><u>1,71,67,334</u></u>		<u><u>3,45,53,571</u></u>

### 3.1 Term Loans from Axis Bank Ltd.

Term Loans from Axis Bank Ltd. aggregating to ₹ 3,45,53,571/- (Previous Year ₹ 5,29,81,575/-) 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. mtrs., lying being and situated at Piparia Industrial Estate, Village Amli, silvassa,

Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq. mtrs.

3.2 Personal guarantee of the two directors of the company.

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



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

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

#### 4 DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>Deferred Tax Liabilities</b>		
Related to fixed assets	1,37,03,122	1,32,25,857
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	2,48,061	67,512
<b>TOTAL</b>	<u>1,34,55,061</u>	<u>1,31,58,345</u>

#### 5 LONG TERM PROVISIONS:

Provision for Leave Encashment	3,64,357	2,51,863
Provision for Gratuity	15,34,823	9,68,572
<b>TOTAL</b>	<u>18,99,180</u>	<u>12,20,435</u>

#### 6 SHORT TERM BORROWINGS:

<b>Secured #</b>		
Bank Overdraft - Working capital loans	2,72,23,333	3,41,99,146
<b>TOTAL</b>	<u>2,72,23,333</u>	<u>3,41,99,146</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.mtrs., lying being and situated at Piparia Industrial Estate, Village Amlia, 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:

Dues of micro enterprises and small enterprises *	—	—
Dues of other than micro enterprises and small enterprises #	12,69,18,688	11,28,56,970
<b>TOTAL</b>	<u>12,69,18,688</u>	<u>11,28,56,970</u>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<p>* The company has not received intimation from suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.</p> <p># Includes ₹ 11,22,70,106/- (Previous year ₹ 9,62,99,299/-) payable to a related party - Beekaylon Synthetics Private Limited. [Refer Note No.28]</p>		
<b>8 OTHER CURRENT LIABILITIES:</b>		
Current Maturities of Long Term Loans (Secured) (Refer Note No.3)	<b>1,73,86,237</b>	1,84,28,004
Unclaimed dividend *	<b>13,07,889</b>	11,58,996
Due to a firm wherein the Company is a Partner (Refer Note No. 28 and 30)	<b>70,270</b>	67,979
Interest accrued and due on borrowing-bank	<b>3,48,845</b>	5,66,300
Other Payables #	<b>1,58,09,283</b>	1,62,95,259
<b>TOTAL</b>	<b><u>3,49,22,524</u></b>	<b><u>3,65,16,538</u></b>
<p>* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.</p> <p># Includes mainly statutory dues, security deposits and advances from customers</p>		
<b>9 SHORT TERM PROVISIONS:</b>		
Provision for Leave Encashment	<b>83,236</b>	35,123
Provision for Gratuity	<b>74,429</b>	51,020
Proposed dividend	—	29,55,750
Tax on dividend	—	6,01,720
Provision for tax (Net of Advance Tax paid)	<b>18,10,795</b>	29,45,699
<b>TOTAL</b>	<b><u>19,68,460</u></b>	<b><u>65,89,312</u></b>

## Notes No. 10

## FIXED ASSETS (AT COST) AS ON 31.03.2017

(Amount in ₹)

DESCRIPTION	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	ASON 01.04.2016	ADDITIONS	ASON 31.03.2017	ASON 01.04.2016	FORTHE YEAR	UPTO 31.03.2017	ASON 31.03.2017	ASON 31.03.2016
<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	1,15,94,301	18,89,329	1,34,83,630	4,23,69,877	4,42,59,206
PLANT AND MACHINERY	12,10,86,441	23,12,437	12,33,98,878	3,24,07,149	96,57,336	4,20,64,485	8,13,34,393	8,86,79,292
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	58,41,954	10,55,723	68,97,677	54,73,046	65,28,769
COMPUTER	2,02,875	—	2,02,875	1,63,911	17,801	1,81,712	21,163	38,964
FURNITURE AND FIXTURES	7,96,953	2,63,493	10,60,446	6,23,812	71,053	6,94,865	3,65,581	1,73,141
VEHICLE	16,49,856	—	16,49,856	6,00,896	2,02,972	8,03,868	8,45,988	10,48,960
<b>TOTAL</b>	<b>19,68,53,643</b>	<b>25,75,930</b>	<b>19,94,29,573</b>	<b>5,16,83,896</b>	<b>1,28,94,214</b>	<b>6,45,78,110</b>	<b>13,48,51,463</b>	<b>14,51,69,747</b>
<b>PREVIOUS YEAR</b>	<b>18,14,26,422</b>	<b>1,54,27,221</b>	<b>19,68,53,643</b>	<b>3,91,32,162</b>	<b>1,25,51,734</b>	<b>5,16,83,896</b>	<b>14,51,69,747</b>	
Capital Work in Progress							—	—

