

# **BLUE CHIP TEX INDUSTRIES LIMITED**

**33<sup>rd</sup>**  
**ANNUAL**  
**REPORT**  
**2017-2018**



## **BLUE CHIP TEX INDUSTRIES LIMITED**

<b>Corporate Identification Number</b>	:	L17100MH1985PLC037514
<b>Board of Directors</b>	:	ASHOK K. KHEMANI Chairman & Managing Director NAND K. KHEMANI (Resigned w.e.f. 05.12.2017 ) RAHUL A. KHEMANI SHAHIN N. KHEMANI KUMAR S. NATHANI MANMOHAN ANAND (Resigned w.e.f. 29.08.2017) MAULIN GANDHI SHRADDHA TELI
<b>Statutory Auditors</b>	:	D K P & Associates Chartered Accountant
<b>Banker</b>	:	Axis Bank Limited
<b>Registered Office</b>	:	410-411, Kapadia Chambers 599, Jagannath Shankar Sheth Road, Chira Bazar, Kalbadevi, Mumbai 400 002 Tel. : 022-43530400 Fax.: 022-2200 6437 Email : <a href="mailto:bluechiptex@gmail.com">bluechiptex@gmail.com</a> Website : <a href="http://bluechiptexindustrieslimited.com">bluechiptexindustrieslimited.com</a>
<b>Corporate Office</b>	:	Office No.17, Maker chambers – III, Jamnalal Bajaj Road, Nariman Point, Nariman Point, Mumbai – 400 021
<b>Chief Financial Officer</b>	:	Rahul A. Khemani
<b>Company Secretary</b>	:	Hitesh Kavediya
<b>Factory</b>	:	i) Plot No. 63-B, Danudyog Sahakari Sangh Ltd Village Piparia, District Silvassa, Union Territory of Dadra & Nagar Haveli, Pin - 396 230 ii) Plot No.45-B, Govt. Industrial Estate, Masat, Silvassa, Union Territory of Dadra & Nagar Haveli, Pin - 396 230
<b>Registrar &amp; Transfer Agent</b>	:	Bigshare Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059 Number : 022- 62638200 Fax : 022 62638299 e-mail : <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

**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 33<sup>RD</sup> ANNUAL GENERAL MEETING OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON TUESDAY, 11<sup>TH</sup> SEPTEMBER, 2018 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 receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018, the Reports of the Directors and Auditors thereon.
2. To declare final dividend of Rs.1.80/- per equity share
3. To appoint a Director in place of Mr. Shahin Nand Khemani (DIN 03296813) 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), and pursuant to the recommendations of the Audit Committee of the Board of Directors, consent of the members be and is hereby accorded to ratify the appointment of M/s. D K P & Associates, Chartered Accountants, bearing Firm registration number 126305W as Statutory Auditors of the Company for the financial year 2018-19, 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. **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 Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable during the year 2018-19 to M/s NKJ & Associates, Practising Cost Accountants, Navi Mumbai, (Firm Registration No.101893) who have been appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-2019, 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”.

6. **To obtain loan from Bank(s) and any other institution and to consider and if thought fit pass the following resolution with or without modification(s) in this regard as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any modifications or re-enactment thereof as amended from time to time and any other applicable provisions for the time being in force, and subject to such

## **BLUE CHIP TEX INDUSTRIES LIMITED**

approvals, consents, sanctions as may be required, the consent of the Members of the Company be and is hereby accorded to borrow from time to time, any sum or sums of monies as the Board may deem fit for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company, its free reserves and security premium, provided that the total outstanding amount so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), shall not at any time exceed the sum of Rs. 100 crores.

**FURTHER RESOLVED THAT** any Director of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to this resolution including but not limited to filing of all necessary e-forms with the office of the Registrar of Companies, Mumbai."

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

**"RESOLVED THAT** in supersession of the resolution passed at the Thirty First Annual General Meeting held on 16th July, 2016 and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the Act), read with Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 and Schedule V and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification, re-enactment and amendments made from time to time) and other applicable Acts, rules, regulations if any and the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, the consent of the members be and is hereby accorded to pay remuneration to Mr. Rahul Khemani, Director (DIN: 03290468) with effect from 1st April, 2018, exceeding the limits specified under the provisions of Section 197 of the Companies Act, 2013.

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

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

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised do all such acts as may be necessary to give effect to the aforesaid resolution."

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

**"RESOLVED THAT** in supersession of the resolution passed at the Thirty First Annual General Meeting held on 16th July, 2016 and pursuant to the provisions of Section 197 of the Companies Act, 2013 (the Act), read with Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014 and Schedule V and all other applicable provisions of the Companies Act, 2013, if any (including any statutory modification, re-enactment and amendments made from time to time) and other applicable Acts, rules, regulations if any and the Articles of Association of the Company and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, the consent of the members be and is hereby accorded to pay remuneration to Mr. Shahin Khemani, Director (DIN: 03296813) with effect from 1st April, 2018, exceeding the limits specified under the provisions of Section 197 of the Companies Act, 2013.

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

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

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorised do all such acts as may be necessary to give effect to the aforesaid resolution."

**9. To approve shifting of registered office from the "state of Maharashtra" to the "Union Territory of Dadra & Nagar Haveli and to consider and if thought fit to pass the following resolution with or without modification(s) in this regard as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 12, 13 of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014 and all the other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder [including any statutory modification(s), amendment(s) re-enactments(s) thereof for the time being in force]and subject to the approval of the Regional Director and all other concerned authorities, as may be required, the consent of the members be and is hereby accorded to shift the Registered Office of the Company from 410-411, Kapadia Chambers, 599, Jagannath Shankar Sheth Road, Chira Bazar, Kalbadevi Mumbai-400002 to Plot No. 63-B, Danudyog Sahakari Sangh Ltd., Village Piparia, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.

**RESOLVED FURTHER THAT** the Clause No. II of the Memorandum of Association of the Company be and is hereby substituted by the following:

"II. The Registered Office of the Company will be situated in Union Territory of Dadra & Nagar Haveli i.e within the jurisdiction of Registrar of Companies at Gujarat."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director of the Company, be and is hereby authorized to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard."

By order of the Board

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

**Place :** Mumbai

**Date :** 03<sup>rd</sup> August, 2018

**Registered Office:**

410-411, Kapadia Chambers,  
599, Jagannath Shankar  
Sheth Road, Chira Bazar, Kalbadevi,  
Mumbai - 400002

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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 Corporate 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, 4th September, 2018 to Monday, 10th September, 2018 (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 10<sup>th</sup> October, 2018 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, 3rd September, 2018;
  - 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, 3<sup>rd</sup> September, 2018.
- 5) Members holding shares in dematerialized form are requested to intimate all 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. Further, BSE has issued a Circular on July 05, 2018 vide Gazette notification dated June 8, 2018 and have specified that with effect from December 5, 2018, transfer of shares shall be in dematerialized form only hence the members are requested to convert the shares from Physical form to dematerialized mode.
- 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;



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- 10) Transfer of Unclaimed/Unpaid amounts and share to the Investor Education and Protection Fund (IEPF): Pursuant to section 123, 124 and 125 of Companies Act, 2013 read with Investor Education & Protection Fund Authority Rules, 2016 all unclaimed/unpaid dividend, application money, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company and shares against the same 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;
- 11) 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 send a correspond at Office no. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021. 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;

- 12) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the 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	20.09.2010	2009-2010	19.10.2017
2	11.08.2011	2010-2011	10.09.2018
3	17.09.2012	2011-2012	17.10.2019
4	21.08.2013	2012-2013	20.09.2020
5	09.09.2014	2013-2014	08.10.2021
6	23.07.2015	2014-2015	22.08.2022
7	16.07.2016	2015-2016	15.08.2023
8	29.08.2017	2016-2017	28.09.2024

It may be noted that the claimant of the Dividend shall be entitle 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 corporate office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

- 13) Particulars of the dividend and shares transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2018 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

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<b>Sr. No.</b>	<b>Date of Declaration of Dividend</b>	<b>Dividend for the Financial Year</b>	<b>Amount transferred to Investor Education &amp; Protection Fund (₹)</b>	<b>Date of transfer to Investor Education &amp; Protection Fund</b>
1	20.09.2010	2009-2010	1,22,993	31.10.2017

In view of the above, the Company has transferred 103,952 equity shares to IEPF authority.

- 14) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company/Depositories;
- 15) 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;
- 16) 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;
- 17) 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;
- 18) 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;
- 19) 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;
- 20) 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;

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

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 33<sup>rd</sup> 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 09.00 a.m. on Friday, 7<sup>th</sup> September, 2018 and ends at 5.00 p.m. on Monday, 10<sup>th</sup> September, 2018, 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, 4<sup>th</sup> September, 2018 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;

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- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company;
- v. Next enter the Image Verification as displayed and Click on Login;
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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)	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. <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 EVSN for the relevant <Company Name> 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;

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- xvii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **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.**
- xix. **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 [www.evotingindia.com](http://www.evotingindia.com) 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.
- xx. 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 22) 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;
- 23) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com) and on the website of CDSL immediately after the result is declared by the Chairman.
- 24) The requirements of the Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to the profile of the director to be re-appointed is enclosed as Annexure I;

**Place :** Mumbai

**Date :** 03<sup>rd</sup> August, 2018

**Registered Office:**

410-411, Kapadia Chambers,  
599, Jagannath Shankar  
Sheth Road, Chira Bazar,  
Kalbadevi Mumbai-400002

By order of the Board  
**Ashok Kishinchand Khemani**  
Managing Director  
DIN:-00053623

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### **Annexure 1**

#### **DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS AS REQUIRED UNDER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

##### **Mr. Shahin Khemani**

##### **Director**

Name of the Director	Mr. Shahin Khemani
Director Identification Number	03296813
Date of Appointment	1 <sup>st</sup> November, 2010
Brief resume and nature of his expertise in specific functional area	Mr. Shahin is B.M.S. degree holder from Mumbai university and has done MSC in technology entrepreneurship from university college of London. He has experience of 10 years in Textile Industry.
Disclosure of relationship between directors inter-se	Mr. Ashok Khemani, Managing director of the Company is a brother of Mr. Nand Khemanai (father of Mr. Shahin Khemani)
Names of listed entities in which he holds the directorship and the membership of the committee of the board	He is a member of Stakeholders Relationship Committee of Blue Chip Tex Industries Limited.
Number of shares held in the Company	28600

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

##### **Item No. 5 (Ratification of remuneration payable to cost auditor)**

The Board of Directors of the Company at its meeting held on May 25<sup>th</sup> 2018, on the recommendation of the Audit Committee, had approved the appointment of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm Registration No.101893) as the cost auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2018-2019 and the remuneration payable to them. 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. 5 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, 2019.

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.5.

##### **Item No. 6 (Enhancing borrowing limit)**

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital, free reserves and security premium unless the Shareholders have authorized the Board to borrow the monies up to

## **BLUE CHIP TEX INDUSTRIES LIMITED**

such higher limits. In order to finance the growth in the business of the Company, it is proposed to enhance the power of Board of Directors to borrow money in the form of Loan / Letter of Credit and any other forms of financial assistance from various banks, Financial Institutions up to a sum not exceeding INR 100 Crores.

The approval of the Members of the Company is therefore sought on item no.6 of this Notice by way of a Special Resolution.

Pursuant to the applicable provisions of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.

### **Item No. 7 (Remuneration payable to Mr. Rahul Khemani)**

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

In the Meeting of the Board of Directors held on 3<sup>rd</sup> August, 2018, the Directors of the Company has approved payment of Increased remuneration to Mr. Rahul Khemani, Director (DIN: 03290468) for the period commencing from 1st April, 2018 to INR 36,00,000 p.a. and subject to compliance of schedule V and Section 197 of the Companies Act, 2013 and approval of shareholders.

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

None of the directors except Mr. Ashok Khemani, Managing Director, being father of Mr. Rahul Khemani and Mr. Rahul Khemani and his relatives are deemed to be concerned or interested in this Resolution.

### **Item No. 8 (Remuneration payable to Mr. Shahin Khemani)**

It is proposed to increase the current remuneration paid to Mr. Shahin Khemani, Director (DIN:03296813), based on his commitment to work. Mr. Shahin Khemani has good experience in the field of Textile Industry and is devoting his substantial time and efforts in the Business of the Company.

In the Meeting of the Board of Directors held on 3<sup>rd</sup> August, 2018, the Directors of the Company has approved payment of Increased remuneration to Mr. Shahin Khemani, Director (DIN: 03296813) for the period commencing from 1st April, 2018 to INR 36,00,000 p.a. and subject to compliance of schedule V and Section 197 of the Companies Act, 2013 and approval of shareholders.

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

None of the directors except Mr. Shahin Khemani and his relatives are deemed to be concerned or interested in the resolution.

### **Item No. 9 (Change in the registered office of the Company from the state of Maharashtra to the Union Territory of Dadra and Nagar Haveli)**

The Registered Office of the Company is presently situated in Mumbai within the Jurisdiction of the Registrar of Companies, Mumbai. However, the management and the Administration processes are mostly carried out from Silvassa, Union Territory of Dadra and Nagar Haveli.

