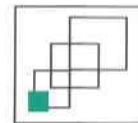




TEX INDUSTRIES LTD.



Blue Chip

Corporate Office : 15,16 & 17, Maker Chambers-III, 1st Floor, Jamnalal Bajaj Road, Nariman Point, Mumbai 400 021
Tel.: 91 22 4353 0400 • E-mail : bluechiptex@gmail.com • Website : bluechiptexindustrieslimited.com
CIN : L17100DN1985PLC005561

Date: 1st September, 2021

To,
Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 506981

Sub: Submission of Notice convening 36th Annual General Meeting and Annual Report of Blue Chip Tex Industries Limited for the Financial Year 2020-21.

Dear Sir / Madam,

With reference to the captioned subject and in continuation to our letter dated 4th August, 2021, informing the date of the 36th Annual General Meeting, we are enclosing herewith the Notice convening 36th Annual General Meeting and Annual Report of the Company for the Financial Year 2020-21 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The aforesaid documents are also made available on the website of the Company at www.bluechiptexindustrieslimited.com.

Kindly take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,

For Blue Chip Tex Industries Limited

Bhumit M. Dharod

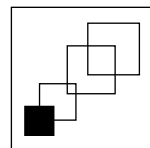
Bhumit .M. Dharod

Company Secretary & Compliance Officer

Membership No.: ACS 51555



Encl: as above



BLUE CHIP TEX INDUSTRIES LIMITED

36TH ANNUAL REPORT 2020-2021

CORPORATE INFORMATION

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

- 1. Mr. Shahin .N. Khemani**
Managing Director
DIN: 03296813
- 2. Mr. Rahul .A. Khemani**
Chief Financial Officer & Executive Director
DIN: 03290468
- 3. Mr. Shatrughun .N. Jiwnani**
Independent Director
DIN: 07247441
- 4. Ms. Shraddha .M. Teli**
Independent Director
DIN: 06976334
- 5. Mr. Rohit .P. Bajaj**
Independent Director
DIN: 08646838
- 6. Mr. Siddharth .A. Khemani**
Non-Executive, Non-Independent Director
DIN: 08842398
- 7. Mr. Bhumit .M. Dharod**
Company Secretary & Compliance Officer
Membership No.: ACS 51555

STATUTORY AUDITORS

D. K. P. & Associates

SECRETARIAL AUDITORS

Pramod .S. Shah & Associates

COST AUDITORS

NKJ & Associates

INTERNAL AUDITORS

Raju Gupta & Associates

BANKER

Axis Bank Limited

CORPORATE IDENTITY NUMBER

L17100DN1985PLC005561

REGISTERED OFFICE

Plot no. 63-B,
Danudyog Sahakari Sangh Limited,
Village Piparia, Silvassa
Dadra & Nagar Haveli- 396 230
Tel: + 91 99040 11553 / 99244 22247

FACTORY

- Plot no. 63-B, Danudyog Sahakari Sangh Limited, Village Piparia, Silvassa, Dadra & Nagar Haveli- 396 230
- Plot No. 45-B, Govt. Industrial Estate, Masat, Silvassa, Dadra & Nagar Haveli- 396 230

CORPORATE OFFICE

Office No. 15/16/17, 1st floor,
Maker Chambers - III,
Jamnalal Bajaj Road, Nariman Point,
Mumbai - 400 021.
Tel: + 91 22 4353 0400

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp Vasant Oasis, Makwana Road,
Marol, Andheri-East, Mumbai – 400 059.
Tel: + 91 22 6263 8200
Fax: + 91 22 6263 8299
Website: www.bigshareonline.com
Email Id: investor@bigshareonline.com

INVESTOR E-MAIL ID

bluechiptex@gmail.com

WEBSITE

www.bluechiptexindustrieslimited.com

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Blue Chip Tex Industries Limited

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting (AGM) of the Members of Blue Chip Tex Industries Limited will be held on Wednesday, 29th September, 2021 at 12 noon IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare a final dividend of ₹ 3.00/- per equity share for the financial year ended 31st March, 2021.
- 3) To appoint a Director in place of Mr. Siddharth .A. Khemani (DIN: 08842398), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

- 4) Ratification of remuneration of Cost Auditors for the financial year 2021-22 and in this regard, to consider and if thought fit, to pass, with or without modification(s), 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 financial year 2021-22 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 2021-22, amounting to ₹ 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 the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or desirable to give effect to this Resolution.”

**By order of the Board of Directors
For Blue Chip Tex Industries Limited**

Place: Mumbai
Date: 4th August, 2021

Sd/-
Bhunit .M. Dharod
Company Secretary
Membership No. ACS 51555

Registered Office:
Plot no. 63-B, Danudyog Sahakari Sangh Limited,
Village Piparia, Silvassa,
Dadra & Nagar Haveli- 396 230

Notes:

- 1) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs (“MCA”) followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”), MCA has permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the 36th AGM of the Company is being held through VC / OAVM. The Company has availed the facility of Central Depository Services (India) Limited (“CDSL”) for convening the 36th AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in Note number 25 of this Notice.
- 2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
- 3) The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation in the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
- 4) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 5) In compliance with the aforesaid MCA Circulars and SEBI Circular dated 15th January, 2021 read with SEBI Circular dated 12th May, 2020, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (“RTA”) or Depository Participant/Depository as on the cut-off date Friday, 27th August, 2021. Members may note that the Notice of AGM and the Annual Report 2020-21 will also be available on the Company’s website at www.bluechiptexindustrieslimited.com, on the website of BSE Limited at www.bseindia.com and on the website of CDSL at www.evotingindia.com. The relevant documents, if any, referred to in the Notice of 36th AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 36th AGM of the Company.
- 6) For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday, 27th August, 2021, being the cut-off date for sending soft copy of the Notice of 36th AGM and Annual Report for Financial Year 2020-21, may refer to the Notice of 36th AGM and Annual Report which is available on the Company’s website, on the websites of CDSL and BSE.
- 7) The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings

Blue Chip Tex Industries Limited

issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed.

- 8) Pursuant to the provisions of Sections 112 and 113 of the Act, members such as the President of India/ the Governor of a State/Body Corporate can authorize their representatives to attend the 36th AGM through VC/OAVM and cast their votes through e-voting. Provided a scan copy (PDF) of the Board Resolution or governing body Resolution/Authorization etc., authorizing such representative to attend the AGM of the Company through VC/OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at pramodshah361@gmail.com with a copy marked to the Company at bluechiptex@gmail.com.
- 9) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 22nd September, 2021 to Wednesday, 29th September, 2021 (both days inclusive). The dividend of ₹ 3.00/- (Rupee Three Only) per share on the Equity Shares of the Company of ₹ 10/- (Rupees Ten) each, if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ("TDS") on or after Monday, 11th October, 2021 as under:
- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Tuesday, 21st September, 2021.
 - To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Tuesday, 21st September, 2021.
- 10) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants ("DPs") with whom they are maintaining their demat accounts. Further, as per SEBI Circular dated 20th April, 2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.
- 11) Members holding shares in electronic form may note that as per the circular issued by NSDL and CDSL, the Company is obliged to print on the dividend warrants, bank details of beneficiary owners/ Members as furnished by these Depositories while making payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Members are requested to advise such changes only to their DPs.
- 12) SEBI and the MCA encourages paperless communication as a contribution to greener environment.
- Members are advised to register/update their address, e-mail address and bank mandates** (i.e. bank account number, name of the bank and the branch, 9 digit MICR Bank/Branch code, IFSC code and account type) to their DPs in case of shares held in electronic form and to the Company and/or its RTA in case of shares held in physical form for receiving dividend in their bank accounts and all communications, including Annual Report, Notices, Circulars etc. from the Company.
- 13) In case of remittance of dividend in electronic form, an intimation of the dividend payment would be sent to the members on their registered email address, if any. In case of members who are not covered by NECS facility, the dividend amount will be remitted by means of dividend warrants/demand drafts.
- 14) As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks

associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.

- 15) Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, may fill Form SH-13 and send the same to the office of the Company and/ or its RTA. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their respective DPs.
- 16) Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/Folio.
- 17) In case of joint holders, 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 at the AGM.
- 18) Members desiring any information on the annual financial statements or any other query related to the Annual Report are requested to write to the Company on or before Wednesday, 22nd September, 2021 through email on bluechiptex@gmail.com. The same will be replied by the Company suitably.
- 19) Prevention of Frauds: Members are advised to exercise due diligence and notify their DP of any change in address, stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified to prevent frauds/ misuse, if any.
- 20) Confidentiality of Security Details: Do not disclose Folio Nos. / DP ID/ Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.
- 21) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at bluechiptex@gmail.com.