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

10.2 # Refer Note No.3.1 and Note No.6 for security given.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>11 NON CURRENT INVESTMENTS:</b>				
(Long Term Investments - at cost)				
<b>(i) Other Investments</b>				
<b>In Equity Shares (Fully Paid) (Unquoted)</b>				
418000 (Previous Year Nil) Equity Shares of Beekaylon Synthetics Private Limited of ₹ 10 each		41,90,450		—
<b>(ii) 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>41,94,950</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>12A OTHER NON CURRENT ASSETS:</b>				
Bank Deposits with original maturity for more than 12 months		53,52,184		17,08,181
[Refer to Note No.15 for bank's lein on Fixed Deposit Receipts]		53,52,184		17,08,181
<b>13 INVENTORIES (As valued, verified and certified by the management)</b>				
(i) Raw materials		1,30,99,005		96,54,623
(ii) Finished goods		1,82,09,905		1,57,91,227
(iii) Packing materials and oil		17,59,879		15,54,680
<b>TOTAL</b>		<u>3,30,68,789</u>		<u>2,70,00,530</u>
<b>14 TRADE RECEIVABLES:</b>				
(Unsecured and Considered Good)				
Over six months from the date they are due for payment		2,31,932		3,00,240
Other debts #		7,62,01,718		7,90,87,872
<b>TOTAL</b>		<u>7,64,33,650</u>		<u>7,93,88,112</u>

# Includes ₹ 30,34,311/- (Previous year ₹ 43,31,134/-) from related party - Beekaylon Synthetics Private Limited. [Refer Note No.28]

## 32<sup>nd</sup> ANNUAL REPORT 2016-17

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<b>15 CASH AND BANK BALANCES :</b>				
<b>Cash and Cash Equivalents</b>				
(i) Balances with banks				
(a) Current accounts - unclaimed dividend accounts	13,07,889		11,58,996	
(b) Current accounts	67,75,411		1,63,72,865	
(c) Deposit with original maturity of less than 3 months @	3,68,000	84,51,300	—	1,75,31,861
(ii) Cash on hand		71,439		17,340
<b>SUB - TOTAL</b>		<b>85,22,739</b>		<b>1,75,49,201</b>
<b>Other Bank Balances</b>				
Deposits with original maturity for more than 12 months @		53,52,184		17,08,181
Deposits with original maturity for more than 3 months but less than 12 months @		8,52,093		42,58,325
Less: amount disclosed under other non-current assets [Note no.12A]		(53,52,184)		(17,08,181)
<b>TOTAL</b>		<b>93,74,832</b>		<b>2,18,07,526</b>
<p>@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 ₹ 48,74,277 (Previous year ₹ 42,68,506) of Axis Bank Ltd. pledged towards DSR money under bank's lien for term loan given by bank to the company.</p>				
<b>16 SHORT TERM LOANS AND ADVANCES:</b>				
Interest Accrued on Deposit with banks		9,12,483		10,01,588
Prepaid Expenses		2,82,181		4,23,223
Advance to Suppliers		—		1,86,393
Others #		6,55,14,382		4,80,43,487
		<b>6,67,09,046</b>		<b>4,96,54,691</b>
<p># Includes mainly VAT Refund Receivable</p>				
<b>17 REVENUE FROM OPERATIONS:</b>				
(a) Sale of Products				
Texturised and Twisted Yarn		1,36,53,97,880		1,34,63,23,080
(b) Sale of Services				
Job Work Income		3,49,34,391		3,35,80,909
<b>TOTAL</b>		<b>1,40,03,32,271</b>		<b>1,37,99,03,989</b>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>18 OTHER INCOME:</b>		
Interest Income	6,07,367	5,88,706
Sundry Income - (Inclusive Scrap sale)	4,66,572	1,08,831
Sundry Balances written back	1,95,650	1,15,308
<b>TOTAL</b>	<b>12,69,589</b>	<b>8,12,845</b>
<b>19 COST OF MATERIAL CONSUMED (Indigenous):</b>		
<b>Yarn</b>		
Opening Stock	96,54,623	1,35,97,347
Add: Purchases during the year	1,12,42,69,927	1,09,49,40,223
Less: Closing Stock	1,30,99,005	96,54,623
<b>TOTAL</b>	<b>1,12,08,25,545</b>	<b>1,09,88,82,947</b>
<b>20 CHANGES IN INVESTORIES OF FINISHED GOODS:</b>		
<b>Inventories - at close</b>		
Finished Goods	1,82,09,905	1,57,91,227
<b>Inventories - at commencement</b>		
Finished Goods	1,57,91,227	1,81,11,488
<b>TOTAL</b>	<b>(24,18,678)</b>	<b>23,20,261</b>
<b>21 EMPLOYEE BENEFITS EXPENSE:</b>		
(a) Salaries and Wages (₹ 49,80,000 (Previous Year ₹ 31,80,000) paid to directors)	2,56,11,354	2,06,13,214
(b) Contribution to Provident Fund [Refer Note No.21.1]	10,99,904	9,50,210
(c) Staff Welfare Expenses	2,55,639	3,10,414
<b>TOTAL</b>	<b>2,69,66,897</b>	<b>2,18,73,838</b>