In keeping the view of smooth functioning and efficient management of the business, which will allow speedy communication, more conveniently, effectively and economically, the Company has decided to shift the Registered Office of the Company from the state of Maharashtra to the Union Territory of Dadra & Nagar Haveli.

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

Shifting of registered office from state of Maharashtra to the Union Territory of Dadra & Nagar Haveli requires alteration in clause II of Memorandum of Association of the Company and for such alteration approval of the members by way of Special Resolution is necessary to give effect to such change in Registered Office. Hence members approval is sought to give effect to the aforesaid resolution.

The proposed change will in no way be detrimental to the interest of any members of public, employees or other association of the company in any manner whatsoever.

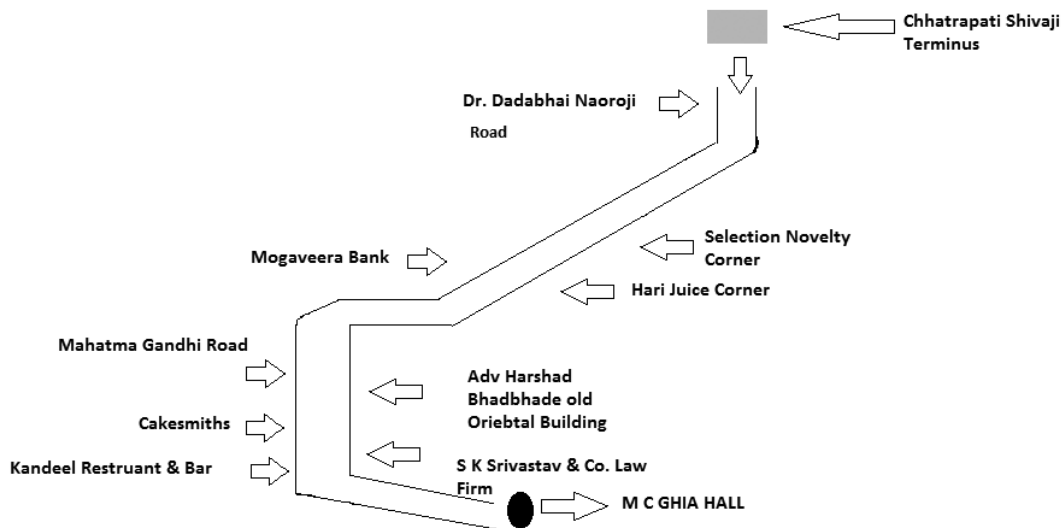
None of the directors of the company and their relatives are in any way concerned or interested in the aforesaid resolution except to the extent of their shareholdings and/or concerns in the Company, companies, bodies corporate in which they may be interested directly either as a member(s) and /or as a Director(s) and/or otherwise.

**Place :** Mumbai  
**Date :** 03<sup>rd</sup> August, 2018

**Registered Office:**  
410-411, Kapadia Chambers,  
599, Jagannath Shankar  
Sheth Road, Chira Bazar,  
Kalbadevi Mumbai-400002

By order of the Board  
**Ashok Kishinchand Khemani**  
Managing Director  
DIN:-00053623

### ROUTE MAP



## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **DIRECTORS' REPORT**

To,

The Members of  
**Blue Chip Tex Industries Limited**

Your Directors are pleased to present herewith the 33rd Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31<sup>st</sup>, 2018 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 ₹ in Lakhs</b>	
	<b>As on 31<sup>st</sup> March, 2018</b>	<b>As on 31<sup>st</sup> March, 2017</b>
Profit before depreciation	905.19	446.03
Less: depreciation	163.59	128.94
<b>Profit before Tax</b>	<b>741.60</b>	<b>317.09</b>
<b>Less: Provision for taxation</b>		
Current tax	201.50	104.40
Deferred tax	21.75	2.97
<b>Profit After Tax</b>	<b>518.35</b>	<b>209.72</b>
<b>Other Comprehensive income</b>	<b>1.00</b>	<b>(1.81)</b>
<b>Total Comprehensive Income for the year</b>	<b>519.35</b>	<b>207.91</b>
<b>Earnings per share (in ₹) (Basic and Diluted)</b>	<b>26.31</b>	<b>10.64</b>
<b>Amount transferred to Profit and Loss account</b>	<b>518.35</b>	<b>209.73</b>
<b>Balance in Profit and Loss Account after appropriations</b>	<b>1235.46</b>	<b>752.69</b>
Transfer to General Reserve	—	—
Proposed Dividend	29.56	29.56
Tax on Proposed Dividend	6.02	6.02

During the year under review your Company has reported a total income of INR 18,110.05 lakhs out of which non operating income amounts to INR 19.71 lakhs. Revenue from operations increased by INR 4,087.01/- lakhs as compared to previous year. Owing to increase in the revenue, the Company has earned the profit after tax of INR 518.35 lakhs and other Comprehensive income of INR 1.00 lakhs.

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

Your Directors are pleased to recommend a final dividend of INR 1.80 per equity share for the Financial Year ended 31<sup>st</sup> March, 2018.

##### **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 had completed its expansion programme in 2017-18 by installing 2 nos of Draw Texturising Machines and 6 nos of Air Texturing Machines . The company will achieve full year capacity utilisation in 2018-19 of its expansion and anticipating increase in turn over by INR 60 crore as compare to 2017-18.

### 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER 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:

#### B. Power and Fuel Consumption:

1.	Electricity:	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
	Purchased Units (KWH)	1,80,74,860	1,56,37,651
	Total Amount (INR)Rs. in Lakhs	692.94	700.23
	Cost/Unit (INR) (in Rs.)	3.83	4.48
	Consumption per ton polyester Texturised Yarn Production (units in KWH)	993.28	965.30

#### C. 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.

#### D. 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 INR 362.36 Lakhs 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 financial 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:**

<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.

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

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of cession of Subsidiary / Joint ventures/ Associate Company</b>
	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, 2018 are as follows:

#### **Amount outstanding as at 31 March, 2018:**

<b>Particulars</b>	<b>Amount in INR (₹ In Lakhs)</b>
Loans given	—
Guarantee given	—
Investments made	<b>41.95</b>

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### 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, 2018.

### 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 **Five** times during the Year under review:

Sr. No.	Date of Meetings	Venue and time of the meeting	Directors present	Directors who were absent without leave of absence
1	25.05.2017	<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 KishanchandKhemani 2) Mr. Kumar SaturgunNathani 3) Mr. Manmohan KishanlalAnand 4) Mr. Rahul A. Khemani 5) Mr. Shahin Khemani	1) Mr. Nand Kishanchand Khemani 2) Mr. Maulin Gandhi 3) Ms. Shraddha Teli
2	26.07.2017	<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. Kumar Nathani 3) Mr. Manmohan Kishanlal Anand 4) Mr. Nand Kishanchand Khemani 5) Mr. Rahul A. Khemani 6) Mr. Shahin Khemani	1) Ms. Shraddha Mangesh Teli 2) Mr. Maulin Gandhi
3	19.08.2017	<b>Venue:</b> Office No. 17, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021. <b>Time:</b> 12.30 P.M.	1) Mr. Ashok Kishinchand Khemani 2) Mr. Nand Kishanchand Khemani 3) Mr. Rahul A. Khemani 4) Mr. Shahin Khemani 5) Mr. Kumar Nathani 6) Mr. Manmohan Kishanlal Anand 7) Mr. Maulin Gandhi 8) Ms. Shraddha Mangesh Teli	None
4	05.12.2017	<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. Rahul Khemani 3) Mr. Shahin Khemani 4) Mr. Kumar Nathani 5) Mr. Maulin Samir Gandhi 6) Ms. Shraddha Mangesh Teli	None
5	08.02.2018	<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. Rahul Khemani 3) Mr. Shahin Khemani 4) Ms. Shraddha Teli 5) Mr. Kumar Saturgun Nathani 6) 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. Nand Kishinchand Khemani	Resigned as a Director	Effective date of resignation is 05.12.2017
2	Mr. Manmohan Anand	Resigned as Additional Independent Director	Effective date of resignation is 29.08.2017
3	Ms. Sonal Shukla	Resignation as Company Secretary	Effective date of resignation is 02.05.2017
4	Mr. Hitesh Kavediya	Appointed as Company Secretary	Effective date of appointment is 01.06.2017

### **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. D K P & Associates, Chartered Accountants (Firm Registration No. 126305W) were appointed as the Statutory Auditors of the Company in the 32<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> August, 2017 for a period of five years, subject to the ratification of their appointment for the year 2018-19 by 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 financial year 2017-18. 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 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:**

The Company is not having any Holding or subsidiary Company and hence this clause of receiving the remuneration/compensation by the Managing director is not applicable.

### **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**".

## **33<sup>rd</sup> ANNUAL REPORT 2017-18**

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

There has been no change in the capital structure of the Company during the year ended 31st March, 2018.

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

During the year under review i.e. 2017-18, 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.

However, since the net profit of the Company for the financial year 2017-18 has exceeded the limit of INR 5 Cr., the provisions of section 135 of the Companies Act, 2013 are applicable to the Company for the financial year 2018-19. The Board of Directors of the Company will take necessary actions to comply with the applicable provisions.

### **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.

### **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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

In view of the above, your Company has duly complied with the provision and following are the independent directors as on March 31<sup>st</sup>, 2018

<b>Sr. No.</b>	<b>Name of the Independent Director</b>	<b>Date of appointment/ Reappointment</b>	<b>Date of passing of 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.	Ms. Shraddha Teli	07/11/2014 and 29/08/2017	23/07/2015 and 29/08/2017

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 non-executive Directors who are independent directors as well and the said constitution is in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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. Maulin Gandhi	Member
3	Ms. Shraddha Teli	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:**

Your Company has constituted an "Audit Committee" comprising of three directors consisting of two Independent directors and one executive directors with the Chairman being Independent director. The Audit Committee acts in accordance with the Terms of Reference specified by the Board in writing.

The Composition of the Committee is as under:

<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. Maulin Samir Gandhi	Member

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### **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, 2018 is as under:-

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mr. Kumar Saturgun Nathani	Chairman
2	Mr. Shahin 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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **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, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 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 8<sup>th</sup> February, 2018;
- (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 8<sup>th</sup> February, 2018 after taking into account the views of the Executive/ Non-Executive Directors;
- (vi) 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, 2018, 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, 2018 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 7% to the industrial production while its share in Indian exports stands at a significant 15%. The Indian textile Industry contributes 2% 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 13.58%. The textile Industry is labour intensive and is one of the largest employers. The Indian textiles Industry, currently estimated at around 150 billion dollars approx is expected to reach US\$ 250 billion approx by 2019. The Industry is the second largest employer after agriculture, providing direct employment to over 45 million. 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 is in the advantage.

#### **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 favourable 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.

### **36. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS**

The Company has complied with the applicable secretarial standards for the financial year 2017-18.

### **37. 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

**Rahul A. Khemani**  
Director  
DIN: 03290468

**Place :** Mumbai  
**Date :** 3<sup>rd</sup> August, 2018

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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, 2018**

**[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 : 410-411, Kapadia Chambers,  
599, Jagannath ShankarSheth Road,  
Chira Bazar, Kalbadevi  
Mumbai-400002  
Tel. No. 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.  
Tel. No : 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	0	1100	0.6	(0.27)
c) Central Govt	0	0	0	0	1,03,952	0	1,03,952	5.28	5.28
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>1,05,052</b>	<b>0</b>	<b>1,05,052</b>	<b>5.33</b>	<b>5.01</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	10563	1200	11763	0.60	7399	600	7999	0.41	(0.19)
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	338967	359312	698279	35.44	358032	238191	596223	30.26	(5.18)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	103088	0	103088	5.23	106651	0	106651	5.41	0.18
c) Clearing Member	735	0	735	0.04	2583	0	2583	0.13	0.09
d) Non Resident Indian(NRI)	29652	4900	34552	1.75	31409	4900	36309	1.84	0.09
<b>Sub-total (B)(2):</b>	<b>483005</b>	<b>365412</b>	<b>848417</b>	<b>43.06</b>	<b>506074</b>	<b>243691</b>	<b>749765</b>	<b>38.05</b>	<b>(5.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>484105</b>	<b>370712</b>	<b>854817</b>	<b>43.38</b>	<b>611126</b>	<b>243691</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>1599788</b>	<b>370712</b>	<b>1970500</b>	<b>100.00</b>	<b>1726809</b>	<b>243691</b>	<b>1970500</b>	<b>100.00</b>	<b>(0.00)</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	0	0
5.	Mr. Nand K. Khemani	70531	3.58	99.11	70531	3.58	0	0
6.	Mr. Roop K. Khemani	35800	1.82	92.90	35800	1.82	0	0
7.	Mr. Shahin N. Khemani	28600	1.45	82.52	28600	1.45	0	0
8.	Mr. Rahul A. Khemani	25300	1.28	37.55	25300	1.28	0	0
9.	Mrs. Rachna A. Khemani	16495	0.84	75.78	16495	0.84	0	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>33.20</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	0	0	0
	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	0	0	0
	At the end of the year			33900	1.72
3.	<b>Mr. Satya Prakash Mittal</b>				
	At the beginning of the year	28388	1.44	28388	1.44
	Bought/sold during the year				
	1) 05.05.2017	900	0.05	29288	1.49
	2) 26.05.2017	(1284)	(0.07)	28004	1.42
	3) 14.07.2017	500	0.03	28504	1.45
	4) 25.08.2017	250	0.01	28754	1.46