22) IEPF Information:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notice in this regard is also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at www.bluechiptexindustrieslimited.com.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

Blue Chip Tex Industries Limited

The details of unclaimed dividends & shares transferred to IEPF during financial year ended 31st March, 2021:

Date of Declaration of Dividend	Dividend for the Financial Year	Amount of unclaimed dividend transferred (In ₹)	No. of shares transferred	Date of Transfer of shares
21.08.2013	2012-2013	1,72,756	8,000	23.10.2020

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Pursuant to the provisions of the IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts in respect of dividends for the financial years 2012-13 to 2018-19 lying with the Company as on 31st March, 2020 on the website of the Ministry of Corporate Affairs in e-Form IEPF-2 and also on the website of the Company www.bluechiptexindustrieslimited.com.

In terms of Section 124 of the Act, Final dividend declared for the financial year 2013-14 will be due for transfer to the IEPF in October, 2021, as the same would remain unpaid for a period of seven years from the due date of payment. Members are requested to en-cash their Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.

Also, members are requested to claim their unpaid dividend pertaining to the financial year 2013-14 to 2019-20 as soon as possible, so that shares in respect of which the dividend is pending are not transferred to the Demat Account of IEPF authority at appropriate date.

- 23) Since the ensuing AGM will be convened through VC/OAVM, members can opt for one mode of voting i.e. either by remote e-voting or through e-voting at the time of AGM. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on resolutions through remote e-voting or are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.

However, in case Members cast their vote both by remote e-voting and e-voting at the time of AGM, then voting done through remote e-voting shall prevail and voting done by e-voting at the time of AGM will be treated as invalid. The voting right of all members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. 22nd September, 2021.

24) Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is pleased to provide facility of remote e-voting and e-voting at the time of AGM, to its Members in respect of the business to be transacted at the 36th AGM.

The Company has appointed Mr. Pramod .S. Shah, partner of M/s Pramod .S. Shah & Associates, Practicing Company Secretary (Membership no. F-334/CP No. 3804) as the Scrutinizer for conducting the remote e-voting and the e-voting process at the time of AGM in a fair and transparent manner.

25) THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- i. The remote e-voting period begins on Sunday, 26th September, 2021 at 9:00 a.m. and ends on Tuesday, 28th September, 2021 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2021, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the AGM date through remote e-voting would not be entitled to vote at the time of AGM.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the aforesaid SEBI circular, login method for e-voting and joining virtual meeting for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the eVoting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service provider's website directly.

Blue Chip Tex Industries Limited

Type of shareholders	Login method
	<ol style="list-style-type: none"> If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the eVoting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

v. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders and shareholders holding shares in physical form:

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. 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) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

Login type	For Shareholders holding shares in Demat Form other than individual and Shareholders holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR 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"> • 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 (3).

7. After entering these details appropriately, click on “SUBMIT” tab.
8. Shareholders 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 account holders for

Blue Chip Tex Industries Limited

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.**

9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
16. If a demat account holder has forgotten the 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.

vi. Facility for Non – Individual Shareholders and Custodians – Remote Voting:

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. 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.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. 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.
6. Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address i.e. pramodshah361@gmail.com and to the Company at the email address i.e. bluechiptex@gmail.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

A. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 36TH AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the time of AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at bluechiptex@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at bluechiptex@gmail.com. These queries will be replied to by the Company suitably by email or at the time of AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES / COMPANY / RTA FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company's email id i.e. bluechiptex@gmail.com / RTA's email id i.e. investor@bigshareonline.com.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company's email id i.e. bluechiptex@gmail.com / RTA's email id i.e. investor@bigshareonline.com.

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If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

The results on voting of resolutions will be declared within two working days or three days, from the conclusion of the AGM, whichever is earlier. The results declared along with the scrutinizer's report will be placed on the website of the Company i.e. www.bluechiptexindustrieslimited.com and website of CDSL i.e. www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorized by him and will simultaneously be forwarded to BSE Limited, where the equity shares of the Company are listed.

- 26)** The requirement to place the matter relating to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with as per Point no. 40 of Companies (Amendment) Act, 2017 vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution was proposed for ratification of appointment of M/s. D K P & Associates, Chartered Accountants, who are the Statutory Auditors of the Company and were appointed at the 32nd Annual General Meeting held on 29th August, 2017. Further, they have confirmed that they are eligible in terms of Section 141 of Act to continue as Statutory Auditors of the Company. The details of remuneration paid to Auditors is provided in the Annual Accounts for the year ended 31st March, 2021.
- 27)** Since the 36th AGM will be held through VC/OAVM, the Route Map to the venue of AGM as per the requirements of Secretarial Standards – 2 is not annexed to this Notice.

**EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)**

Item No. 4 (Ratification of remuneration of Cost Auditors for the financial year 2021-22)

The Company is required under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm Registration No.101893) as the Cost Auditor of the Company for the Financial Year 2021-22.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending 31st March, 2022.

The Board recommends the said resolution proposed vide Item No. 4 to be passed as Ordinary Resolution by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 4 of the Notice.

**By order of the Board of Directors
For Blue Chip Tex Industries Limited**

Place: Mumbai
Date: 4th August, 2021

Registered Office:
Plot no. 63-B, Danudyog Sahakari Sangh Limited,
Village Piparia, Silvassa,
Dadra & Nagar Haveli- 396 230

Sd/-
Bhumit .M. Dharod
Company Secretary
Membership No. ACS 51555

Blue Chip Tex Industries Limited

ANNEXURE TO ITEM NO. 3

Details of the Directors seeking appointment/re-appointment in the forthcoming AGM
[Pursuant to 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and
Secretarial Standard on General Meetings]

Name of the Director	:	Mr. Siddharth .A. Khemani (DIN: 08842398)
Date of birth	:	27/12/1990
Nationality	:	Indian
Date of appointment on the Board	:	01/10/2020
Qualifications	:	B.Com from Mumbai University
Expertise in specific functional area	:	Over five years of experience in Textile Industry
Number of shares held in the Company	:	NIL
List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Unlisted Companies	:	Beekaylon Synthetics Private Limited
Number of Board Meetings attended during the year 2020-21	:	Two
Chairman/Member in the committees of the board of the Company	:	NIL
Chairman/Member in the committees of the board of other listed companies	:	Not Applicable
Chairman/Member in the committees of the board of Unlisted Companies	:	NIL
Relationship between Directors inter-se	:	Brother of Mr. Rahul .A. Khemani, CFO & Director of the Company
Remuneration details	:	Sitting Fees of ₹ 5,000/- per Board Meeting

**By order of the Board of Directors
For Blue Chip Tex Industries Limited**

Place: Mumbai
Date: 4th August, 2021

Sd/-
Bhumit .M. Dharod
Company Secretary
Membership No. ACS 51555

Registered Office:
Plot no. 63-B, Danudyog Sahakari Sangh Limited,
Village Piparia, Silvassa,
Dadra & Nagar Haveli- 396 230

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report of Blue Chip Tex Industries Limited ("the Company") along with the Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL PERFORMANCE:

The financial performance of your Company for the financial year ended 31st March, 2021, is summarized below:

Particulars	₹ in Lakhs	
	Financial Year 2020-21	Financial Year 2019-20
Revenue from Operations	15,613.21	22,184.73
Other Income	28.54	27.47
Total Income	15,641.75	22,212.20
Expenses		
Expenses except depreciation & amortization expense	15,138.45	21,173.71
Depreciation & amortization expense	254.16	277.03
Total Expenses	15,392.61	21,450.74
Profit before depreciation & amortization expense	503.30	1,038.49
Less: Depreciation & amortization expense	254.16	277.03
Profit before Tax	249.14	761.46
Less: Provision for taxation		
Current tax	62.00	173.09
Deferred tax	5.72	(19.50)
MAT Credit Entitlement	-	26.33
Profit after tax	181.42	581.54
Other Comprehensive income	(1.11)	(1.90)
Total income for the year	180.31	579.64
Earnings per share (in ₹) (Basic and Diluted)	9.21	29.51
Amount transferred to Retained Earnings	181.42	581.54
Transfer to General Reserve	-	-

The above mentioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2020-21. The detailed Financial Statements forms part of this Annual Report and are also uploaded on website of your Company i.e. www.bluechiptexindustrieslimited.com.

1. Performance Highlights:

The revenue from operations for the financial year 2020-21 was ₹15,613.21 lakhs lower by 29.62 % over the previous year's revenue from operations of ₹ 22,184.73 lakhs in financial year 2019-20. The Profit after tax for the financial year 2020-21 was ₹ 181.42 lakhs as compared to ₹ 581.54 lakhs in financial year 2019-20.