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

**Defined Contribution Plan :**

Employers contribution to Provident Fund Rs.10,99,904 (Previous Year ₹ 9,50,210) charged to Profit & Loss account.

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

The liability in respect of Gratuity has been provided based on the Actuarial valuation. The liability at the beginning of the year was Rs.10,19,592 (Previous Year ₹ 8,44,813). Current Service Cost is ₹ 5,89,660 (Previous Year ₹ 1,74,779) and liability at the end of the year is ₹ 16,09,252 (Previous Year ₹ 10,19,592). The same have been provided for by way of charge to Profit & Loss account.

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	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	₹	₹	₹
<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 ₹ 2,86,986 (Previous Year ₹ 2,57,572). Current Service Cost is ₹ 1,60,607 (Previous Year ₹ 29,414) and liability at the end of the year is ₹ 4,47,593 (Previous Year ₹ 2,86,986). The same have been provided for by way of charge to Profit & Loss account.				
<b>22 FINANCE COST:</b>				
Interest Expenses #	1,49,83,044		1,70,27,315	
Other Borrowing Costs	1,54,801		1,17,909	
	1,51,37,845		1,71,45,224	
Less: Finance Cost Capitalised	—		2,04,675	
<b>TOTAL</b>	<b>1,51,37,845</b>		<b>1,69,40,549</b>	
# Net off interest received ₹ 19,43,288 (Previous Year ₹ 18,41,426)				
<b>23 OTHER EXPENSES:</b>				
<b>(a) Manufacturing expenses</b>				
Packing materials	4,32,77,662		4,01,26,186	
Stores, Spares and Oil consumed	3,21,49,575		3,29,44,904	
Power and fuel	7,00,23,408		6,77,53,977	
Contract labour charges	1,20,99,948		1,41,20,484	
Job work charges	13,53,047		13,98,049	
Repairs to Building	11,14,801		1,69,628	
Repairs to Plant and Machinery	24,93,666		30,49,323	
Repairs to Others	14,57,811		14,66,716	
Rent - Office	6,00,000		6,00,000	
Machine Hire Charges	68,95,000		68,33,600	
Rates and taxes	15,926		13,849	
Insurance	3,46,845	17,18,27,689	2,90,259	16,87,66,975
<b>(b) Establishment Expenses</b>				
Payment to Auditors [Refer Note No.25]	3,96,750		3,69,880	
Directors sitting fees	74,675		79,547	
Share of Loss from a Partnership Firm	66,975		68,249	
Miscellaneous expenses	53,69,573	59,07,973	39,27,383	44,45,059
<b>(c) Selling and Distribution Expenses</b>				
Brokerage and Commission	1,83,51,083		1,66,76,053	
Bad Debts	3,536		11,212	
Freight Charges	6,67,676	1,90,22,295	10,47,845	1,77,35,110
<b>TOTAL</b>	<b>19,67,57,957</b>		<b>19,09,47,144</b>	