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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
	5) 27.10.2017 6) 10.11.2017 7) 29.12.2017 At the end of the year	858 2149 190	0.04 0.11 0.01	29612 31761 31951 31951	1.50 1.61 1.62 1.62
4.	<b>Mr. Sabyasachi Ghosh</b> At the beginning of the year Bought /sold during the year 1) 07.04.2017 2) 21.04.2017 3) 28.04.2017 4) 05.05.2017 5) 19.05.2017 6) 26.05.2017 7) 16.06.2017 At the end of the year	12797  200 23 350 75 100 203 500	0.65  0.01 0 0.02 0 0.01 0.01 0.02	12797  12997 13020 13370 13445 13545 13748 14248 14248	0.65  0.66 0.66 0.68 0.68 0.69 0.70 0.72 0.72
5.	<b>Mr. Amit Arora</b> At the beginning of the year Bought/sold during the year 1) 02.03.2018 At the end of the year	12000  (2000)	0.61  (0.1)	12000  10000 10000	0.61  0.51 0.51
6.	<b>Suresh Kotturi</b> At the beginning of the year Bought/sold during the year 1) 07.07.2017 2) 17.07.2017 3) 21.07.2017 4) 08.12.2017 At the end of the year	9657  (3257) (2751) (2649) (1000)	0.49  (0.17) (0.13) (0.14) (0.05)	9657  6400 3649 1000 0 0	0.49  0.32 0.19 0.05 0 0
7.	<b>Mr. Neeraj Kumar</b> At the beginning of the year Bought/sold during the year 1) 07.04.2017 2) 14.04.2017 3) 31.10.2017 4) 03.11.2017 5) 17.11.2017 6) 24.11.2017 At the end of the year	7850  4000 1031 (292) (5673) (4333) (2583)	0.40  0.20 0.05 (0.01) (0.29) (0.22) (0.13)	7850  11850 12881 12589 6916 2583 0 0	0.40  0.60 0.65 0.64 0.35 0.13 0 0

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Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	<b>Ms. Jyoti Prem Tolani</b>				
	At the beginning of the year	9805	0.50	9805	0.50
	Bought/sold during the year				
	1) 16.06.2017	1822	0.26	11627	0.59
	2) 03.11.2017	45	0	11672	0.59
	3) 17.11.2017	200	0.01	11872	0.60
4) 29.12.2017	100	0.01	11972	0.61	
5) 05.01.2018	100	0	12072	0.61	
	At the end of the year			12072	0.61
9.	<b>Ms. Meena Jetho Belani</b>				
	At the beginning of the year	6556	0.33	6556	0.33
	Bought/sold during the year				
	1) 16.06.2017	20	0	6576	0.33
	2) 14.07.2017	50	0.01	6626	0.34
	3) 22.08.2017	225	0.01	6851	0.35
4) 16.02.2018	49	0	6900	0.35	
	At the end of the year			6900	0.35
10.	<b>Ms. Namita Parakh</b>				
	At the beginning of the year	5681	0.29	5681	0.29
	Bought/sold during the year	0	0	0	0
	At the end of the year			5681	0.29
11	<b>Mr. Pratyush Mittal</b>				
	At the beginning of the year	0	0	0	0
	Bought/sold during the year				
	1) 16.03.2018	6132	0.31	6132	0.31
2) 23.03.2018	3268	0.17	9400	0.48	
	At the end of the year			9400	0.48
12	<b>Mr. Gyanendra Kumar</b>				
	At the beginning of the year	4978	0.25	4978	0.25
	Bought/sold during the year				
	1) 04.08.2017	177	0.01	5155	0.26
	2) 24.11.2017	480	0.03	5635	0.29
	3) 26.01.2018	45	0	5680	0.29
4) 09.02.2018	75	0	5755	0.29	
	At the end of the year			5755	0.29



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

<b>Sr. No.</b>	<b>Name of the Director/KMP</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1.</b>	<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	0	0	0
	At the end of the year			74690	3.79
<b>2.</b>	<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	0	0	0
	At the end of the year			25300	1.28
<b>3.</b>	<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	0	0	0
	At the end of the year			28600	1.45

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### **V. INDEBTEDNESS:**

(Rs. in Lakhs)

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	345.53	0	0	345.53
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>345.53</b>	<b>0</b>	<b>0</b>	<b>345.53</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,115.33	515.00	0	1,630.33
Reduction	173.86	50.00	0	223.86
<b>Net Change</b>	<b>941.47</b>	<b>465.00</b>	<b>0</b>	<b>1,406.47</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,287.00	465.00	0	1,752.00
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>1,287.00</b>	<b>465.00</b>	<b>0</b>	<b>1,752</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 2017-18 shall not exceed eleven per cent of the net profit of the Company for financial year 2017-18 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 :

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Kumar Nathani	Mr. Manmohan Anand	Mr. Maulin Gandhi	Ms. Shraddha Teli	Mr. Rahul A. Khemani	Mr. Shahin N. Khemani	Total
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.26	0.16	0.15	0.15	0	0	0.72
	<b>Total (1)</b>	<b>0.26</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>0</b>	<b>0</b>	<b>0.72</b>
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
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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 0.00 0.00 30.00	0.00 0.00 0.00 30.00	0.00 0.00 0.00 60.00
	<b>Total (B)=(1+2+3)</b>	<b>0.26</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>30.00</b>	<b>30.00</b>	<b>60.72</b>
	<b>Total Managerial Remuneration</b>	<b>0.26</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>	<b>30.00</b>	<b>30.00</b>	<b>60.72</b>
	Overall Ceiling as per the Act	Sitting fee payable to the Directors 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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary (Ms. Sonal Shukla)	Company Secretary (Mr. Hitesh Kavediya)	CFO (Mr. Rahul Khemani)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0.15	1.50	0	1.65
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit- others, specify...	0	0	0	0	0
5.	Others, please specify - Incentive	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>0.15</b>	<b>1.50</b>	<b>0</b>	<b>1.65</b>

## **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

**Rahul A. Khemani**  
(Director)  
DIN: 03290468

Place : Mumbai  
Date : 3<sup>rd</sup> August, 2018

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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: (Rs. in Lakhs)

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	Ongoing	Salient features: Machine Hire Charges Paid. Value :INR 74.48	19.08.2017 05.12.2017 08.02.2018 25.05.2018	NIL
2.	M/s. Beekaylon Synthetics Private Limited	Purchase of raw materials and goods	Ongoing	Salient features: Purchase of raw materials and goods Value: INR 14,807.01	19.08.2017 05.12.2017 08.02.2018 25.05.2018	NIL
3.	M/s. Beekaylon Synthetics Private Limited	Job Work Charges	Ongoing	Salient features: Job Work Charges. Value: INR 4.09	19.08.2017 05.12.2017 08.02.2018 25.05.2018	NIL
4.	M/s. Beekaylon Synthetics Private Limited	Sale of Goods	Ongoing	Salient features: Sale of Goods. Value: INR 1,018.04	19.08.2017 05.12.2017 08.02.2018 25.05.2018	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>
5.	M/s. Beekaylon Synthetics Private Limited	Income from Job Work	Ongoing	Salient features : Income from Job work. Value: INR 193.25	19.08.2017 05.12.2017 08.02.2018 25.05.2018	NIL
6.	Beekaylon Synthetics Private Limited	Purchase of fixed assets	Ongoing	Sailent features Purchase of fixed assets INR 4.62	19.08.2017 05.12.2017 08.02.2018 25.05.2018	NIL
7	Beekaylon Synthetics Private Limited	Sale of Scrap	Ongoing	Sailent features Sale of Scrap 0.45	19.08.2017 05.12.2017 08.02.2018 25.05.2018	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 19.08.2017, 05.12.2017, 08.02.2018 and 25.05.2018 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. Rahul Ashok Khemani;
- 3) Mr. Shahin Nand Khemani.

**For and on behalf of the Board**

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

**Rahul A. Khemani**  
Director  
DIN: 03290468

Place : Mumbai  
Date : 3<sup>rd</sup> August, 2018

**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. The committee was reconstituted by the Board of directors at the meeting held on 5<sup>th</sup> December, 2017 consisting of three Non- Executive 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,
- e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.



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

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

### **3.2.4 Term / Tenure**

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

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

#### **b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### **3.2.5 Evaluation**

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

### **3.2.6 Removal**

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

### **3.2.7 Retirement**

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

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

### **3.3.1 General**

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

- 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

**Rahul A. Khemani**  
Director  
DIN: 03290468

Place : Mumbai  
Date : 3<sup>rd</sup> August, 2018

## **33<sup>rd</sup> ANNUAL REPORT 2017-18**

**ANNEXURE IV**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

To,  
The Members,  
Blue Chip Tex Industries Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 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).

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **We further report that**

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

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

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

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor 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)

**Bharat Sompura - Partner**  
**Pramod S. Shah & Associates**  
Membership No.: ACS 10540  
C.O.P. No.: 5540

Place: Mumbai  
Date: 26<sup>th</sup> July, 2018

## **33<sup>rd</sup> ANNUAL REPORT 2017-18**

### **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)

**Bharat Sompura - Partner**  
**Pramod S. Shah & Associates**  
Membership No.: ACS 10540  
C.O.P. No.: 5540

Place: Mumbai  
Date: 26<sup>th</sup> July, 2018

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

To the Members of

**BLUE CHIP TEX INDUSTRIES LIMITED**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **BLUE CHIP TEX INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

#### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards 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 Ind AS 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 Ind AS financial statements based on our audit.

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

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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### **Other Matters**

The comparative figures for the previous year ended 31<sup>st</sup> March, 2017 included in the financial statement, is based on the Financial Statements for the year ended 31<sup>st</sup> March, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who have expressed an unmodified opinion vide their report dated 25th May, 2017. The adjustment to those Financial Statements for the difference in the accounting principles adopted by the Company on transition to Ind AS have been audited by us. Our opinion on the Financial Statements is not modified in respect of the above matter.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income, the Statement Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note 33 to the Ind AS financial statements.
    - (ii) There are no foreseeable losses as required on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DKP & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

**D. K. Doshi**  
Partner  
Membership No. 037148

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 1, under the "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i. 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) According to the information and explanation given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Financial Statements, the lease agreement are in the name of the Company.
- ii. In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us no material discrepancies were notice on physical verification.
- iii. 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) of the Order is not applicable to the Company.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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, Goods and 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, 2018 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 , sales tax, service tax, Goods and 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 31<sup>st</sup> March 2018, except for Income Tax dues as follows:



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<b>Sr.No.</b>	<b>Assessment Year</b>	<b>Amount (₹ In Lakhs)</b>	<b>Forum where dispute is pending</b>
1.	2009-10	4.39	Rectification pending With Assessing officer
2.	2010-11	3.72	Rectification pending With Assessing officer
3.	2014-15	15.68	Rectification pending With Assessing officer
4.	2015-16	0.08	Pending With Assessing officer

- viii. 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.
- ix. 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.
- x. 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.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. 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 Ind AS financial statements etc., as required by the applicable accounting standards.
- xiv. 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.
- xv. 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.
- xvi. 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 **DKP & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

**D. K. Doshi**  
Partner  
Membership No. 037148

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

*(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)*

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

We have audited the internal financial controls over financial reporting of **BLUE CHIP TEX INDUSTRIES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles , and that receipts and expenditures of the company are being made only in accordance

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with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of company's assets that could have a material effect on the Ind AS 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, 2018, 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 **DKP & Associates**  
*Chartered Accountants*  
*Firm Registration No. 126305W*