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2. COVID-19 and its impact:

As the COVID-19 pandemic continues and sudden spread of second wave of Corona Virus all over India, the Government of various States including the Central Government has issued various norms and directives. Also, there were partial or complete Lock-down enforced by various State Government(s). During the Financial Year 2020-21, COVID-19 has brought an economic slowdown and to avoid its further spread, the Government in many States had declared closure of manufacturing units, factories, etc. Since the overall economy was hit because of the sudden outbreak of COVID – 19, it impacted the overall business of your Company. Wherever possible and based on the Government Orders / Advisories, the Manufacturing Units were resumed to ensure continued supplies of Company's products.

To break the chain of COVID-19 various steps have been taken by your Company including creating awareness in employees to maintain hygiene by cleaning the hands at regular intervals, using the facial mask to avoid the spread of COVID-19, Work From Home facility is still in force, use of Hand Sanitizers kept at entry point in the Office premises, checking of Body Temperature, etc.

3. Dividend:

Your Directors are pleased to recommend a final dividend of ₹ 3.00/- per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2021.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April, 2020, dividend declared and paid by any Company is taxable in the hands of shareholders. Your Company shall, therefore, be required to regulate deduction of tax at source (TDS) at the time of payment of dividend in accordance with the provisions of the Income Tax Act, 1961 read with the Finance Act, 2020 and at the applicable rates of taxes. The TDS rate may vary depending upon the residential status of the shareholder and the documents submitted to your Company.

Your Company will also be sending communication to the shareholders informing them to submit the necessary documents to enable your Company to calculate the amount of tax required to be deducted from the proposed dividend in respect of each eligible shareholders. The aforesaid communication will be sent to those shareholders whose name appears in the Register of Members as on 6th August, 2021 via email to those shareholders who have registered their email id with your Company and for shareholders who have not registered their email addresses, through courier/ post at their latest registered address available with your Company.

4. Transfer to Reserves:

Your Company did not transfer any sum to the General Reserve for the Financial Year under review.

5. Annual Return:

As per the requirements of Section 92(3) of the Companies Act, 2013 and Rules framed thereunder, the copy of the Annual Return for the financial year 2020-21 is uploaded on the website of the Company and the same is available at www.bluechiptexindustrieslimited.com.

6. Details 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.

7. Board Meetings:

The Board met four times through video conferencing during the financial year 2020-21 on 29th June, 2020, 19th August, 2020, 12th November, 2020 and 29th January, 2021. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. Also, the Board of Directors of your Company passed a resolution by circulation on 14th July, 2020, 10th August, 2020, 11th August, 2020, 21st September, 2020, 8th October, 2020 and 29th December, 2020.

8. Changes in Directors and Key Managerial Personnel:

The following changes in Directors & Key Managerial Personnel has taken place during the year under review:

1. The Board at its meeting held on 19th August, 2020 approved the appointment of Mr. Shahin .N. Khemani as Managing Director of the Company for a period of five years with effect from 1st September, 2020 and later the appointment was approved by the shareholders at 35th Annual General Meeting of the Company.
2. Mr. Ashok .K. Khemani resigned from the Board of the Company with effect from the close of business hours on 31st August, 2020.
3. Shareholders at the 35th Annual General Meeting, approved the appointment of Mr. Shatrughun .N. Jiwnani as Non-Executive Independent Director of the Company, for a period of four years with effect from 6th January, 2020.
4. Shareholders at the 35th Annual General Meeting, approved the appointment of Mr. Rohit .P. Bajaj as Non-Executive Independent Director of the Company, for a period of three years with effect from 6th January, 2020.
5. Shareholders at the 35th Annual General Meeting approved the appointment of Mr. Siddharth .A. Khemani as a Non-Executive, Non-Independent Director of the Company, with effect from 1st October, 2020.

9. Independent Directors:

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Also all the Independent Directors of your Company have complied with the provisions of sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Company did not have any pecuniary relationship or transactions with any of its Independent Directors, other than payment of sitting fees.

In the opinion of the Board, the Independent Directors of the Company meet the requirements of integrity, expertise and experience as required by Company and have the Proficiency required for their appointment as an Independent Director on the Board of the Company.

10. Particulars of Remuneration to Directors and Employees:

The statement containing information as required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as “Annexure – IV”.

Blue Chip Tex Industries Limited

11. Auditors:

(i) Statutory Auditor

The Members at the 32nd Annual General Meeting of the Company held on 29th August, 2017 had appointed M/s. D K P & Associates, Chartered Accountants (Firm Registration No. 126305W) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the 32nd Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2022. The Company has received a written confirmation from the Statutory Auditors that their continued appointment shall be in accordance with the criteria as provided under Section 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification(s), reservation(s) or adverse remark(s).

(ii) Secretarial Auditor

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company on the recommendation of the Audit Committee have re-appointed M/s. Pramod .S. Shah and Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report issued in this regard is annexed as “**Annexure I**”. The report does not contain any qualification(s), reservation(s) or adverse remark(s) which calls for any explanation from your Board of Directors.

(iii) Cost Auditor

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, have re-appointed M/s. NKJ & Associates, Practising Cost Accountants, Mumbai (Registration No. 101893), as Cost Auditor of the Company for conducting the Cost Audit for the Financial Year 2021-22, on a remuneration as mentioned in the Notice of 36th Annual General Meeting. A Certificate from M/s. NKJ & Associates, Practising Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 36th Annual General Meeting and the same is recommended for your consideration and ratification. The Cost Audit Report for the financial year ended 31st March, 2021, does not contain any qualification(s), reservation(s) or adverse remark(s) which calls for any explanation from your Board of Directors.

(iv) Internal Auditor

In terms of the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, have re-appointed M/s. Raju Gupta & Associates, Chartered Accountants, Mumbai (Registration No. 108477W), as the Internal Auditor of the Company for the Financial Year 2020-21. The Internal Audit Report for the financial year ended 31st March, 2021, does not contain any qualification(s), reservation(s) or adverse remark(s) which calls for any explanation from your Board of Directors.

12. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014:

A. Conservation of Energy:

(i) The steps taken or impact on conservation of energy:

Constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings going forward. The Company had installed solar plant for energy conservation in March, 2020. Also Company had installed LED lights in place of existing lighting system in March, 2020. Installation of solar plant and LED lights helped in reducing the energy bill and creating higher productivity.

(ii) The steps taken for utilizing alternate sources of energy:

The Company had installed solar plant for energy conservation in March, 2020. Also Company had installed LED lights in place of existing lighting system in March, 2020.

(iii) The capital investment on energy conservation equipment:

The Company invested ₹ 50.63 lakhs towards above installation.

B. Technology absorption:

(i) The efforts made towards technology absorption:

The Textile business environment is becoming more and more challenging and competitive, thus in current scenario, it becomes the key to survival. We follow strategy of Innovation and Sustainability and research is being done to keep business predictable, sustainable and profitable and to de-risk our product portfolio.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

The Company keeps itself abreast of the technical development and innovation in its line of products and tries to bring 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.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

(a) the details of technology imported: Not Applicable

(b) the year of import: Not Applicable

(c) whether the technology been fully absorbed: Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) the expenditure incurred on Research and Development – NIL

C. Foreign exchange earnings and Outgo: NIL

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13. Material Changes and Commitment, if any, affecting the financial position of the Company from the end of the financial year till the date of this report:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect your Company's financial position have occurred between the end of the financial year 2020-21 and to the date of this report.

14. Significant and Material Orders passed by the Regulators / Courts / Tribunals:

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

15. Details of Subsidiary Company / Associate Company / Joint Ventures:

Company does not have any Subsidiary Company or Associate Company or Joint Venture.

16. Change in the Nature of Business:

There has been no change in the nature of business of the Company during the year ended 31st March, 2021.

17. Change in the Capital Structure:

There has been no change in the capital structure of the Company during the year ended 31st March, 2021.

18. Accounting Treatment:

The Company followed the applicable Accounting Standards in the preparation of its Financial Statements.

19. Compliance with the applicable Secretarial Standards:

The Company has complied with the applicable secretarial standards for the financial year 2020-21.

20. 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. Checks and balances are in place to determine the accuracy and reliability of accounting data.

21. Risk Management Committee:

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors of the top 1000 listed entities needs to constitute a Risk Management Committee. As the Company does not falls into the aforesaid category, the Board has not constituted Risk Management Committee.

22. Particulars of Loans, Guarantees and Investments:

Company has not provided any loans or guarantees which are covered under the provisions of Section 186 of the Companies Act, 2013. The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements forming part of Annual Report.