## **BLUE CHIP TEX INDUSTRIES LIMITED**

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	₹	%	₹	%
<b>24 VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:</b>				
Imported	—	—	—	—
Indigenous	7,54,27,237	100%	7,30,71,090	100%
<b>TOTAL</b>	<b>7,54,27,237</b>	<b>100%</b>	<b>7,30,71,090</b>	<b>100%</b>
<b>25 PAYMENT TO AUDITORS AS:</b>		<b>F.Y.2016-17</b>		<b>F.Y.2015-16</b>
(a) Auditor				
Statutory Audit Fees		2,58,750		2,29,000
Tax Audit Fees		57,500		57,250
Certification Fees - Transfer Price		34,500		34,350
Other Matters		—		3,480
(b) Cost Audit Fees		46,000		45,800
<b>TOTAL</b>		<b>3,96,750</b>		<b>3,69,880</b>
<b>26 EARNING PER SHARE:</b>		<b>F.Y.2016-17</b>		<b>F.Y.2015-16</b>
a. Net Profit after tax				
Profit attributable to Equity Shareholders		2,07,91,364		2,40,98,159
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)		10.55		12.23
<b>27 EXPENDITURE IN FOREIGN CURRENCY:</b>				
Travelling Expenses		—		59,791
<b>28 RELATED PARTY DISCLOSURES:</b>				
a) <b>Names of related parties and description of relationship:</b>				
i. <b>Key Management Personnel :</b>				
Mr. Kumar Nathani				
Mr. Rahul A. Khemani				
Mr. Shahin N. Khemani				
Mr. Vijay Kumar Mishra				
Mr. Manmohan Anand				
Mrs. Sraddha Teli				
Mr. Maulin Gandhi				
ii. <b>Others</b> (Entities in which Key Management Personnel have control or significant influence)				
Beekaylon Synthetics Private Limited				
Indo Leather Works				
Jay Gee Rayons				



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b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others ₹	Key Management Personnel and Relatives ₹	Total ₹
1	Rent Paid Indo Leather Works	6,00,000 (6,00,000)	Nil (Nil)	6,00,000 (6,00,000)
2	Machine Hire Charges Paid Beekaylon Synthetics Pvt. Ltd.	68,95,000 (68,33,600)	Nil (Nil)	68,95,000 (68,33,600)
3	Insurance Premium (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	3,99,008 (3,60,250)	Nil (Nil)	3,99,008 (3,60,250)
4	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.	1,00,57,89,128 (98,16,62,417)	Nil (Nil)	1,00,57,89,128 (98,16,62,417)
5	Job Work Charges Beekaylon Synthetics Pvt. Ltd.	13,53,047 (12,72,263)	Nil (Nil)	13,53,047 (12,72,263)
6	Sale of goods Beekaylon Synthetics Pvt. Ltd.	5,20,54,775 (3,81,60,325)	Nil (Nil)	5,20,54,775 (3,81,60,325)
7	Job Work (Income) Beekaylon Synthetics Pvt. Ltd.	3,49,34,391 (3,35,80,909)	Nil (Nil)	3,49,34,391 (3,35,80,909)
8	Remuneration to Director Rahul A. Khemani  Shahin N. Khemani	Nil (Nil) Nil (Nil)	23,40,000 (14,40,000) 26,40,000 (17,40,000)	23,40,000 (14,40,000) 26,40,000 (17,40,000)
9	Sitting Fees # Kumar Nathani  Vijay Kumar Mishra  Manmohan Anand  Maulin Gandhi  Shraddha Teli	Nil (Nil) Nil (Nil) Nil (Nil) Nil (Nil)	22,975 (22,743) Nil (11,318) 22,975 (22,743) 17,250 (Nil) 11,475 (22,743)	22,975 (22,743) Nil (11,318) 22,975 (22,743) 17,250 (Nil) 11,475 (22,743)
10	Interest Paid Beekaylon Synthetics Pvt. Ltd.	1,35,50,985 (1,09,90,617)	Nil (Nil)	1,35,50,985 (1,09,90,617)