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

**D. K. Doshi**  
*Partner*  
*Membership No. 037148*

## BLUE CHIP TEX INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

	NOTE	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	1	2,838.19	1,348.52	1,451.70
Capital Work-in-progress	1	345.65	—	—
Financial assets				
Investments	2	41.95	41.95	0.05
Loans	3	1.43	1.43	1.43
Other financial assets	4	82.47	53.51	17.07
Other Non current Assets	5	6.54	—	—
<b>Total non-current assets</b>		<b>3,316.23</b>	<b>1,445.41</b>	<b>1,470.25</b>
<b>Current Assets</b>				
Inventories	6	424.59	330.69	270.01
Financial assets				
Trade Receivables	7	1,732.49	764.33	793.88
Cash and cash equivalents	8a	109.95	85.23	175.49
Bank Balances other than cash and cash equivalent	8b	5.05	8.52	42.58
Other financial assets	8c	9.51	9.12	10.02
Other current assets	9	513.53	657.97	486.53
<b>Total current assets</b>		<b>2,795.12</b>	<b>1,855.86</b>	<b>1,778.51</b>
<b>TOTAL ASSETS</b>		<b>6,111.35</b>	<b>3,301.27</b>	<b>3,248.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	197.55	197.55	197.55
Other equity	11	1,351.95	868.18	695.84
<b>Total equity</b>		<b>1,549.50</b>	<b>1,065.73</b>	<b>893.39</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	12	1,538.87	171.67	345.54
Provisions	13	22.53	18.99	12.20
Deferred tax liabilities (Net)	14	156.30	134.55	131.58
<b>Total non-current liabilities</b>		<b>1,717.70</b>	<b>325.21</b>	<b>489.32</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	15	397.82	272.23	341.99
Trade Payable	16	1,511.54	1,269.19	1,128.57
Other Financial Liabilities	17	883.31	349.22	365.17
Provisions	18	1.76	1.58	0.86
Current tax liabilities (Net)	19	49.72	18.11	29.46
<b>Total current liabilities</b>		<b>2,844.15</b>	<b>1,910.33</b>	<b>1,866.05</b>
<b>Total liabilities</b>		<b>4,561.85</b>	<b>2,235.54</b>	<b>2,355.37</b>
<b>Total equity and liabilities</b>		<b>6,111.35</b>	<b>3,301.27</b>	<b>3,248.76</b>

Significant Accounting Policies  
See accompanying Notes to Financial Statements 1 to 40

As per our report of even date

For and on behalf of the Board

For **D K P & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**Ashok K. Khemani**  
Managing Director

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

**D. K. Doshi**  
Partner  
Membership No. 037148

**Hitesh Kavediya**  
Company Secretary

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

		₹ In Lakhs	
	NOTE	2017-18	2016-17
<b>INCOME</b>			
Revenue from Operations	20	18,090.34	14,003.32
Other Income	21	19.71	12.70
<b>TOTAL INCOME</b>		<b>18,110.05</b>	<b>14,016.02</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	14,525.07	11,208.26
Changes in Inventories of Finished Goods,	23	(48.87)	(24.19)
Employee Benefits Expense	24	360.26	266.96
Finance Costs	25	151.83	151.38
Depreciation and Amortisation Expense		163.59	128.94
Other Expenses	26	2,216.57	1,967.58
<b>TOTAL EXPENSES</b>		<b>17,368.45</b>	<b>13,698.93</b>
<b>Profit before taxes</b>		<b>741.60</b>	<b>317.09</b>
<b>Tax Expenses</b>			
Current Tax		201.50	104.40
Deferred Tax		21.75	2.97
<b>Profit after tax for the year</b>		<b>518.35</b>	<b>209.72</b>
<b>Other Comprehensive Income</b>			
<b>A) Items that will not be reclassified to profit or loss</b>			
(a) (i) Remeasurement gain / (loss) of defined benefit plans		1.50	(2.71)
(ii) Income tax relating to above		(0.50)	0.90
<b>Total Other Comprehensive Income</b>		<b>1.00</b>	<b>(1.81)</b>
<b>Total Comprehensive Income for the year</b>		<b>519.35</b>	<b>207.91</b>
Earning Per Equity share of Face value of ₹ 10/- each			
(1) Basic (in ₹)		26.31	10.64
(2) Diluted (in ₹)		26.31	10.64

Significant Accounting policies

See accompanying Notes to the Financial Statements 1 to 40

As per our report of even date

For **D K P & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership No. 037148

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director

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

**Hitesh Kavediya**  
Company Secretary

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

## BLUE CHIP TEX INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ In Lakhs

A. Equity Share Capital	Balance at the beginning of the reporting period ie 1st April 2016	Changes in equity share capital during the year 2016-2017	Balance at the end of reporting period ie. 31st March 2017	Changes in equity share capital during the year 2017-2018	Balance at the end of reporting period ie. 31st March 2018
	₹	₹	₹	₹	₹
	197.55	—	197.55	—	197.55
<b>B. Other Equity</b>					
	<b>Reserves and Surplus</b>				
	Capital reserve on account of subsidy by Central Government	Capital Reserve on account of shares forfeited	Security Premium	General Reserve	Retained Earnings
	₹	₹	₹	₹	₹
<b>As on 31st March 2017</b>					
Balance at the beginning of the reporting period ie 1st April 2016	25.00	0.16	33.80	58.34	578.54
Total Comprehensive Income for the year	—	—	—	—	209.73
Dividend	—	—	—	—	(29.56)
Tax on Dividend	—	—	—	—	(6.02)
Balance at the end of reporting period ie. 31st March 2017	25.00	0.16	33.80	58.34	752.69
<b>As on 31st March 2018</b>					
Balance at the beginning of the reporting period ie 1st April 2017	25.00	0.16	33.80	58.34	752.69
Total Comprehensive income for the year	—	—	—	—	518.35
Dividend	—	—	—	—	(29.56)
Tax on Dividend	—	—	—	—	(6.02)
Balance at the end of reporting period ie. 31st March 2018	25.00	0.16	33.80	58.34	1,235.46
					(0.81)
					1,351.95

As per our report of even date

**For D K P & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership No. 037148  
Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director  
**Rahul A. Khemani**  
Director (CFO)

**Hitesh Kavediya**  
Company Secretary  
Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

₹ In Lakhs

	2017 - 2018	2016 - 2017
	₹	₹
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax as per Statement of Profit and Loss	741.60	317.09
Adjustment for:		
Depreciation	163.59	128.94
Provision for Gratuity and Leave encashment	5.21	4.79
Share of Loss from Partnership Firm	0.17	0.67
Interest Income	(21.48)	(25.51)
Interest to a Partnership firm	0.04	0.03
Interest Paid to banks and others - Finance Cost	166.44	169.26
Bad debts	—	0.04
Debit balances written off	2.21	0.12
Credit balances written back	(0.52)	(1.96)
<b>Operating Profit before Working Capital Changes</b>	<b>1,057.26</b>	<b>593.47</b>
Adjustment for:		
Inventories	(93.90)	(60.68)
Trade and other receivables	(853.58)	(145.03)
Trade and other payables	243.19	135.54
<b>Cash generated in Operations</b>	<b>352.97</b>	<b>523.30</b>
Income taxes paid	(170.39)	(114.85)
<b>Net Cash inflow from Operating Activities</b>	<b>(A) 182.58</b>	<b>408.45</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Investments	—	(41.90)
(Contribution to)/Withdrawals from a Firm - net	—	(0.68)
Purchase of tangible assets	(1,490.35)	(25.76)
Interest Income	21.48	25.51
<b>Net Cash used in Investing Activities</b>	<b>(B) (1,468.87)</b>	<b>(42.83)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	1,115.33	—
Repayment of Long Term Borrowings	(196.46)	(184.28)
Proceeds from Directors/Shareholders Borrowings	515.00	—
Repayment of Directors/Shareholders Borrowings	(50.00)	—
Dividend paid ( Including tax on dividend)	(33.78)	(34.09)
Interest Paid to banks and others - Finance Cost	(166.44)	(169.26)
<b>Net Cash inflow from Financing Activities</b>	<b>(C) 1,183.65</b>	<b>(387.63)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) (102.64)</b>	<b>(22.01)</b>
Cash and cash equivalents at the beginning of the year	(200.10)	(178.09)
Cash and cash equivalents at the end of the year	<b>(302.74)</b>	<b>(200.10)</b>

#### Change in Liability arising from financing activities

	1st April, 2017	Cash Flow	31st March, 2018
Borrowing - Non Current (Refer Note 12)	345.54	1,383.87	1,729.40
	<b>345.54</b>	<b>1,383.87</b>	<b>1,729.40</b>

#### NOTES TO CASH FLOW STATEMENT

1. The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.
2. Previous years figures have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.
3. Figures in brackets are outflows/ deductions.

As per our report of even date

For **D K P & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership No. 037148

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director

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

**Hitesh Kavediya**  
Company Secretary

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **A. CORPORATE INFORMATION**

Blue Chip Tex Industries Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is 410-411, Kapadia Chambers, 599, Jagannath Shankar Sheth Road, Chira Bazar, Kalbadevi, Mumbai 400 002, India.

The Company is engaged mainly in manufacturing of polyester texturing yarn. The Company has manufacturing plants in Union Territory of Dadra and Nagar Haveli, India and entire sales in Domestic market. The Company is listed on the Bombay Stock Exchange (BSE).

### **B. SIGNIFICANT ACCOUNTING POLICIES**

#### **B.1 Basis for preparation of accounts:**

These financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 40.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded off to the nearest Lakh except when otherwise stated.

#### **B.2 Summary of Significant Accounting Policies**

##### **a) Property, Plant and Equipment**

- Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. All costs, net of recoverable taxes, including cost of financing till commencement of commercial production are capitalised.
- Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- Capital work in progress and Capital advances: Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.
- Depreciation on Property, Plant and Equipment is provided using straight line method except furniture and fixtures which are depreciated using written down value method. Depreciation is provided based on the useful life of the Assets as prescribed in Schedule II to the Companies Act 2013, except in respect of Texturizing Machines and Compressors where, based on the certification obtained from the Chartered Engineer, the useful life is taken as 25 years instead of 15 years as prescribed in Schedule II. Also, Leasehold Land is amortized over the remaining period of lease.



**b) Investments:**

The Company has elected to recognize its non-current investments in group entities at cost. The details of such investments are given in Note 2.

**c) Inventories:**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other costs, including manufacturing overheads net of recoverable taxes, incurred in bringing them to their respective present location and condition. 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.

**d) 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. Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

**e) Tax Expense:**

The tax expense for the period comprises current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In this case, the tax is also recognised in Other Comprehensive Income and Equity.

• **Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

• **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**f) Revenue Recognition:**

- Revenue from sale of goods is recognised when the goods 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 and related taxes.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

- Revenue in respect of insurance or other claims, quantity discount on purchase 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.
- Dividend Income is recognised when the Company's right to receive the amount has been established.
- Job work Income is recognised when related services are rendered.

**g) Provisions, Contingent liabilities and Contingent assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**h) Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets:**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**i) Finance costs:**

Borrowing costs consists of interest cost and other borrowing costs that an entity incurs in connection with the borrowing of funds.

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. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**j) Government Grants and Subsidy:**

Subsidy received from Government is credited to statement of Profit and Loss in the period for which it relates.

**k) Foreign currency transactions and Translation:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

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Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

**l) Lease:**

As a Lessee: Lease agreements where the risk & rewards, incidents to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating lease are recognised in the profit & loss statement on straight line basis except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**m) Research and Development Expenditure:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Profit and Loss Statement unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

**n) Financial Instruments**

**l) Financial Assets**

**1. Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit and Loss, are added to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**2. Subsequent Measurement**

**i. Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii. Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii. Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

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### **3. Investment In Subsidiaries, Associates and Joint Ventures**

The Company has accounted for its investments in group entity at cost less impairment loss (if any).

### **4. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

### **5. Impairment of Financial Assets**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost has impaired and provisions are made for impairment accordingly. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

## **II) Financial Liabilities**

### **1. Initial Recognition And Measurement**

All Financial Liabilities are recognized at fair value and in case borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### **2. Subsequent Measurement**

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## **III) Derecognition of Financial Instruments**

The company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired.

**IV) Offsetting**

Financial Assets and Financial Liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously

**C) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial year.

**1) Depreciation / Amortisation And Useful Lives of Property Plant and Equipment / Intangible Assets**

Property, Plant and Equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**2) Recoverability of Trade Receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**3) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**4) Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **5) Impairment of Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### **D) STANDARDS ISSUED BUT NOT EFFECTIVE**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS.

These amendments shall be applicable to the Company from April 01, 2018.