23. Related Party Transactions:

All Related Party Transactions entered into during the financial year under review, were on an arm's length basis, and in the ordinary course of business and are in compliance with the applicable provisions of the Act.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance. Details of transactions with Related Parties as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as “**Annexure II**” in form AOC-2.

Disclosure of transactions with related parties as required under the applicable Accounting Standards have been made in the notes forming part of the financial statements.

24. Deposits:

The Company has not accepted any deposits covered under the provisions of the Companies Act, 2013 and the Rules made thereunder.

25. Transfer to Investor Education and Protection Fund:

Transfer of Equity Shares: Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs on 7th September, 2016 and subsequently amended vide notification dated 28th February, 2017, all the equity shares of the Company in respect of which dividend amounts have not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to demat account of the Investor Education and Protection Fund Authority (IEPF).

Accordingly, 8,000 shares of 57 members of your Company were transferred to Demat Account of IEPF Authority on 23rd October, 2020. Your Company had sent individual notice to all the members whose email ids were available with Company and has also published the notice in the leading English and Gujarati newspapers. The details of the aforesaid 57 members are available on website of your Company i.e. www.bluechiptexindustrieslimited.com.

Transfer of Unpaid/Unclaimed Dividend: Further, pursuant to the provisions of Section 124(5) of the Act, the dividend which remained unclaimed/ unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the IEPF. As a result, the unclaimed/ unpaid dividend for the year 2012-13 which remained unpaid and unclaimed for a period of 7 years has been already transferred by your Company to the IEPF.

Your Company has uploaded the details of unclaimed/ unpaid dividend for the financial year 2012-13 onwards on its website viz., www.bluechiptexindustrieslimited.com and on website of the Ministry of Corporate Affairs viz., www.mca.gov.in and the same gets revised / updated from time to time.

The unpaid dividend amount pertaining to the financial year 2013-14 will be transferred to IEPF during the Financial Year 2021-22.

Blue Chip Tex Industries Limited

26. Committees of Board:

I. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) has been constituted by the Board in compliance with the requirements of Section 178 of the Companies Act, 2013. The NRC consists of following three non-executive Directors who are Independent Directors as well:

1. Mr. Shatrughun .N. Jiwnani – Chairman
2. Mr. Rohit .P. Bajaj – Member
3. Ms. Shraddha .M. Teli – Member

Terms of Reference of NRC: The role and terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013. The Committee is empowered to do the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- d. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- e. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed herewith as "**Annexure V**". Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors & Key Managerial Personnel's. 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:

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Companies Act, 2013. The Audit Committee consists of following three Directors with the Chairman being Independent Director.

1. Mr. Shatrughun .N. Jiwnani – Chairman
2. Mr. Rohit .P. Bajaj – Member
3. Mr. Rahul .A. Khemani - Member

Terms of Reference of the Audit Committee: The terms of reference of the Audit Committee of your Company are in accordance with Section 177 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, which inter alia include the following:

- a. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

- b. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c. Examination of the financial statement and limited review / auditors' report thereon;
- d. Approval or any subsequent modification of transactions of the company with related parties;
- e. Scrutiny of inter-corporate loans and investments;
- f. Valuation of undertakings or assets of the company, wherever it is necessary;
- g. Evaluation of internal financial controls and risk management systems;
- h. Discussion with Internal Auditors of any significant findings and follow up there on;
- i. Review the functioning of the Whistle Blower mechanism or Vigil mechanism; etc

III. Stakeholders Relationship Committee:

The Stakeholders' Relationship Committee (SRC) has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Companies Act, 2013. The SRC comprises of following three directors with the Chairman being Independent Director:

1. Mr. Shatrughun .N. Jiwnani – Chairman
2. Mr. Shahin .N. Khemani – Member
3. Mr. Rahul .A. Khemani - Member

The terms of reference of the SRC, inter-alia are as follows:

- a. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;
- b. Review of measures taken for effective exercise of voting rights by shareholders;
- c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company;

IV. Corporate Social Responsibility (CSR) Committee:

The Board at its meeting held on Wednesday 4th August, 2021 dissolved Corporate Social Responsibility (CSR) Committee with immediate effect and adopted new CSR Policy.

Reason for dissolution: Section 135 (9) of the Companies Act, 2013 which became effective from 22nd January, 2021 states that - Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

As the CSR obligation of the Company for the financial year 2021-22 is below fifty lakh rupees, the Board at its meeting held on Wednesday 4th August, 2021 dissolved the CSR Committee with immediate effect and adopted new CSR Policy. Now all the functions which were discharge by the CSR Committee w.r.t. CSR compliances will be discharged by the Board of Directors of the Company.

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Prior to dissolution, the CSR Committee comprised of following three directors:

1. Mr. Shatrughun .N. Jiwnani – Chairman (Independent Director)
2. Mr. Shahin .N. Khemani – Member (Managing Director)
3. Mr. Rahul .A. Khemani - Member (Chief Financial Officer and Director)

The terms of reference of the CSR Committee broadly included the following:

- a. Formulate and recommend the Corporate Social Responsibility (CSR) Policy and any amendments therein to the Board of Directors of the Company;
- b. Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities;
- c. Determine modalities of execution of such CSR projects, programs and activities;
- d. Undertake all necessary steps to implement the CSR activities;
- e. Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors;
- f. Monitor the CSR activities in such manner as it deems fit;
- g. Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company;
- h. To perform such functions as may be entrusted by the Board of Directors from time to time.

The new CSR policy and old CSR policy has been posted on the website of the Company at www.bluechiptexindustrieslimited.com. The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as “**Annexure III**”.

27. Whistle Blower Policy / Vigil Mechanism:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors' and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides to employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at: www.bluechiptexindustrieslimited.com.

28. Performance Evaluation:

Pursuant to the applicable provisions of the Companies Act, 2013, the Board has carried out an Annual Evaluation of its own performance, performance of the Individual Directors, Key Managerial Personnel and Committees of Board, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees, Directors and Key Managerial Personnel. All the evaluation is carried out at Board of Director's meeting, Independent Director's meeting and Nomination and Remuneration Committee meeting. 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.

29. 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. Corporate Governance Report:

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, please note that compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of a listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

Since your Company's paid up equity share capital and net worth as on financial year ended 31st March, 2021 are below the above mentioned figures, the Corporate Governance Report as required under para C of Schedule V is not attached.

31. Management Discussion And Analysis:

Overall Review:

The overall profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to the unfavourable economic and market conditions prevailing throughout the year in all the business segments on account of disruptions caused by the COVID 19 pandemic and the lockdown pursuant to Government's directives to prevent spread of pandemic.

In Textiles it was affected due to weak domestic market conditions throughout the year. Working and operational parameters at the plants of the Company were satisfactory during the year.

Industry Information:

The Indian textile industry is one of the largest in the world with an unmatched raw material base and manufacturing strength across the value chain. Textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and 15% of the country's export earnings. India's year wise textiles exports performance in recent years is as given below:

(Value in US\$ million)

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 (Apr-Sept)
Textile Exports	36,727.51	36,477.48	36,747.95	37,497.77	34,219.97	11,932.09

The major export destinations of Indian Textiles export include USA, UAE, European Union, etc. (Source: Department of Commerce- Annual Report 2020-21)

The size of India's textile market is expected to touch US\$ 223 billion by 2021, growing at a CAGR of 10.23 per cent over 2016.

Indian Textile market contracted in the FY 21 by around 30% and India's export decreased by around 15%. Though 2020-21 was a challenging year for the textile industry, it has been a learning year and taught us to conduct the business in a different manner.

Blue Chip Tex Industries Limited

Opportunities and Threats:

Currently the biggest threat is COVID 19 pandemic. It all depends how fast it can be controlled to help in boosting confidence and reducing uncertainties. Further abnormal increase in input cost and non-clarity of raw material prices are creating uncertainty among the manufacturers / exporters.

Indian government has come up with several export promotion policies for the textiles sector. The Indian technical textiles market is expected to expand to US\$ 23.3 billion by 2027. Additionally the pandemic has led to increased demand for technical textiles in the form of PPE suits and equipment. Government is supporting the sector through funding and machinery sponsoring. India enjoys a comparative advantage in terms of skilled manpower and in cost of production. Also 100% FDI (automatic route) is allowed in the Indian Textile Sector.

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.

Adequate availability of raw material at the right prices is crucial for the company. Disruption in the supply or changes in the cost structure would affect the profitability of the company.

Outlook:

In the coming financial year 2021-22, we are foreseeing increase in demand. However, the Domestic and Global market outlook is still not clear because of the new strain of Corona virus, world-wide. Vaccination drive has started and there is hope to cover most of the population by 2nd quarter across the globe.

Our Product mix are more focused on sustainability having innovative finishes and accordingly we are ready to cater to the market, once markets reopens in full swing.