## **BLUE CHIP TEX INDUSTRIES LIMITED**

<b>Sr. No.</b>	<b>Nature of Transactions</b>	<b>Others</b>	<b>Key Management Personnel and Relatives</b>	<b>Total</b>
		₹	₹	₹
11	Interest paid to Partnership Firm Jay Gee Rayons	3,295 (Nil)	Nil (Nil)	3,295 (Nil)
12	Interest received from Partnership Firm Jay Gee Rayons	Nil (270)	Nil (Nil)	Nil (270)
13	Reimbursement - Vehicle Expenses Beekaylon Synthetics Pvt. Ltd.	1,16,500 (Nil)	Nil (Nil)	1,16,500 (Nil)
14	Share of Loss from Partnership Firm Jay Gee Rayons	66,975 (68,249)	Nil (Nil)	66,975 (68,249)
15	Balance Recoverable /Receivable Beekaylon Synthetics Pvt. Ltd.	30,34,311 (43,31,134)	Nil (Nil)	30,34,311 (43,31,134)
16	Balance Payable Beekaylon Synthetics Pvt. Ltd.	11,22,70,106 (9,62,99,299)	Nil (Nil)	11,22,70,106 (9,62,99,299)
17	Investment in Partnership Firm Jay Gee Rayons	4,500 (4500)	Nil (Nil)	4,500 (4500)
18	Contribution during the year Jay Gee Rayons	67,979 (Nil)	Nil (Nil)	67,979 (Nil)
19	Balance Payable as at 31st March, 2017 Jay Gee Rayons Payable	70,270 (67,979)	Nil (Nil)	70,270 (67,979)

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.

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

(To the extent not provided for)

	<b>F.Y.2016-17</b>	<b>F.Y.2015-16</b>
(i) <b>Disputed Income Tax Liabilities/Demand :</b>	<b>24,33,634</b>	24,33,487
(ii) <b>Outstanding Bank Guarantee</b>	<b>73,97,000</b>	73,97,000

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### 30 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:

Name of the Firm - Jay Gee Rayons

Name of the Partners	As at 31.03.2017			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	(78,078)	(73,078)	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(70,270)	(65,770)	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	(70,270)	(65,770)	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	(70,236)	(65,736)	9%
Mr. Nand K. Khemani	4,500	(69,899)	(65,399)	9%
Mr. Ashok K. Khemani	4,500	11,19,895	11,24,395	9%
Mr. Rahul A. Khemani	4,500	(69,895)	(65,395)	9%
Mr. Siddharth A. Khemani	4,500	1,21,97,424	1,22,01,924	9%
Mr. Shahin N. Khemani	4,500	(69,895)	(65,395)	9%
Mrs. Nitika S. Khemani	4,500	(69,330)	(64,830)	9%
Mrs. Rishma R. Khemani	4,500	(69,330)	(64,830)	9%
<b>Total</b>	<b>50,000</b>	<b>1,26,80,115</b>	<b>1,27,30,115</b>	

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. 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. 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%
Mrs. Nitika S. Khemani	—	(68,249)	(68,249)	9%
Mrs. Rishma R. Khemani	—	(68,249)	(68,249)	9%
<b>Total</b>	<b>41,000</b>	<b>1,27,14,267</b>	<b>1,27,55,267</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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

- 33 The Ministry of Corporate Affairs (MCA) in its notification dated 30th March, 2017 amended Schedule III to the Companies Act 2013, requiring companies to provide the following disclosure in the financial statement in respect of Specified Bank Notes (CBN) held and transacted during the period 8th November, 2016 to 30th December, 2016.

	<b>SBNs</b>	<b>Other Denomination notes</b>	<b>Total</b>
	₹	₹	₹
<b>Closing Cash in hand as on 08.11.2016</b>	28,000	13,902	41,902
(+) Permitted receipts	—	2,00,482	2,00,482
(-) Permitted payments	—	14,637	14,637
(-) amount deposited in Banks	28,000	55	28,055
<b>Closing Cash in hand as on 30.12.2016</b>	—	<b>1,99,692</b>	<b>1,99,692</b>

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**  
Chartered Accountants

**Ashok K. Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Shahin N. Khemani**  
Director

**Rahul A. Khemani**  
Director (CFO)

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2017

**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

Name of the Company: **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

Sr. No.	Name	Address	E-mail ID	Signature
1				
2				
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32<sup>nd</sup> annual general meeting of the company, to be held on the Tuesday 29<sup>th</sup> August, 2017 at 10.00 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..... 2017

\_\_\_\_\_  
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 Office No.17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai-400021 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-400 020  
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 32nd annual general meeting of the company, to be held on Tuesday 29<sup>th</sup> August, 2017 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.

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