#### **i. Issue of Ind AS 115 - Revenue from Contracts With Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

#### **ii. Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

### **E) FIRST TIME ADOPTION OF IND AS**

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The Company has adopted Ind As with effect from 1<sup>st</sup> April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1<sup>st</sup> April 2016. The Figures for previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III. For reconciliation and effect of IndAs Adoption Refer Note 40

#### **Exemptions Availed**

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101

- The Company has elected to consider the carrying value of all its items of property, plant and equipment recognised in the financial statements prepared under previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
- The carrying amounts of the Company's investments in group entities as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

**NOTE 1 - PROPERTY, PLANT & EQUIPMENT (AT COST)**

₹ in Lakhs

DESCRIPTION	GROSSBLOCK						DEPRECIATION						NETBLOCK			
	AS AT 01.04.2016	ADDITIONS	DEDUCTIONS	AS AT 31.03.2017	ADDITIONS	AS AT 31.03.2018	AS AT 01.04.2016	ADDITIONS	DEDUCTIONS	AS AT 31.03.2017	For the Year	AS AT 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2016	
<b>TANGIBLE ASSETS</b>																
FREE HOLD LAND (Refer note 1.1) #	44.18	—	—	44.18	—	44.18	—	—	—	—	—	—	44.18	44.18	44.18	
LEASE HOLD LAND	—	—	—	—	158.89	158.89	—	—	—	—	2.22*	2.22	156.67	—	—	
BUILDINGS #	558.53	—	—	558.53	342.70	901.23	115.94	18.89	134.83	22.51	157.34	743.89	423.70	442.59	442.59	
PLANT AND MACHINERY	1,210.86	23.13	—	1,233.99	1,008.84	2,242.83	324.07	96.57	420.64	120.97	541.61	1,701.22	813.35	886.79	886.79	
FACTORY EQUIPMENT	4.76	—	—	4.76	4.56	9.32	4.52	—	—	4.52	0.15	4.67	4.65	0.24	0.24	
ELECTRICAL INSTALLATIONS	123.71	—	—	123.71	134.39	258.10	58.42	10.56	—	68.98	15.34	84.32	173.78	54.73	65.29	
COMPUTER	2.03	—	—	2.03	1.62	3.65	1.64	0.18	—	1.82	0.32	2.14	1.51	0.21	0.39	
FURNITURE AND FIXTURES	7.97	2.63	—	10.60	3.39	13.99	6.24	0.71	—	6.95	1.18	8.13	5.86	3.65	1.73	
VEHICLE	16.50	—	—	16.50	—	16.50	6.01	2.03	—	8.04	2.03	10.07	6.43	8.46	10.49	
<b>TOTAL</b>	<b>1,968.54</b>	<b>25.76</b>	<b>—</b>	<b>1,994.30</b>	<b>1,654.39</b>	<b>3,648.69</b>	<b>516.84</b>	<b>128.94</b>	<b>—</b>	<b>645.78</b>	<b>164.72</b>	<b>810.50</b>	<b>2,838.19</b>	<b>1,348.52</b>	<b>1,451.70</b>	
<b>PREVIOUS YEAR</b>	<b>1,814.26</b>	<b>154.27</b>	<b>—</b>	<b>1,968.54</b>	<b>25.76</b>	<b>1,994.30</b>	<b>391.32</b>	<b>125.52</b>	<b>—</b>	<b>516.84</b>	<b>128.94</b>	<b>645.78</b>	<b>1,348.52</b>	<b>1,451.70</b>	<b>—</b>	

Capital Work in Progress

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

1.2 # Refer Note No.12.1 and Note No.15.2 for security given.

1.3 \*Includes amount capitalised during the year ₹ 1.13 Lakhs (Previous Year ₹ Nil)

## **BLUE CHIP TEX INDUSTRIES LIMITED**

Notes on Financial Statements for the year ended 31st March 2018

₹ In Lakhs

NOTE	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
2	<b>NON CURRENT INVESTMENTS:</b>			
	<b>Investment measured at cost</b>			
	(i) <b>In Equity Shares (Fully Paid) (Unquoted)</b>			
	4,18,000 (4,18,000) Equity Shares of Beekaylon Synthetics Private Limited of ₹10 each	41.90	41.90	—
	(ii) <b>Investment in Capital of Partnership Firm</b>			
	Jay Gee Rayons (Refer Note No.32 and 34)	0.05	0.05	0.05
	<b>TOTAL</b>	<b>41.95</b>	<b>41.95</b>	<b>0.05</b>
2.1	Aggregate amount of quoted investments	—	—	—
	Market value of quoted investment	—	—	—
	Aggregate amount of unquoted investments	41.95	41.95	0.05
	Aggregate provision for diminution in value of investments	—	—	—
2.2	<b>Category wise Non current Investment</b>			
	Financial assets measured at cost	41.95	41.95	0.05
	<b>Total non current investment</b>	<b>41.95</b>	<b>41.95</b>	<b>0.05</b>
3	<b>Loans (Unsecured and considered good)</b>			
	(i) Security Deposits	1.43	1.43	1.43
	<b>TOTAL</b>	<b>1.43</b>	<b>1.43</b>	<b>1.43</b>
4	<b>OTHER NON CURRENT FINANCIAL ASSETS:</b>			
	Bank Deposits with original maturity for more than 12 months	82.47	53.52	17.08
	[Fixed Deposit Receipts pledged under bank's lein]			
	<b>TOTAL</b>	<b>82.47</b>	<b>53.52</b>	<b>17.08</b>
5	<b>OTHER NON CURRENT ASSETS</b>			
	(i) Capital advances	6.54	—	—
	<b>TOTAL</b>	<b>6.54</b>	<b>—</b>	<b>—</b>
	<b>Current Assets</b>			
6	<b>INVENTORIES (As valued, verified and certified by the management)</b>			
	(i) Raw materials	162.18	130.99	96.55
	(ii) Finished goods	230.97	182.10	157.91
	(iii) Packing materials and oil	31.44	17.60	15.55
	<b>TOTAL</b>	<b>424.59</b>	<b>330.69</b>	<b>270.01</b>



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Notes on Financial Statements for the year ended 31st March 2018			₹ In Lakhs
NOTE Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>7 TRADE RECEIVABLES:</b> (Unsecured and Considered Good)			
Trade receivables #	1,732.49	764.33	793.88
<b>TOTAL</b>	<b>1,732.49</b>	<b>764.33</b>	<b>793.88</b>
<p>#Includes ₹14.71 Lakhs (FY 2016-17 ₹30.34 Lakhs), (1st April,2016 ₹43.31 Lakhs) from related party- Beekaylon Synthetics Private Limited [Refer Note No.32]</p>			
<b>8a Cash and Cash Equivalents</b>			
(i) Cash on hand	0.46	0.72	0.17
(ii) Balances with banks			
(a) Current accounts	94.61	67.74	163.73
(b) Current accounts - unclaimed dividend accounts	14.88	13.08	11.59
(c) Deposit with original maturity of less than 3 months	—	3.68	—
	<u>109.49</u>	<u>84.50</u>	<u>175.32</u>
<b>SUB - TOTAL</b>	<b>109.95</b>	<b>85.22</b>	<b>175.49</b>
<b>8a.1 Cash and Cash Equivalents as per Cash Flow Statement</b>			
Cash on hand	0.46	0.72	
Current accounts	94.61	67.74	
Deposit with original maturity of less than 3 months	—	3.68	
Bank Overdraft - Working capital loans	(397.82)	(272.23)	
<b>Closing Cash and Cash Equivalents as per Cash Flow Statement</b>	<b>(302.74)</b>	<b>(200.10)</b>	
<b>8b Bank Balances other than cash and cash equivalents</b>			
Deposits with original maturity for more than 12 months	82.47	53.52	17.08
Deposits with original maturity for more than 3 months but less than 12 months	5.05	8.52	42.58
Less: amount disclosed under other non-current financial assets [Note no.4]	(82.47)	(53.52)	(17.08)
<b>SUB - TOTAL</b>	<b>5.05</b>	<b>8.52</b>	<b>42.58</b>
[Fixed Deposit Receipts pledged under bank's lein]			
<b>TOTAL</b>	<b>(490.49)</b>	<b>93.74</b>	<b>218.07</b>
<b>8c OTHER FINANCIAL ASSETS</b>			
Interest Accrued on Deposit with banks	9.51	9.12	10.02
<b>TOTAL</b>	<b>9.51</b>	<b>9.12</b>	<b>10.02</b>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

**Notes on Financial Statements for the year ended 31st March 2018**

₹ In Lakhs

<b>NOTE Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>	
<b>9 OTHER CURRENT ASSETS</b>				
Prepaid Expenses	2.97	2.82	4.23	
Advance to Suppliers	0.73	—	1.86	
Others #	509.83	655.15	480.44	
# Includes mainly VAT / GST Refund Receivable				
<b>TOTAL</b>	<b>513.53</b>	<b>657.97</b>	<b>486.53</b>	
<b>10 EQUITY SHARE CAPITAL</b>				
<b>10.1 Authorised Share Capital</b>				
25,00,000 (31st March 2017 - 25,00,000 and 1st April, 2016 - 25,00,000) Equity Shares of ₹10 each	250.00	250.00	250.00	
	<b>250.00</b>	<b>250.00</b>	<b>250.00</b>	
<b>10.2 Issued, Subscribed and Paid up</b>				
19,70,500 (31st March, 2017 - 19,70,500 and 1st April, 2016- 19,70,500)	197.05	197.05	197.05	
Equity Shares of ₹10 each fully paid up				
Add: Forfeited Shares	0.50	0.50	0.50	
<b>TOTAL</b>	<b>197.55</b>	<b>197.55</b>	<b>197.55</b>	
<b>10.3</b> The Company has only one class of issued capital, all the equity shares carry equal rights and obligations including for dividend and with respect to voting .				
<b>10.4</b> The details of Shareholder₹ holding more than 5% shares:				
<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
1	Beekalon Synthetics Private Limited			
	Number of Shares	4,86,188	4,86,188	4,86,188
	%	24.67	24.67	24.67
2	Indotex Export House Private Limited			
	Number of Shares	2,08,300	2,08,300	2,08,300
	%	10.57	10.57	10.57
3	Sangam Syntwist Textile Private Limited			
	Number of Shares	1,62,100	1,62,100	1,62,100
	%	8.23	8.23	8.23
<b>10.5</b> Reconciliation of the number of shares outstanding;				
Number of shares at the beginning of the year	19,70,500	19,70,500	19,70,500	
Shares issued during the year	—	—	—	
Number of shares at the end of the year.	<b>19,70,500</b>	<b>19,70,500</b>	<b>19,70,500</b>	

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**Notes on Financial Statements for the year ended 31st March 2018** ₹ In Lakhs

NOTE Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
10.6 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 Balance Sheet is prepared.			
<b>11 Other Equity</b>			
<b>Capital Reserve No.1</b>			
(Central Government Investment subsidy for unit in Backward Area)			
As per last Balance sheet	25.00	25.00	25.00
<b>Capital Reserve No.2</b>			
(Amount forfeited on equity shares warrants)			
As per last Balance sheet	0.16	0.16	0.16
<b>Securities Premium</b>			
As per last Balance sheet	33.80	33.80	33.80
<b>General Reserve</b>			
As per last Balance sheet	58.34	58.34	58.34
<b>Retained Earnings</b>			
As per last Balance sheet	752.69	578.54	
Add : Profit for the year	518.35	209.73	
	1,271.04	788.27	
<b>Less: Appropriations</b>			
Dividend on Equity Shares	29.56	29.56	
[Dividend per share ₹ 1.50 (Previous year ₹1.50)]			
Tax on Dividend	6.02	6.02	
	1,235.46	752.69	578.54
<b>Other Comprehensive Income (OCI)</b>			
As per Last Balance sheet	(1.81)	—	—
Add Movement in OCI (Net) during the year	1.00	(1.81)	—
	(0.81)	(1.81)	—
<b>TOTAL</b>	<b>1,351.95</b>	<b>868.18</b>	<b>695.84</b>
<b>12 BORROWINGS:</b>			
<b>Secured - At amortised Cost</b>			
Term Loans from Axis Bank Ltd	1,264.40	345.53	529.82
Less : Short Term Maturities of Term Loans	(190.53)	(173.86)	(184.28)
	1,073.87	171.67	345.54
<b>Unsecured</b>			
Loan from Director	100.00	—	—
Loan from Others	365.00	—	—
(Refer Note No.32)			
<b>TOTAL</b>	<b>1,538.87</b>	<b>171.67</b>	<b>345.54</b>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **Notes on Financial Statements for the year ended 31st March 2018**

12.1 Term loan from Axis Bank Ltd. Aggregating to ₹1,264.40 Lakhs (FY 2016-17 - ₹345.53 Lakhs and 1st April 2016 - ₹ 529.81 Lakhs) is secured by :

Primary Security: First charge on entire fixed assets of the company, both present and future, and second charge on 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 1474.5sq.mtrs., Plot no. 64A (part) admeasuring above 523.00sq.mtrs. Plot No.68B admeasuring about 1825.50 sq.mtrs. and plot no 69 admeasuring about 3102.00sq.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.

Exclusive equitable/registered mortgage charge on Land (admeasuring of 3300 sq.mtr) and Building(admeasuring area of approx 1491.08 sq.mtrs.on land of 3300 sq.mtrs.) located at 45B Govt.Industrial Estate, Masat, Silvassa and by way of hypothecation on plant and machinery purchased out of additional Term Loan (New Security) owned by the Company.

12.2 b) Personal guarantee of the two promoters/directors of the Company.

12.3 c) Pledge of promoters equity shares equivalent to 18.80% of the total shareholding of Company

#### **Repayment Schedule and Rate of Interest of Term Loans from Axis Bank Ltd. As set out below:**

Loan No.	Floating Rate of Interest	2018-19 ₹	2019-20 ₹	2020-21 ₹	2021-24 ₹
1	10.20%	59.28	59.28	53.11	—
2	9.80%*	131.25	225.00	225.00	534.08
3	10% **	—	—	—	465.00

\* including ₹22.59 Lakhs as prepaid finance charges

\*\* As per Sanction Letter of Term Loan obtained , Repayment of unsecured loan cannot be made before repayment of secured Loan.