The Company's Financial Performance:

The highlights of the Company's financial performance for the year ended 31st March, 2021 is given at the start of the Directors Report.

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.

Human Resource and Industrial Relations:

The Company believes that Human Resources play a significant role in achieving its business vision. Hence, the Company continues to invest on hiring the best talent, developing and retaining the available talent to ensure a sustainable talent supply within the organization. The Company provides various opportunities to the employees to develop their skills to take up higher responsibilities in the organization. The Company uses various communication channels to seek employees' feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential. The Company's employee strength stood at 140 as on 31st March, 2021.

Health, Safety and Security Measures:

The Company continues to accord the highest priority to health and safety of its employees and communities it operates in. The Company has been fully committed to comply with all applicable laws and regulations and maintains the highest standard of Occupational Health and Safety and ensures safer plants by conducting safety audits, risk assessments and periodic safety awareness training to employees. We believe in good health of our employees.

Further, to prevent the spread of pandemic Covid 19, the Company has taken all precautionary measures required, such as use of masks and sanitizers, social distancing etc., at all its plants as well as at office locations. Your Company is in full compliance of all Government directives issued in this behalf. The Company has always considered safety as one of its key focus areas and strives to make continuous improvement on this front.

Margins & Key Ratios:

EBITDA stood at ₹ 650.30 Lakhs in FY 2020-21 as against ₹ 1,222.24 Lakhs in FY 2019-20. Operating Profit Margin stood at 2.54 % in FY 2020-21 as against 4.27 % in FY 2019-20. Net Profit Margin stood at 1.16 % in FY 2020-21 as against 2.63 % in FY 2019-20. Debtors Turnover Ratio stood at 12.42 in FY 2020-21 as compared to 15.45 in FY 2019-20. Interest Coverage Ratio stood at 2.70 in FY 2020-21 as compared to 5.14 in FY 2019-20. Current Ratio decreased to 1.45 as on 31st March, 2021, as against 1.83 as on 31st March, 2020. Debt-Equity Ratio stood at 0.67 as at 31st March, 2021, as against 0.76 as at 31st March, 2020. Return on Capital Employed stood at 10.47 % in FY 2020-21 as against 25.34 % in FY 2019-20. Return on Net Worth stood at 7.77 % in FY 2020-21 as against 32.38 % in FY 2019-20.

Due to protracted lockdown to prevent spread of Covid-19 pandemic, there was sluggishness in domestic markets throughout the year which impacted the turnover, profitability, and hence the ratios.

Cautionary Statement:

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time & adequate restraint should be applied in their use for any decision making or formation of an opinion.

The above discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

32. Directors' Responsibility Statement:

In accordance with provisions of section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed and there are no material departures;
- 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 31st March, 2021 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;

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- 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 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 such systems are adequate and operating effectively.

33. Disclosure on Insolvency and Bankruptcy Code, 2016:

There are no proceedings initiated / pending against your Company under the Insolvency and Bankruptcy Code, 2016.

34. Acknowledgement:

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates, for their unstinted co-operation and valuable support extended during the year.

**For and on behalf of the Board of Directors
For Blue Chip Tex Industries Limited**

Shahin .N. Khemani
Managing Director
DIN: 03296813

Rahul .A. Khemani
CFO & Director
DIN: 03290468

Place: Mumbai
Date: 4th August, 2021

“ANNEXURE I”

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[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 reasonable basis for evaluating the corporate conduct/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 year ended **March 31, 2021** (Audit Period), 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 year ended March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Secretarial Standards issued by The Institute of Company Secretaries of India (SS–1 & SS–2);
3. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
6. 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 (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

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. 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.

Decisions taken by Majority of the Board Members and Committee Members are carried through and proper systems are devised which facilitates capturing and recording the dissenting member's views, if any, as part of the minutes. During the audit period, all the decisions in the Board Meetings and Committee Meetings were carried unanimously.

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

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)

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

During the Audit Period there were no specific events/actions having a major bearing on Company's affairs.

Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod S. Shah
Partner
Membership No.: 334 (FCS)
C P No.: 3804
UDIN: F000334C000601871

Place: Mumbai
Date: 09th July, 2021

Annexure I

To,
The Members
Blue Chip Text Industries Limited

Our report of event 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. Wherever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Annexure II

1. Employees' Provident Fund Act, 1952 and Rules;
2. Payment of Gratuity Act, 1972;
3. Employees State Insurance Act, 1947;
4. Equal Remuneration Act, 1976;
5. Minimum Wages Act, 1948;
6. Payment of Bonus Act, 1965;
7. Income Tax Act, 1961;
8. Finance Act, 1994;
9. Factories Act, 1948;
10. The Environment (Protection) Act, 1986 and Rules made thereunder;
11. Air (Prevention and Control of Pollution) Act, 1986 and Rules issued by the State Pollution Control Boards;
12. Water (Prevention and Control of Pollution) Act, 1974 and Rules issued by the State Pollution Control Boards.

Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod S. Shah
Partner

Membership No.: 334 (FCS)
C P No.: 3804
UDIN: F000334C000601871

Place: Mumbai
Date: 09th July, 2021

Blue Chip Tex Industries Limited

“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)

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:

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

₹ In Lakhs

Sr. No.	Name of the related party and nature of relationship*	Nature of contracts / arrangements / transactions	Duration of contracts/ arrangements/ transactions	Transaction Value	Date(s) of approval by the Board / Audit Committee if, any**	Amount paid as advances, if any
1.	Beekaylon Synthetics Private Limited	Insurance Charges Paid	One Year	3.38	Refer Notes	-
2.	Beekaylon Synthetics Private Limited	Purchase of Yarn	One Year	12319.15	Refer Notes	-
3.	Beekaylon Synthetics Private Limited	Purchase of Packing Materials	One Year	1.64	Refer Notes	-
4.	Beekaylon Synthetics Private Limited	Purchase of Services	One Year	73.18	Refer Notes	-
5.	Beekaylon Synthetics Private Limited	Sale of Yarn	One Year	1906.60	Refer Notes	-
6.	Beekaylon Synthetics Private Limited	Sale of Store Materials	One Year	6.34	Refer Notes	-
7.	Beekaylon Synthetics Private Limited	Sale of Scrap	On-going	4.00	Refer Notes	-

Notes:

*Nature of Relationship – Sister concern where promoters / directors having significant control;

**All Related Party Transactions entered into during the financial year under review, were on an arm's length basis, and in the ordinary course of business and are in compliance with the applicable provisions of the Act.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for these transactions cannot be foreseen in advance.

The Audit Committee and Board of Director's at their respective meeting held on 19.08.2020, 12.11.2020, 29.01.2021 & 27.05.2021 have noted and reviewed the above mentioned transactions.

“ANNEXURE III”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company: The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. This Policy outlines the Company’s strategy to bring about a positive impact on society through activities and programmes relating to healthcare, education, sanitation, environment, etc.
2. Composition of CSR Committee:

Sr. no	Name of Director	Designation / Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Mr. Shatrughun .N. Jiwnani	Chairman – Independent Director	1	1
2	Mr. Shahin .N. Khemani	Member – Managing Director	1	1
3	Mr. Rahul .A. Khemani	Member – Director & CFO	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.bluechiptexindustrieslimited.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable
6. Average net profit of the company as per section 135(5) (₹ In Lakhs): 639.11
7. (a) Two percent of average net profit of the company as per section 135(5) (₹ In Lakhs): 12.78
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c) (₹ In Lakhs): 12.78
8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year	₹ In Lakhs				
	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
Amount	Date of transfer	Name of the fund	Amount	Date of transfer	
1.47	NIL	-	-	NIL	-

- (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

Blue Chip Tex Industries Limited

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

₹ In Lakhs

1	2	3	4	5		6	7	8	
				State	District			Name	CSR Registration no.
Sr. no	Name of the project	Item from the list of activities in schedule VII to the Act	Local Area (Yes / No)	Location of the project		Amount spent for the project	Mode of Implementation – Direct (Yes / No)	Mode of implementation - Through implementing agency	
1	-	Promoting Nutrition	Yes	Dadra & Nagar Haveli	Silvassa	1.00	No	FIAS*	-
2	-	Promoting Education	Yes	1. Maharashtra 2. Dadra & Nagar Haveli	Mumbai Silvassa	0.47	No	KVKCT*	CSR00008022

* Federation of Industries Associations Silvassa

** Kishinchand Viroomal Khemani Charitable Trust

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ In Lakhs): 1.47

(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

₹ In Lakhs

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the fund	Amount	Date of transfer	
1	2019-20	NIL	9.39	-	NIL	-	NIL
2	2018-19	NIL	0.14	-	NIL	-	NIL
3	2017-18	CSR was not applicable for the Financial Year 2017-18					
	Total	NIL	9.53	-	NIL	-	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Due to protracted lockdown to prevent spread of Covid-19 pandemic, there was sluggishness in domestic markets throughout the year which impacted the turnover and profitability of the Company during the FY 2020-21. However, in order to comply with the provisions of section 135 (5) of the Companies Act, 2013 read with rule 10 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company will transferred the unspent CSR amount in any of the fund specified in Schedule VII to the Companies Act, 2013 on or before 30th September, 2021. Your Company has spent all the previous year's unspent CSR amount during the FY 2020-21.

**For and on behalf of the Board of Directors
For Blue Chip Tex Industries Limited**

Shahin .N. Khemani
Managing Director
DIN: 03296813

Rahul .A. Khemani
CFO & Director
DIN: 03290468

Place: Mumbai
Date: 4th August, 2021

Blue Chip Tex Industries Limited

“ANNEXURE IV” REMUNERATION

PART – A

Details pertaining to Remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- The ratio of remuneration of each Director to the Median Remuneration of the employees (MRE) of the Company for the financial year 2020-21 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel (“KMP”) for the same period are under:

₹ In Lakhs

Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2020-21 (1)	% increase in Remuneration in the Financial Year 2020-21(2)	Ratio of Remuneration of each Director / KMP to MRE (3 = (1) / MRE)
MANAGING DIRECTOR:			
Mr. Shahin .N. Khemani**	28.75	NIL	18.43
Mr. Ashok .K. Khemani*	NIL	NIL	Not Applicable
DIRECTOR:			
Mr. Rahul .A. Khemani	28.75	NIL	18.43
NON-EXECUTIVE, NON INDEPENDENT DIRECTOR:			
Mr. Siddharth .A. Khemani***		Not Applicable	
NON-EXECUTIVE INDEPENDENT DIRECTOR:			
Mr. Shatrughun .N. Jiwnani***		Not Applicable	
Mr. Rohit .P. Baja***			
Ms. Shraddha .M.Teli***			
KMP:			
Mr. Rahul .A. Khemani- CFO	0.00	0.00	0.00
Mr. Bhumit .M. Dharod - Company Secretary	4.65	0.00	2.98

*Mr. Ashok .K. Khemani ceased to be a Director of the Company w.e.f. 1st September, 2020.

** The Board at its meeting held on 19th August, 2020 approved the appointment of Mr. Shahin .N. Khemani as Managing Director of the Company for a period of five years with effect from 1st September, 2020 and later the appointment was approved by shareholders at 35th Annual General Meeting of the Company held on 29th September, 2020.

*** None of the Directors received any remuneration except sitting fees.

- In the financial year, there was an decrease of 5.01 % in the median remuneration of employees;
- There were 140 permanent Employees (Excluding Directors & KMP) on the rolls of the Company as on 31st March, 2021;
- Average percentage increase made in salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 11.12% whereas there was no increase in the managerial remuneration for the same financial year and
- The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

PART - B

Information as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees (Excluding Directors & Key Managerial Personnel) in terms of Remuneration drawn:

₹ In Lakhs

Sr. no	Name and Age	Age	Designation	Remuneration	Qualification & Experience	Date of Commencement of Employment	Last Employment held
1	N Shangameshwaran	54	GM- Sales & Marketing	19.50	B.com & PGD- Marketing Management 31 years	01.11.2017	AYM Syntex Ltd
2	Dharmil .B. Shah	30	Head- Dope Dyed	11.79	B.A.F 5 years	29.02.2016	Not Applicable
3	Navin Umashankar Prasad Tiwari	50	Manager – Production	7.94	BBA 22 years	01.04.2000	Not Applicable
4	Pramod .C. Shukla	53	Asst. Manager – Production	6.36	MA 22 years	01.07.2011	Alok Industries
5	Gaurang Das	33	Asst. Manager – Production	6.47	B.com 8 years	01.10.2012	Not Applicable
6	Avinash .G. Chhetri	41	Manager – Production	5.26	Mechanical Diploma 15 years	01.02.2015	Not Applicable
7	Tasneem Rangel	44	Sales Executive	4.08	M.Com 17 years	01.07.2017	Allana Sons
8	Felix .A. Nunes	56	Assistant In charge	4.22	SSC 34 years	01.04.1987	Not Applicable
9	Rajanikant .D. Dubey	33	Accounts Executive	4.13	M.com 10 years	10.12.2019	Bacardi India Pvt. Ltd.
10	Manish Kumar	36	Sales Executive	3.93	PGDM 12 years	16.12.2019	Satkamal Export Pvt. Ltd.

2. Employees employed throughout the year and were in receipt of remuneration aggregating to not less than ₹ 01.02 Crore per annum: Not Applicable
3. Employees employed for part of the year and were in receipt of remuneration aggregating to not less than ₹ 08.50 Lakhs per month: Not Applicable
4. Nature of employment is permanent and terminable by Notice on either side;
5. None of the employees mentioned above is related to any Director or Key Managerial Personnel of the Company;
6. No employee holds by himself/herself or along with spouse and dependent children 2% or more of the Equity Shares of the Company and
7. Terms and conditions of employment are as per Company's Rules.

Blue Chip Tex Industries Limited

“ANNEXURE V”

NOMINATION AND REMUNERATION POLICY

1. Introduction:

The Nomination & Remuneration Policy (“Policy”) of Blue Chip Tex Industries Limited (the “Company”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), senior management (as defined below) and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company

The Board of Directors of the Company constituted the “Nomination and Remuneration Committee” at its Meeting held on 7th November 2014. This is in line with the requirements under the Companies Act, 2013 (“Act”). This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together.

The Board has authority to reconstitute this Committee from time to time.

2. Objective and Purpose:

The objectives and purpose of this Policy are:

- 2.1. To recommend policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management to the Board of Directors of the Company (“Board”)
- 2.1. 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 KMP of the Company;
- 2.2. To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 2.3. To ensure that the remuneration to Directors and 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;
- 2.4. To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive/Non-executive/Independent) and persons who may be appointed in Key Managerial positions and to determine their remuneration;
- 2.5. 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;
- 2.6. To carry out evaluation of the performance of Directors, its committees as well as KMP and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations and
- 2.7. To lay down criteria for appointment, removal of directors and KMP and evaluation of their performance.

3. Definitions:

- a. ‘Act’ means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b. ‘Board’ means Board of Directors of the Company.

- c. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or Re-constituted by the Board.
- d. 'Company' means Blue Chip Tex Industries Limited
- e. 'Directors' mean Directors of the Company;
- f. 'Policy' means "Nomination and Remuneration Policy."
- g. Key Managerial Personnel (KMP) means-
 - i) the Managing Director or Chief Executive Officer or manager
 - ii) Whole-time Director
 - iii) the Company Secretary;
 - iv) the Chief Financial Officer; and
 - v) Any other person as defined under the Companies Act, 2013 from time to time.
 - vi) Senior Management means officers/personnel of the Company who are members of its core management team. The core management team includes Chief Executive Officer, Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. General:

This Policy is divided in three parts:

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and removal of Directors, KMP and Senior Management; and

Part – C covers remuneration for Directors, KMP and Senior Management

Part – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee:

- (a) **Size and composition of the Board:** Periodically reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company.
- (b) **Directors:** Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.
- (c) **Evaluation of performance:**
 - i. Make recommendations to the Board on appropriate performance criteria for the Directors.
 - ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

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- iii. Identify any education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

(d) Remuneration framework and policies: The Committee is responsible for reviewing and making recommendations to the Board on:

- i. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- ii. Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board committees.
- iii. 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

PART – B: Policy for appointment and removal of Directors, KMP and Senior Management

(a) Appointment criteria and qualifications:

- i. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
- iii. A person, to be appointed as Director, should possess impeccable reputation for integrity, reasonable expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director / Whole-Time Director or Manager who has attained the age of seventy years and shall not appoint or continue the employment of Independent Director/Non-Executive Director who has attained the age of seventy-five years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years/seventy-five 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/seventy-five years as the case may be.
- v. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

(b) Term / Tenure:

- i. **Managing Director / Whole-time Director / Manager:** The Company shall appoint or re-appoint any person as its Managing Director, Whole-Time Director or Manager 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.