NOTE	Particulars	₹ In Lakhs		
		As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
13	<b>PROVISIONS:</b>			
	Provision for Leave Encashment	4.35	3.64	2.52
	Provision for Gratuity	18.18	15.35	9.68
	<b>TOTAL</b>	<b>22.53</b>	<b>18.99</b>	<b>12.20</b>
14	<b>Deferred Tax Liabilities (Net)</b>			
	At the start of the year	134.55	131.58	—
	Charge / ( Credit) to statement of profit and loss (Refer Note )	21.75	2.97	—
	At the end of year	<b>156.30</b>	<b>134.55</b>	<b>131.58</b>

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### Notes on Financial Statements for the year ended 31st March 2018 ₹ In Lakhs

	As at 31st March 2017	Charge / (Credit) to profit or loss	As at 31st March 2018
Component of Deferred tax liabilities / (Assets)			
Related to Property Plant and Equipment	137.03	22.70	<b>159.73</b>
Disallowances under the Income Tax Act, 1961	(2.48)	(0.95)	<b>(3.43)</b>
<b>TOTAL</b>	<b>134.55</b>	<b>21.75</b>	<b>156.30</b>

	As at 31st March 2018	As at 31st March 2017	As at 1st April, 2016
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### 15 **BORROWINGS:** ₹ In Lakhs

#### **Secured at Ammortised cost**

Bank Overdraft - Working capital loans	397.82	272.23	341.99
<b>TOTAL</b>	<b>397.82</b>	<b>272.23</b>	<b>341.99</b>

15.1 Primary Security: First charge on entire current assets of the company, both present and future, and second charge on entire fixed assets of the company, both present and future.

15.2 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 1474.5sq.mtrs., plot no.64A (part) admeasuring above 523.00sq.mtrs Plot No.68B admeasuring about 1825.50 sq.mtrs. and plot no 69 admeasuring about 3102.00sq.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.

Exclusive equitable/registered mortgage charge on Land (admeasuring of 3300 sq.mtr) & Building (admeasuring area of approx 1491.08 sq.mtrs. on land of 3300 sq.mtrs.) located at 45B Govt. Industrial Estate, Masat, Silvassa and by way of hypothecation on plant and machinery purchased out of additional Term Loan (New Security) owned by the company.

15.3 b) Personal guarantee of the two promoters/directors of the Company.

15.4 c) Pledge of promoters equity shares equivalent to 18.80% of the total shareholding of Company

₹ In Lakhs

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
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### 16 **TRADE PAYABLES:**

Dues of micro enterprises and small enterprises *	—	—	—
Dues of other than micro enterprises and small enterprises #	1,511.54	1,269.19	1,128.57
<b>TOTAL</b>	<b>1,511.54</b>	<b>1,269.19</b>	<b>1,128.57</b>

\* The company has not received intimation from suppliers regarding the status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the end together with interest paid/payable as required under the said Act have not been given.

# Includes ₹ 960.80 Lakhs (FY2016-17 - ₹ 1,122.70 Lakhs and 1st April, 2016 ₹ 962.99 Lakhs) payable to a related party - Beekalon Synthetics Private Limited (Refer Note No.32)

## **BLUE CHIP TEX INDUSTRIES LIMITED**

**Notes on Financial Statements for the year ended 31st March 2018**

₹ In Lakhs

<b>NOTE Particulars</b>	<b>As at 31st March 2018</b>	<b>As at 31st March 2017</b>	<b>As at 1st April 2016</b>
<b>17 OTHER CURRENT FINANCIAL LIABILITIES:</b>			
Current Maturities of Long Term Loans (Secured) (Refer Note No.12)	190.53	173.86	184.28
Creditors for Capital Goods	515.11	—	—
Unclaimed dividend *	14.88	13.08	11.59
Due to a firm wherein the Company is a Partner (Refer Note No. 32 and 34)	0.91	0.70	0.68
Interest accrued and due on borrowing-bank	10.69	3.49	5.66
Other Payables #	151.19	158.09	162.96
<b>TOTAL</b>	<b>883.31</b>	<b>349.22</b>	<b>365.17</b>
* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.			
# Includes mainly statutory dues, security deposits and advances from customers.			
<b>18 PROVISIONS:</b>			
Provision for Leave Encashment	0.83	0.83	0.35
Provision for Gratuity ( Refer Note No.24.1A )	0.93	0.75	0.51
<b>TOTAL</b>	<b>1.76</b>	<b>1.58</b>	<b>0.86</b>
<b>19 CURRENT TAX LIABILITIES[NET]</b>			
Provision for tax (Net of Advance Tax paid)	<b>49.72</b>	18.11	29.46
<b>TOTAL</b>	<b>49.72</b>	<b>18.11</b>	<b>29.46</b>
<b>19.1 Provision for tax (Net of Advance Tax paid)</b>			
At the start of the year	<b>18.11</b>	29.46	
Charge for the year	<b>201.50</b>	104.40	
Others	<b>0.50</b>	(0.90)	
Tax paid during the year	<b>(170.39)</b>	(114.85)	
At the End of year	<b>49.72</b>	18.11	29.46

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### Notes on Financial Statements for the year ended 31st March 2018

₹ In Lakhs

	Year Ended 31st March 2018	Year Ended 31st March 2017
<b>19.2 Taxation</b>		
Income tax recognised in statement of Profit and loss		
Current tax	<b>201.51</b>	104.40
Deferred Tax	<b>21.75</b>	2.97
Total Income tax expenses recognised	<b>223.26</b>	107.37
The income tax expenses for the year can be reconciled to the accounting profit as follows		
Profit before tax	<b>741.60</b>	317.09
Applicable tax rate	<b>33.06%</b>	33.06%
Computed Tax expense	<b>245.20</b>	104.84
Tax effect of :		
Expenses Disallowed / (Allowed) (net)	<b>(43.69)</b>	(0.44)
Current tax provision (A)	<b>201.51</b>	104.40
Incremental Deferred Tax liability on account of Property Plant and Equipment	<b>22.70</b>	4.77
Incremental Deferred Tax Asset on account of Other items	<b>(0.95)</b>	(1.81)
Deferred Tax provision (B)	<b>21.75</b>	2.97
Total Income tax expenses recognised in statement of Profit and loss (A + B)	<b>223.26</b>	107.36
Effective Tax rate	<b>30.10%</b>	33.86%
	<b>2017-18</b>	<b>2016-17</b>
<b>20 REVENUE FROM OPERATIONS:</b>		
(a) Sale of Products		
Texturised and Twisted Yarn	<b>17,904.28</b>	13,653.98
(b) Sale of Services		
Job Work Income	<b>186.06</b>	349.34
<b>TOTAL</b>	<b>18,090.34</b>	<b>14,003.32</b>
<b>21 OTHER INCOME:</b>		
Interest Income	<b>5.84</b>	6.07
Sundry Income - (Inclusive of Scrap sale)	<b>13.35</b>	4.67
Sundry Balances written back	<b>0.52</b>	1.96
<b>TOTAL</b>	<b>19.71</b>	<b>12.70</b>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **Notes on Financial Statements for the year ended 31st March 2018**

₹ In Lakhs

	2017-18	2016-17
<b>22 COST OF MATERIAL CONSUMED POY - YARN:</b>		
Opening Stock	130.99	96.55
Add: Purchases during the year	14,610.60	11,242.70
Less: Transitional Credit of GST(on Opening Stock)	54.34	—
Less: Closing Stock	162.18	130.99
<b>TOTAL</b>	<b>14,525.07</b>	<b>11,208.26</b>
<b>23 CHANGES IN INVESTORIES OF FINISHED GOODS:</b>		
<b>Inventories - at close</b>		
Finished Goods	230.97	182.10
<b>Inventories - at commencement</b>		
Finished Goods	182.10	157.91
<b>TOTAL</b>	<b>(48.87)</b>	<b>(24.19)</b>
<b>24 EMPLOYEE BENEFITS EXPENSE:</b>		
(a) Salaries and Wages	341.53	253.40
( ₹60.00 Lakhs (Previous Year ₹49.80 Lakhs) paid as directors remuneration)		
(b) Contribution to Provident Fund	14.26	11.00
(c) Staff Welfare Expenses	4.47	2.56
<b>TOTAL</b>	<b>360.26</b>	<b>266.96</b>

24.1 As per Indian Accounting standard 19 "Employee benefits", the disclosure as defined are given below

#### **Defined Contribution Plans**

During the year, the Company has recognized the following amounts as expense in the Statement of Profit and Loss :

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Employer's Contribution to Provident Fund	5.19	3.73
Employer's Contribution to Family Pension Fund	9.07	7.27

#### **A Defined Benefit Plan**

As per Ind AS 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard for **Gratuity** are given below:

	<b>2017-18</b>	<b>2016-17</b>
<b>Assumptions</b>	<b>IALM</b>	<b>IALM</b>
Mortality	(2006-08) Ult.	(2006-08) Ult.
Rate of Discounting	7.87%	7.57%
Rate of Salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate After Employment	NA	NA



### 33<sup>rd</sup> ANNUAL REPORT 2017-18

Notes on Financial Statements for the year ended 31st March 2018	₹ In Lakhs	
	2017-18	2016-17
<b>Change in the Present Value of Projected Benefit Obligation</b>		
Present Value of Benefit Obligation at the Beginning of the year	16.09	10.20
Interest Cost	1.22	0.82
Current service cost	3.74	2.37
Benefit Paid Directly by the Employer	(0.45)	—
Actuarial (Gains)/losses on Obligation - Due to change in financial assumptions	(0.65)	0.80
Actuarial (Gains)/losses on Obligation - Due to experience	(0.84)	1.91
Present Value of Benefit Obligation at the End of the period	19.11	16.09
<b>Amount Recognized in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the Period	(19.11)	(16.09)
Fair Value of Plan Assets at the end of the Period	—	—
Funded Status [Surplus/(Deficit)]	(19.11)	(16.09)
Net (Liability)/Asset Recognized in the Balance Sheet	(19.11)	(16.09)
<b>Expenses recognized in the Statement of Profit / loss</b>		
Current Service Cost	3.74	2.37
Net Interest Cost	1.22	0.82
Past Service Cost	—	—
(Expected Contributions by the Employees)	—	—
(Gains)/Losses on Curtailments and Settlements	—	—
Net effect of Changes in Foreign Exchange Rates	—	—
Expenses Recognized	4.96	3.19
	<u>2017-18</u>	<u>2016-17</u>
<b>Assumptions</b>	<b>IALM</b>	<b>IALM</b>
Mortality	(2006-08) Ult.	(2006-08) Ult.
<b>Expenses recognition in - Other Comprehensive Income</b>		
Actuarial (Gain)/Loss recognised for the period	(1.49)	2.71
Return on Plan Assets, excluding interest income	—	—
Change in Asset Ceiling	—	—
Net (Income)/Expense for the Period Recognized in OCI	(1.49)	2.71
Remeasurement - Actuarial loss /[gain]	—	—
	<u>2017-18</u>	<u>2016-17</u>
<b>Sensitivity Analysis</b>		
Projected Benefit Obligations on Current Assumptions	19.11	16.09
Delta Effect of +1% change in Rate of Discounting	(1.93)	(1.73)
Delta Effect of -1% change in Rate of Discounting	2.31	2.07
Delta Effect of +1% change in Rate of Salary Increase	2.36	2.11
Delta Effect of -1% change in Rate of Salary Increase	(2.00)	(1.78)
Delta Effect of +1% change in Rate of Employee Turnover	0.53	0.38
Delta Effect of -1% change in Rate of Employee Turnover	(0.63)	(0.46)

## **BLUE CHIP TEX INDUSTRIES LIMITED**

**Notes on Financial Statements for the year ended 31st March 2018**

₹ In Lakhs

### **B Long Term Compensated Absences**

	<u>2017-18</u>	<u>2016-17</u>
<b>Actuarial Assumptions</b>	<b>IALM</b>	<b>IALM</b>
Mortality	<b>(2006-08) Ult.</b>	<b>(2006-08) Ult.</b>
Rate of Discounting	<b>7.87%</b>	7.57%
Future Salary increase	<b>5.00%</b>	5.00%
Attrition Rate	<b>2.00%</b>	2.00%

These plans typically expose the Company to actuarial risk such as interest rate risk, longevity risk and salary risk.