- ii. **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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force

- (c) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- (d) Retirement:

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART – C: Policy relating to the remuneration for Directors, KMP and Senior Management

- (a) General:

- i. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.
- ii. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
- iii. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.
- iv. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- (b) Remuneration to Directors, KMP and Senior Management:

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

- (c) Minimum remuneration to Whole-time Directors:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

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(d) Remuneration to Non-Executive / Independent Directors:

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 ₹ One Lakh per meeting of the Board and Committee or such amount as may be prescribed by the Central Government from time to time

5. Members of the Committee & its meetings:

- a. 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.
- b. The Chairman of the Committee may be elected by Board or be elected by members of the Committee 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.
- c. 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.
- d. The Chairman 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.
- e. The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities

6. 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.

7. Policy Review:

- a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

INDEPENDENT AUDITOR'S REPORT

To The Members of Blue Chip Tex Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Blue Chip Tex Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of profit and loss (Including Other Comprehensive Income), Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

1. Key Audit Matters

Determination of value of inventories

(See note no B.2 (c) of significant accounting policy and note 6)

Due to restrictions on account of COVID Pandemic as on 31st March, 2021 the physical verification of stock could not be conducted and the Management has carried out physical verification at Plant. The Company has inventories with a carrying value Rs 1095.16 lakhs as on 31st March 2021. We considered the value of the inventories as a key audit matter given the relative size of the same in the financial statements and the significant judgments involved in consideration of factors in determination of realizable value such as fluctuation of raw materials prices in the market and in determination of net realizable value.

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Auditor's Response

We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory. Assessing the appropriateness of Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards.

We considered various factors including the actual selling price prevailing around and subsequent to the year-end. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. For the purpose of determination of cost, the Company has considered the prevailing market situation. We have relied upon the records produced by the company in respect of arriving of the Net realizable value.

Further, for the purpose of determination of physical quantity of the inventory as at the year ended March 31, 2021, the Company has carried out the physical verification at the respective plants. We have relied upon their inventory report. Based on the above procedures performed, the management's determination of the net realizable value of the inventory as at the year end and comparison with cost for valuation of inventory is considered to be reasonable.

2. Key Audit Matter

Allowances for credit losses

(See note no B.2 (n) of significant accounting policy and note 7)

The Company determines the allowance to be made for expected credit losses based on its historical loss experience and as adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries that the Company deals with and the wherein it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the COVID-19 pandemic.

Auditor's Response

Our audit procedures related to the allowance for expected credit losses for trade receivables included inter alia:

Testing the effectiveness of controls over the

- Development of the methodology for the allowance for expected credit losses, including consideration of the current and estimated future economic conditions
- Completeness and accuracy of information used in the estimation of probability of default; and
- Computation of the allowance for credit losses. For a sample of customers, we tested input data such as credit reports and other credit related information used in estimating the probability of default by comparing them to external and internal sources of information. We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have been informed that other information will be adopted by the Board of Directors at a later date and we will report, if other information so adopted is materially inconsistent with the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 as amended, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of the limits laid down under Section 197 read with Schedule V of the Act.
3. 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 of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 litigation on its financial position in its Financial Statements as referred to in Note 33 to the Financial Statements.
 - ii. There are no foreseeable losses as required on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

D. K. Doshi
Partner
Membership No. 037148
UDIN: 21037148AAAACP2836

Place: Mumbai
Date: May 27, 2021

Blue Chip Tex Industries Limited

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF BLUE CHIP TEX INDUSTRIES LIMITED

(Referred to in Paragraph 1 under the heading of “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. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships 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. According to the information and explanations given to us, the Company has not given loans, guarantees and security to directors or to any other person in whom the directors 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 deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is 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, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally regularly deposited with 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 31st March, 2021 for a period of more than six months from the date becoming payable, except Value Added Tax Rs 2.27 Lakhs and Provident Fund ₹ 0.31 Lakhs;
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess on account of any dispute, which have not been deposited on account of any dispute as on 31st March 2021, except for Income Tax dues as follows:

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Sr. no	Assessment Year	Amount In Lakhs	Forum where dispute is pending
1	2009-10	4.39	Rectification pending with Income tax Officer
2	2010-11	3.72	Rectification pending with Income tax Officer
3	2014-15	15.68	Rectification pending with Income tax Officer
4	2018-19	0.17	Submitted e-proceeding response for correction
Total		23.95	

- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans to the Bank.
- ix. According to the information and explanation given to us and based on our audit procedures, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year and hence clause (ix) of the Order is not applicable to the Company.
- x. In our opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company and no material fraud 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 a Nidhi Company and hence reporting under, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations provided by the management, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in notes to the Financial Statements, 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 transaction with the directors or persons connected with him and covered under section 192 of the Act and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For D K P & Associates

Chartered Accountants

Firm's Registration No. 126305W

D. K. Doshi

Partner

Membership No. 037148

UDIN: 21037148AAAACP2836

Place: Mumbai
Date: May 27, 2021

Blue Chip Tex Industries Limited

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF BLUE CHIP TEX INDUSTRIES LIMITED

(Referred to in paragraph 3 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the Internal Financial Control with reference to Financial Statements **BLUE CHIP TEX INDUSTRIES LIMITED** (“the company”) as of 31st March, 2021 in conjunction with our audit of the Financial Statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements 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 (“ICAI”). 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 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements 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 with reference to Financial Statements and such internal financial controls were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For D K P & Associates

Chartered Accountants

Firm's Registration No. 126305W

D. K. Doshi

Partner

Membership No. 037148

UDIN: 21037148AAAACP2836

Place: Mumbai
Date: May 27, 2021

Blue Chip Tex Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2021

₹ In Lakhs

Particulars	Note No	As at	
		31 st March 2021	31 st March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	2,659.76	2,862.24
Financial assets			
Investments	2	42.79	52.48
Loans	3	1.43	1.43
Other financial assets	4	50.34	43.55
Other Non current Assets	5	-	49.62
Total Non-Current Assets		2,754.32	3,009.32
Current Assets			
Inventories	6	1,095.17	727.80
Financial assets			
Trade Receivables	7	1,111.47	1,402.87
Cash and cash equivalents	8a	611.45	32.38
Bank Balances other than cash and cash equivalent	8b	28.40	31.22
Other financial assets	8c	0.32	1.05
Other current assets	9	76.84	73.67
Total Current Assets		2,923.65	2,268.99
TOTAL ASSETS		5,677.97	5,278.31
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	197.55	197.55
Other equity	11	2,281.71	2,136.87
Total Equity		2,479.26	2,334.42
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	12	957.77	1,495.12
Provisions	13	11.23	10.40
Deferred tax liabilities (Net)	14	206.77	201.42
Total Non-Current Liabilities		1,175.77	1,706.94
Current Liabilities			
Financial liabilities			
Borrowings	15	476.36	-
Trade Payables	16		
Outstanding Dues of Micro and Small Enterprises		4.08	2.31
Outstanding dues of creditors other than Micro and Small Enterprise		1,055.65	615.59
Other Financial Liabilities	17	461.62	602.90
Provisions	18	21.55	5.97
Current tax liabilities (Net)	19	3.68	10.18
Total Current Liabilities		2,022.94	1,236.95
Total Liabilities		3,198.71	2,943.89
TOTAL EQUITY AND LIABILITIES		5,677.97	5,278.31

The accompanying significant accounting Policies and notes 1 to 40 form an integral part of the financial statements

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: 27th May, 2021

For and on behalf of the Board

Blue Chip Tex Industries Limited

Shahin .N. Khemani

(Managing Director)

DIN: 03296813

Rahul .A. Khemani

(Chief Financial Officer & Director)

DIN: 03290468

Bhumit .M. Dharod

(Company Secretary)

ACS 51555

Place: Mumbai

Dated: 27th May, 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021 ₹ In Lakhs

Particulars	Note No	2020-21	2019-20
Income			
Revenue from Operations	20	15,613.21	22,184.73
Other Income	21	28.54	27.47
Total Income		15,641.75	22,212.20
Expenses			
Cost of Materials Consumed	22	12,287.61	17,402.32
Changes in Inventories of Finished Goods	23	(228.63)	77.94
Employee Benefits Expense	24	407.86	481.67
Finance Costs	25	146.99	183.74
Depreciation and Amortisation Expense	1	254.16	277.03
Other Expenses	26	2,524.62	3,028.04
Total Expenses		15,392.61	21,450.74
Profit before taxes		249.14	761.46
Tax Expenses			
Current Tax		62.00	173.09
Deferred Tax		5.72	(19.50)
MAT Credit (Entitlement) / utilised		-	26.33
Total Tax Expense		67.72	179.92
Profit for the year		181.42	581.54
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) of defined benefit plans		(1.48)	(2.39)
Tax expense relating to above		0.37	0.49
Total Other Comprehensive Income		(1.11)	(1.90)
Total Comprehensive Income for the year		180.31	579.64
Earning per equity share of face value of ₹10/- each			
(1) Basic (in ₹)		9.21	29.51
(2) Diluted (in ₹)		9.21	29.51