**Interest Rate Risk:** A decrease in the bond interest rate will increase the plan liability.

**Longevity Risk :** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary Risk :** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

25	<b>FINANCE COST:</b>	<u>2017-18</u>	<u>2016-17</u>
	Interest Expenses #	<b>174.58</b>	149.83
	Other Borrowing Costs	<b>1.03</b>	1.55
		<b>175.61</b>	151.38
	Less: Finance Cost Capitalised	<b>23.78</b>	—
	<b>TOTAL</b>	<b>151.83</b>	<b>151.38</b>

# Net off interest received ₹15.64 Lakhs (Previous Year ₹19.43 Lakhs)

26	<b>OTHER EXPENSES:</b>	<u>2017-18</u>	<u>2016-17</u>
	<b>(a) Manufacturing expenses</b>		
	Packing materials	<b>622.78</b>	432.78
	Stores, Spares and Oil consumed	<b>358.38</b>	321.49
	Power and fuel	<b>692.94</b>	700.23
	Contract labour charges	<b>86.42</b>	121.00
	Job work charges	<b>4.09</b>	13.53
	Repairs to Building	<b>1.18</b>	11.15
	Repairs to Plant and Machinery	<b>12.26</b>	24.94
	Repairs to Others	<b>17.92</b>	14.58
	Rent - Office	<b>6.10</b>	6.00
	Machine Hire Charges [Refer Note No.32]	<b>66.14</b>	68.95
	Rates and taxes	<b>0.29</b>	0.16
	Insurance	<b>5.09</b>	3.47
		<b>1,873.59</b>	1,718.28

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

Notes on Financial Statements for the year ended 31st March 2018 ₹ In Lakhs

		2017-18	2016-17	
<b>(b) Establishment Expenses</b>				
	Payment to Auditors [Refer Note No.28]	0.70		3.97
	Directors sitting fees	0.72		0.74
	Share of Loss from a Partnership Firm	0.17		0.67
	Donation	0.35		—
	Miscellaneous expenses	82.27		53.70
		<u>84.21</u>		<u>59.08</u>
<b>(c) Selling and Distribution Expenses</b>				
	Brokerage and Commission	244.77		183.51
	Bad Debts	—		0.03
	Freight Charges	14.00		6.68
		<u>258.77</u>		<u>190.22</u>
	<b>TOTAL</b>	<u><u>2,216.57</u></u>		<u><u>1,967.58</u></u>
27	<b>VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:</b>			
		₹	%	₹
				%
	Imported	—	—	—
	Indigenous	981.16	100%	754.27
	<b>TOTAL</b>	<u><u>981.16</u></u>	<u><u>100%</u></u>	<u><u>754.27</u></u>
				<u><u>100%</u></u>
28	<b>PAYMENT TO AUDITORS AS:</b>		2017-18	2016-17
	(a) Auditor			
	Statutory Audit Fees		—	2.59
	Tax Audit Fees		—	0.58
	Certification Fees - Transfer Price		—	0.35
	Certification Fees		0.30	—
	Limited Review of Quarterly Result		0.40	—
	(b) Cost Audit Fees		—	0.46
	<b>TOTAL</b>		<u><u>0.70</u></u>	<u><u>3.98</u></u>
29	<b>EARNING PER SHARE:</b>		2017-18	2016-17
	a. Net Profit after tax			
	Profit attributable to Equity Shareholders (₹ In Lakhs)		518.35	209.72
	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) in ₹		26.31	10.64

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **Notes on Financial Statements for the year ended 31st March 2018**

₹ In Lakhs

30	<b>CIF VALUE OF IMPORT</b>	<b>2017-18</b>	<b>2016-17</b>
	Capital Goods	42.29	—
	Capital Goods - WIP	320.07	—
31	<b>UNHEDGED FOREIGN CURRENCY EXPOSURE</b>	<b>2017-18</b>	<b>2016-17</b>
		<b>Trade Payables</b>	<b>Trade Payables</b>
	Exposure in foreign currency - JPY	463.50	—
	Exposure in ₹	285.08	—

### 32 **RELATED PARTY DISCLOSURES:**

a) Names of related parties and description of relationship:

i. Key Management Personnel :

Mr.Nand K. Khemani  
 Mr.Ashok K. Khemani  
 Mr. Kumar Nathani  
 Mr. Rahul A. Khemani  
 Mr. Shahin N. Khemani  
 Mr.Manmohan Anand  
 Mrs. Shraddha Teli  
 Mr.Maulin Gandhi  
 Ms.Sonal Shukla  
 Mr.Hitesh Manoj Kavediya

ii. Others (Entities in which Key Management Personnel have control or significant influence)

Beekaylon Synthetics Private Limited  
 Indo Leather Works  
 Jay Gee Rayons

b) Transactions with related parties :

₹ in Lakhs

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
1	Rent Paid Indo Leather Works	6.00 (6.00)	Nil (Nil)	6.00 (6.00)
2	Machine Hire Charges Paid Beekaylon Synthetics Private Limited	74.48 (68.95)	Nil (Nil)	74.48 (68.95)
3	Insurance Premium (Reimbursed) Beekaylon Synthetics Private Limited	4.74 (3.99)	Nil (Nil)	4.74 (3.99)

### **33<sup>rd</sup> ANNUAL REPORT 2017-18**

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
4	Purchase of raw materials and goods Beekaylon Synthetics Private Limited	14,807.01 (10,561.11)	Nil (Nil)	14,807.01 (10,561.11)
5	Job Work Charges Beekaylon Synthetics Private Limited	4.09 (13.53)	Nil (Nil)	4.09 (13.53)
6	Packing Material Beekaylon Synthetics Private Limited	2.25 (Nil)	Nil (Nil)	2.25 (Nil)
7	Repairs of Machinery Beekaylon Synthetics Private Limited	0.22 (Nil)	Nil (Nil)	0.22 (Nil)
8	Purchase of Fixed Assets Beekaylon Synthetics Private Limited	4.62 (Nil)	Nil (Nil)	4.62 (Nil)
9	Sale of goods Beekaylon Synthetics Private Limited	1,018.04 (546.58)	Nil (Nil)	1,018.04 (546.58)
10	Job Work (Income) Beekaylon Synthetics Private Limited	193.25 (349.34)	Nil (Nil)	193.25 (349.34)
11	Sale of Scrap Beekaylon Synthetics Private Limited	0.45 (Nil)	Nil (Nil)	0.45 (Nil)
12	Remuneration to Director Rahul A. Khemani  Shahin N. Khemani	Nil (Nil)  Nil (Nil)	30.00 (23.40)  30.00 (26.40)	30.00 (23.40)  30.00 (26.40)
13	Remuneration to Company Secretary Sonal Shukla  Hitesh Manoj Kavediya	Nil (Nil)  Nil (Nil)	0.15 (0.60)  1.50 (Nil)	0.15 (0.60)  1.50 (Nil)
14	Director Sitting Fees Kumar Nathani  Manmohan Anand  Maulin Gandhi  Shraddha Teli	Nil (Nil)  Nil (Nil)  Nil (Nil)  Nil (Nil)	0.26 (0.23)  0.16 (0.23)  0.15 (0.17)  0.15 (0.11)	0.26 (0.23)  0.16 (0.23)  0.15 (0.17)  0.15 (0.11)

## **BLUE CHIP TEX INDUSTRIES LIMITED**

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
15	Interest Paid on late payment Beekaylon Synthetics Private Limited	101.15 (135.51)	Nil (Nil)	101.15 (135.51)
16	Interest on unsecured loan taken Ashok K Khemani  Nand K Khemani  Jay Gee Rayons	Nil (Nil)  Nil (Nil)  15.98 (Nil)	3.70 (Nil)  3.67 (Nil)  Nil (Nil)	3.70 (Nil)  3.67 (Nil)  15.98 (Nil)
17	Interest paid to Partnership Firm Jay Gee Rayons	0.04 (0.03)	Nil (Nil)	0.04 (0.03)
18	Reimbursement - Vehicle Expenses Beekaylon Synthetics Private Limited	Nil (1.17)	Nil (Nil)	Nil (1.17)
19	Share of Loss from Partnership Firm Jay Gee Rayons	0.17 (0.67)	Nil (Nil)	0.17 (0.67)
20	Loan Taken Ashok K Khemani  Nand K Khemani  Jay Gee Rayons	Nil (Nil)  Nil (Nil)  365.00 (Nil)	100.00 (Nil)  50.00 (Nil)  Nil (Nil)	100.00 (Nil)  50.00 (Nil)  365.00 (Nil)
21	Loan Re-Paid Nand K Khemani	Nil (Nil)	50.00 (Nil)	50.00 (Nil)
22	Investment in Partnership Firm Jay Gee Rayons	0.05 (0.05)	Nil (Nil)	0.05 (0.05)
23	Contribution during the year Jay Gee Rayons	Nil (0.68)	Nil (Nil)	Nil (0.68)
24	Balance Recoverable / Receivable at year end Beekaylon Synthetics Private Limited	14.71 (30.34)	Nil (Nil)	14.71 (30.34)
25	Balance Payable at year end Beekaylon Synthetics Private Limited	960.80 (1,122.70)	Nil (Nil)	960.80 (1,122.70)

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Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
26	Balance Payable at year end Jay Gee Rayons Payable	0.91 (0.70)	Nil (Nil)	0.91 (0.70)
27	Loan from Director Ashok K Khemani	Nil (Nil)	100.00 (Nil)	100.00 (Nil)
28	Loan from Others Jay Gee Rayons #	365.00 (Nil)	Nil (Nil)	365.00 (Nil)

# Firm wherein Partners are the shareholders of the Company

- 32.1 Related party relationship is as identified by the management and relied upon by the Auditors  
 32.2 Previous year figures are given in brackets.  
 32.3 Amount includes SERVICE TAX/GST paid wherever applicable

	31.03.2018	31.03.2017
<b>33 CONTINGENT LIABILITIES AND COMITMENTS:</b> (To the extent not provided for)		₹ in Lakhs
(i) <b>Disputed Income Tax Liabilities/Demand :</b>	<b>23.87</b>	24.34
(ii) <b>Outstanding Bank Guarantee</b>	<b>99.89</b>	73.97

**34 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:**  
**Name of the Firm - Jay Gee Rayons**

Name of the Partners	As at 31.03.2018			
	Fixed Capital Account ₹ in Lakhs	Current Capital Account ₹ in Lakhs	Total Capital Account ₹ in Lakhs	Share of Profit/Loss of each Partner
M/s.Beekeylon Synthetics Private Limited	0.050	330.55	330.60	10%
M/s.Bluechip Tex Industries Ltd.	0.045	(0.91)	(0.87)	9%
M/s.Indotex Export House Private Limited	0.045	1.12	1.17	9%
M/s.Sangam Syntwist Textile Private Limited	0.045	33.47	33.52	9%
Mr. Nand K. Khemani	0.045	(0.90)	(0.86)	9%
Mr. Ashok K. Khemani	0.045	11.71	11.76	9%
Mr. Rahul A. Khemani	0.045	(0.91)	(0.87)	9%
Mr. Siddharth A. Khemani	0.045	125.18	125.23	9%
Mr. Shahin N. Khemani	0.045	(0.91)	(0.87)	9%
Mrs. Nitika S. Khemani	0.045	(0.90)	(0.86)	9%
Mrs. Rishma R. Khemani	0.045	(0.90)	(0.86)	9%
<b>Total</b>	<b>0.50</b>	<b>496.60</b>	<b>497.10</b>	

## **BLUE CHIP TEX INDUSTRIES LIMITED**

Name of the Partners	As at 31.03.2017			
	Fixed Capital Account ₹ in Lakhs	Current Capital Account ₹ in Lakhs	Total Capital Account ₹ in Lakhs	Share of Profit/Loss of each Partner
M/s.Beekaylon Synthetics Private Limited	0.050	(0.78)	(0.73)	10%
M/s.Bluechip Tex Industries Ltd.	0.045	(0.70)	(0.66)	9%
M/s.Indotex Export House Private Limited	0.045	(0.70)	(0.66)	9%
M/s.Sangam Syntwist Textile Private Limited	0.045	(0.70)	(0.66)	9%
Mr. Nand K. Khemani	0.045	(0.71)	(0.67)	9%
Mr. Ashok K. Khemani	0.045	11.20	11.25	9%
Mr. Rahul A. Khemani	0.045	(0.70)	(0.66)	9%
Mr. Siddharth A. Khemani	0.045	121.97	122.02	9%
Mr. Shahin N. Khemani	0.045	(0.70)	(0.66)	9%
Mrs. Nitika S. Khemani	0.045	(0.69)	(0.65)	9%
Mrs. Rishma R. Khemani	0.045	(0.69)	(0.65)	9%
<b>Total</b>	<b>0.50</b>	<b>126.80</b>	<b>127.30</b>	

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

36 The company's main business segment is manufacturing of polyester texturised yarn and sale in the domestic market. Hence, there are no separate reportable segments as per Ind AS 108 "Operating Segment"

### 37 **Capital Mangement**

The Company,s policy is to maintain a strong capital base so as to maintain investor , creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The weighted average interest expense on interest-bearing borrowings was 9.89% (FY 2016-17 : 11.55%).

#### **Gearing ratio**

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Gross Debt	<b>2,127.22</b>	617.76	871.81
Cash and Cash Equivalent	<b>115.00</b>	93.75	218.07
Net Debt (A)	<b>2,012.22</b>	524.01	653.74
Total Equity (as per Balance Sheet) (B)	<b>1,549.50</b>	1,065.73	893.39
Net Gearing (A/B)	<b>1.30</b>	<b>0.49</b>	<b>0.73</b>



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### 38 Leases

₹ in Lakhs

Plant and Machinery taken on Operating lease - The company has entered into lease agreement for five Machines taken on operating lease. The future minimum lease payments (excluding indirect taxes) under non cancellable operating lease are as under:

	2017-18	2016-17
(a) Not later than 1 year	69.85	63.50
(b) Later than 1 year but not later than 5 years	30.25	100.10
(c) Later than 5 years	—	—

### 39 FINANCIAL INSTRUMENTS

₹ In Lakhs

The following table provides the fair value measurement hierarchy of the Compañ's financial assets and liabilities

Particulars	As at 31st March 2018			As at 31st March 2017			As at 1st April 2016		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
<u>Financial Assets</u>									
<b>At Amortised Cost</b>									
Investment*	—	—	—	—	—	—	—	—	—
Trade receivable	1,732.49	—	—	764.34	—	—	793.88	—	—
Cash and Bank Balances	114.99	—	—	93.75	—	—	218.08	—	—
Loans	1.43	—	—	1.43	—	—	1.43	—	—
Other financial Assets	91.98	—	—	62.65	—	—	27.10	—	—
<u>Financials Liabilities</u>									
<b>At amortised cost</b>									
Borrowing	2,127.22	—	—	617.77	—	—	871.81	—	—
Trade payables	1,511.54	—	—	1,269.19	—	—	1,128.57	—	—
Other financial liabilities	883.32	—	—	349.23	—	—	365.17	—	—

\* Excludes Financial assets measured at cost (Refer note 2.2)

#### **Foreign currency Risk**

The foreign currency exposures in Japanese Yen (JPY) on financial instrument at the end of the reporting period is as follows:

₹ In Lakhs

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Creditors for Capital Goods	463.50	—	—
	463.50	—	—

## **BLUE CHIP TEX INDUSTRIES LIMITED**

Sensitivity analysis of 1% change in exchange rate at the of reporting period net of hedges

₹ In Lakhs

Particulars	As at	
	31st March 2018	31st March 2017
<b>1% Depreciation In INR</b>		
Impact on Equity	—	—
Impact on P&L	(2.85)	—
Total	(2.85)	—
<b>1% Appreciation in INR</b>		
Impact on Equity	—	—
Impact on P&L	2.85	—
Total	2.85	—

### **Interest Rate Risk**

The exposure of the company's borrowing at the end of the reporting period are as follows:

₹ In Lakhs

Particulars	As at		
	31st March 2018	31st March 2017	1st April 2016
<b>Loans</b>			
Long term Floating Loan	1,454.93	519.40	714.10
Long term Fixed Loan	365.00	—	—
Short term loan	397.82	272.23	341.99
Total	2,217.75	791.63	1,056.09

Interest rate Sensitivity- Impact of interest expenses for the year on 1% change in interest rate

Particulars	As at 31st March 2018		As at 31st March 2017	
	Up Move	Down Move	Up Move	Down Move
Impact on equity	—	—	—	—
Impact on P&L	(12.27)	12.27	(2.61)	2.61

### **Financial Risk Management**

The company's activities expose it to credit risk, liquidity risk and market risk. The Company senior management oversees the management of these risks.

#### **i) Credit Risk**

Credit risk is the risk of financial loss to the group if a customer or counter party to a financial instruments fails to meet its financial obligation and such obligation mainly arise from receivables from customers and loans and advances. Credit risk is managed through establishing credit limits and continuously monitoring the credit worthiness of customers.

As at 31<sup>st</sup> March, 2018 the carrying amount of financial assets exposure to credit risk was ₹1939.46 Lakhs (₹920.73 as at 31<sup>st</sup> March 2017), being representing balances with banks, short term deposits with banks, trade receivables and other financial assets.

## **33<sup>rd</sup> ANNUAL REPORT 2017-18**

The ageing of trade receivables as of balance sheet date is given below :

Particulars	₹ In Lakhs		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Trade Receivables	<b>Gross</b>	Gross	Gross
Less than 6 months	<b>1705.22</b>	762.02	790.88
More than 6 months	<b>27.27</b>	2.32	3.00
<b>Total</b>	<b>1732.49</b>	<b>764.34</b>	<b>793.88</b>

Credit risk from balances with banks is managed by the Company's treasury department. The objective is to minimize the concentration of risks and therefore mitigate financial loss.

### ii) **Liquidity risk**

Liquidity risk refers to the risk company cannot meet its financial obligations. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due and principal source of liquidity are cash and cash equivalents that are generated from operations.

The company has obtained term Loans and fund and non fund based working capital from banks.

Following are the contractual maturities of loans obtained :

Maturity profile of loans as on 31st March 2018

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
<u>Secured</u>							
Long Term Loans*	14.82	33.57	142.14	787.39	286.48	—	1,264.40
Short Term Loans	—	—	397.82	—	—	—	397.82
<u>Unsecured</u>							
Loan From Others	—	—	—	—	—	465.00	465.00
<b>Total</b>	<b>14.82</b>	<b>33.57</b>	<b>539.96</b>	<b>787.39</b>	<b>286.48</b>	<b>465.00</b>	<b>2,127.22</b>

\* Including ₹ 22,59,695/- as prepaid finance charges

Maturity profile of loans as on 31st March 2017

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Long Term Loans	46.07	46.07	81.72	118.56	53.11	—	345.53
Short Term Loans	—	—	272.23	—	—	—	—
<b>Total</b>	<b>46.07</b>	<b>46.07</b>	<b>353.95</b>	<b>118.56</b>	<b>53.11</b>	<b>—</b>	<b>345.53</b>

### iii) **Market Risk :**

Market risk is the risk of any loss in future earnings, in realizable fair values or of in future cash flows of the Company that may result from change in price of a financial instrument. The value of financial instrument may change as a result of change in interest rates, foreign currency exchange rates.

The company primarily is exposed to interest rate risk. The Company presently are not exporting its product but are importing equipments and spare parts resulting into foreign exchange rate risk..

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **40 FIRST TIME IND AS ADPOTION RECONCILIATIONS**

₹ In Lakhs

#### **40.1 Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2017 and 1st April,2016**

Particulars	As at 31st March 2017			As at 1st April 2016		
	Previous GAAP	Effect of transition to IND AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to IND AS	As per Ind AS balance sheet
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
a) Property,plant and equipment	1,348.51	—	1,348.51	1,451.70	—	1,451.70
b) Capital Work-in-progress	—	—	—	—	—	—
c) Financial assets						
i) Investments	41.95	—	41.95	0.05	—	0.050
ii) Loans	1.43	—	1.43	1.43	—	1.430
iii) Other financial assets	53.52	—	53.52	17.08	—	17.080
<b>Total non-current assets</b>	<b>1,445.41</b>	<b>—</b>	<b>1,445.41</b>	<b>1,470.26</b>	<b>—</b>	<b>1,470.260</b>
<b>Current Assets</b>						
a) Inventories	330.69	—	330.69	270.01	—	270.01
b) Financial assets						
i) Investments	—	—	—	—	—	—
ii) Trade Receivables	764.34	—	764.34	793.88	—	793.88
iii) Cash and cash equivalents	93.75	—	93.75	218.08	—	218.08
c) Other current assets	667.09	—	667.09	496.55	—	496.55
<b>Total current assets</b>	<b>1,855.87</b>	<b>—</b>	<b>1,855.87</b>	<b>1,778.52</b>	<b>—</b>	<b>1,778.52</b>
<b>Total Assets</b>	<b>3,301.28</b>	<b>—</b>	<b>3,301.28</b>	<b>3,248.78</b>	<b>—</b>	<b>3,248.78</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	197.55	—	197.55	197.55	—	197.55
(b) Other equity	868.17	—	868.17	660.26	35.57	695.83
<b>Total equity</b>	<b>1,065.72</b>	<b>—</b>	<b>1,065.72</b>	<b>857.81</b>	<b>35.57</b>	<b>893.38</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
a) Financial liabilities						
i) Borrowings	171.67	—	171.67	345.54	—	345.54
b) Provisions	18.99	—	18.99	12.20	—	12.20
c) Deferred tax liabilities (Net)	134.55	—	134.55	131.58	—	131.58
<b>Total non-current liabilities</b>	<b>325.21</b>	<b>—</b>	<b>325.21</b>	<b>489.32</b>	<b>—</b>	<b>489.32</b>
<b>Current liabilities</b>						
a) Financial liabilities						
i) Borrowings	272.23	—	272.23	341.99	—	341.99
ii) Trade and other payables	1,269.19	—	1,269.19	1,128.57	—	1,128.57
b) Other Current Liabilities	349.23	—	349.23	365.17	—	365.17
c) Provisions	19.68	—	19.68	65.89	(35.57)	30.32
<b>Total current liabilities</b>	<b>1,910.33</b>	<b>—</b>	<b>1,910.33</b>	<b>1,901.62</b>	<b>(35.57)</b>	<b>1,866.05</b>
<b>Total liabilities</b>	<b>2,235.54</b>	<b>—</b>	<b>2,235.54</b>	<b>2,390.94</b>	<b>(35.57)</b>	<b>2,355.37</b>
<b>Total equity and liabilities</b>	<b>3,301.26</b>	<b>—</b>	<b>3,301.26</b>	<b>3,248.75</b>	<b>—</b>	<b>3,248.75</b>

## 33<sup>rd</sup> ANNUAL REPORT 2017-18

### 40.2 Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP ₹ In Lakhs

Nature of Adjustments	Net Profit	Other Equity	
	Year ended 31st March 2017	As at 31st March 2017	As at 1st April 2016
<b>Net Profit / Other Equity as per Previous Indian GAAP</b>	<b>207.91</b>	868.17	660.26
Proposed Dividend including Tax	—	—	35.57
Remeasurement Gain on defined benefit plan	<b>2.71</b>	—	—
Income tax Relating to above	<b>(0.90)</b>	—	—
<b>Total</b>	<b>1.81</b>	—	35.57
<b>Net Profit before OCI / Other Equity as per Ind As</b>	<b>209.72</b>	868.17	695.83

### 40.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Year ended 31st March, 2017		
	Previous GAAP	Effect of transition to Ind AS	As per Ind As
<b>Income</b>			
Revenue from Operations			
Sale of Products	13,653.98	—	13,653.98
Sale of Services	349.34	—	349.34
	<u>14,003.32</u>	—	<u>14,003.32</u>
Other Income	12.70	—	12.70
<b>Total Income</b>	<b>14,016.02</b>	—	<b>14,016.02</b>
<b>Expenses</b>			
Cost of Material Consumed	11,208.26	—	11,208.26
Changes in inventories of finished goods	(24.19)	—	(24.19)
Employee benefits expenses	269.67	(2.71)	266.96
Finance cost	151.38	—	151.38
Depreciation and amortization expenses	128.94	—	128.94
Other Expenses	1,967.58	—	1,967.58
<b>Total Expenses</b>	<b>13,701.64</b>	<b>(2.71)</b>	<b>13,698.93</b>
<b>Profit before tax</b>	<b>314.38</b>	<b>2.71</b>	<b>317.09</b>
Current Tax	103.50	0.90	104.40
Deferred Tax	2.97	—	2.97
<b>Total Tax Expense</b>	<b>106.47</b>	<b>0.90</b>	<b>107.37</b>
<b>Profit for the Year</b>	<b>207.91</b>	<b>1.81</b>	<b>209.72</b>

As per our report of even date

For **D K P & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership No. 037148

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director

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

**Hitesh Kavediya**  
Company Secretary

Place: Mumbai  
Dated: 25<sup>th</sup> May, 2018



**NOTES**

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

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

**CIN:** L17100MH1985PLC037514

Name of the Company: **BLUE CHIP TEX INDUSTRIES LIMITED**  
**Registered office:** 410-411, Kapadia Chambers, 599, Jagannath Shankar Sheth Road,  
Chira Bazar, Kalbadevi, Mumbai-400002

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 33rd Annual general meeting of the company, to be held on the Tuesday, 11th September, 2018 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.....
- 7.....
- 8.....
- 9.....

**Affix  
Revenue  
Stamp**

Signed this..... day of..... 2018

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

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

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office (i.e. Office No. 17, Maker Chambers-III, Jamnala 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:** 410-411, Kapadia Chambers, 599, Jagannath Shankar Sheth Road,  
Chira Bazar, Kalbadevi, Mumbai-400002

CIN: L17100MH1985PLC037514

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/We hereby record my/our presence at the 33<sup>rd</sup> annual general meeting of the Company, to be held on Tuesday, 11<sup>th</sup> September, 2018 at 10.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai-400 001

Members/Proxy's Signature  
(To be signed at the time of handing over this slip)

**NOTES :**

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

**BOOK-POST**

If Undelivered, please return to :

**BLUE CHIP TEX INDUSTRIES LIMITED**  
Office No. 17, Maker Chambers-III,  
Jamnalal Bajaj Road,  
Nariman Point,  
Mumbai - 400 021

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