The accompanying significant accounting Policies 1 to 40 and notes form an integral part of the financial statements

As per our report of even date
For D K P & Associates
Chartered Accountants
Firm Registration No. 126305W

For and on behalf of the Board
Blue Chip Tex Industries Limited

Shahin .N. Khemani
(Managing Director)
DIN: 03296813

Rahul .A. Khemani
(Chief Financial Officer & Director)
DIN: 03290468

D. K. Doshi
Partner
Membership No. 037148

Bhumit .M. Dharod
(Company Secretary)
ACS 51555

Place: Mumbai
Dated: 27th May, 2021

Place: Mumbai
Dated: 27th May, 2021

Blue Chip Tex Industries Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital		Changes in equity share capital during the year 2019-20		Balance as at 31 st March, 2020		Changes in equity share capital during the year 2020-21		Balance as at 31 st March, 2021	
				197.55				197.55	
B. Other Equity Particulars									
		Reserves and Surplus						Other Comprehensive Income	
		Capital reserve on account of subsidy by Central Government		Capital Reserve on account of shares forfeited		Retained Earnings		Total	
As at 31 st March, 2020									
Balance as at 1 st April, 2019		25.00		0.16		1,481.80		1,600.00	
Profit for the year		-		-		581.54		581.54	
Other comprehensive income for the year, net of income tax		-		-		-		(1.90)	
Dividend		-		-		-		-	
Tax On Dividend		-		-		(35.47)		(35.47)	
Balance as at 31 st March, 2020		25.00		0.16		2,020.58		2,136.88	
As at 31st March, 2021									
Balance as at 1 st April, 2020		25.00		0.16		2,020.58		2,136.88	
Profit for the year		-		-		181.42		181.42	
Other comprehensive income for the year, net of income tax		-		-		-		(1.11)	
Dividend		-		-		-		-	
Tax On Dividend		-		-		(35.47)		(35.47)	
Balance as at 31 st March, 2021		25.00		0.16		2,166.54		2,281.71	

As per our report of even date
For D K P & Associates
 Chartered Accountants
 Firm Registration No. 126305W

For and on behalf of the Board
Blue Chip Tex Industries Limited

D. K. Doshi
 Partner
 Membership No. 037148
 Place: Mumbai
 Dated: 27th May, 2021

Shahin .N. Khemani
 (Managing Director)
 DIN: 03296813

Rahul .A. Khemani
 (Chief Financial Officer & Director)
 DIN: 03290468

Bhumit .M. Dharod
 (Company Secretary)
 ACS 51555
 Place: Mumbai
 Dated: 27th May, 2021

Bhumit .M. Dharod
 (Company Secretary)
 ACS 51555
 Place: Mumbai
 Dated: 27th May, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021 ₹ In Lakhs

Particulars	2020-21	2019-20
A. Cash flow from Operating Activities		
Profit before Tax as per Statement of Profit and Loss	249.15	761.46
Adjustment for:		
Depreciation	254.16	277.03
Provision for Leave encashment	(0.48)	3.60
Provision for Gratuity	6.47	5.27
Share of (Profit)/Loss from Partnership Firm	(0.26)	(11.20)
Interest Income	(7.74)	(30.06)
Interest to a Partnership firm	(0.55)	0.03
Interest Paid to banks and others - Finance Cost	146.79	207.25
Provision for Impairment / Doubtful Debts	(19.44)	19.44
Bad debts written off	26.05	0.35
Debit balances written off	3.47	-
Credit balances written back	(13.70)	(4.23)
Operating Profit before Working Capital Changes	643.92	1,228.94
Adjustment for:		
Inventories	(367.37)	7.69
Trade and other receivables	272.55	95.81
Trade and other payables	378.97	(426.81)
Cash generated in Operations	928.07	905.63
Income taxes paid (net)	(68.50)	(193.15)
Net Cash inflow from Operating Activities (A)	859.57	712.48
B. Cash flow from Investing Activities		
(Contribution to)/Withdrawals from a Firm - net	10.50	-
Purchase of property, plant and equipments	(2.79)	(188.07)
Interest Income	7.74	30.06
Net Cash Generated from / (used in) Investing Activities (B)	15.45	(158.01)
C. Cash flow from Financing Activities		
Repayment of Long Term Borrowings	(273.87)	(275.08)
Repayment of Shareholders / Directors Borrowings	(316.60)	-
Dividend paid (Including tax on dividend)	(35.05)	(42.38)
Interest Paid to banks and others - Finance Cost	(146.79)	(207.25)
Net Cash used in Financing Activities (C)	(772.31)	(524.71)
Net Increase in Cash and Cash Equivalents (A+B+C)	102.71	29.76
Cash and cash equivalents at the beginning of the year	32.38	2.62
Cash and cash equivalents at the end of the year	135.09	32.38

Blue Chip Tex Industries Limited

Change in Liability arising from financing activities

	01.04.2020	Cash Flow	31.03.2021
Borrowing - Non Current (Refer Note 12)	1,773.23	(590.48)	1,182.76
	<u>1,773.23</u>	<u>(590.48)</u>	<u>1,182.76</u>

	01.04.2019	Cash Flow	31.03.2020
Borrowing - Non Current (Refer Note 12)	2,048.31	(275.08)	1,773.23
	<u>2,048.31</u>	<u>(275.08)</u>	<u>1,773.23</u>

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

For and on behalf of the Board
Blue Chip Tex Industries Limited

Shahin .N. Khemani
(Managing Director)
DIN: 03296813

Rahul .A. Khemani
(Chief Financial Officer & Director)
DIN: 03290468

D. K. Doshi
Partner
Membership No. 037148

Bhumit .M. Dharod
(Company Secretary)
ACS 51555

Place: Mumbai
Dated: 27th May, 2021

Place: Mumbai
Dated: 27th May, 2021

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 situated at Plot no. 63-B, Danudyog Sahakari Sangh Ltd., Village Piparia, Silvassa 396230, (U.T.) Dadra & Nagar Haveli.

The Company is engaged mainly in manufacturing of polyester texturising 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:

The 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.

The 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.

All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle for each of its businesses, as per the criteria set out in the Schedule III to the Act.

The 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 unless 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 were, 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. Freehold land is not depreciated.

Blue Chip Tex Industries Limited

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:

(i) **Short term:** Short term Employee Benefits are recognised as an expense on accrual basis at the undiscounted amount in the statement of profit and loss of the year in which related service is rendered.

(ii) **Defined contribution plans:** The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

(iii) **Defined benefit plans:** Post employment and other long term employee benefits are recognised as expense in the statement of profit and loss 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.
- 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.

Blue Chip Tex Industries Limited

i) Finance costs:

Borrowing costs consists of interest cost and other borrowing costs that an entity incurs in connection with the borrowing of funds including exchange differences to the extent regarded an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised 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:

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants, except which relates to property plant & Equipment, 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.

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 capitalised 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: The Company has elected to account for short term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

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 statement of profit and loss 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)

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)

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)

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

3. Investment In Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in group entity at amortised 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:

Blue Chip Tex Industries Limited

- 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 value 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 Instruments

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.

V) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft, short term borrowing and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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 are 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.

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.

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021 Note 1 Property, Plant and Equipment (At cost)

₹ In Lakhs

DESCRIPTION	Gross Block			Depreciation			Net Block	
	As at 01.04.2020	Additions	Deductions	As at 31.03.2021	For the year		As at 31.03.2021	As at 31.03.2020
					Additions	Deductions		
TANGIBLE ASSETS								
Free Hold Land (Refer note 1.1)#	44.18	-	-	44.18	-	-	44.18	44.18
Lease Hold Land	158.89	-	-	158.89	2.64	-	148.75	151.39
Buildings #	918.22	-	-	918.22	29.83	-	671.43	701.26
Plant and Machinery	2,788.15	51.12	-	2,839.27	195.62	-	1,679.17	1,823.67
Factory Equipment	14.25	-	-	14.25	0.90	-	7.15	8.05
Electrical Installations	260.10	-	-	260.10	23.47	-	105.31	128.78
Computer	4.82	0.34	-	5.16	0.70	-	0.81	1.17
Furniture and Fixtures	14.80	0.22	-	15.02	1.00	-	2.96	3.74
TOTAL	4,203.41	51.68	-	4,255.09	254.16	-	2,659.76	2,862.24
PREVIOUS YEAR	4,068.77	134.64	-	4,203.41	277.03	-	2,862.24	-

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

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

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
2	Non Current Investments:		
	Investment measured at cost		
	(i) In Equity Shares (Fully Paid) (Unquoted)		
	4,18,000 (4,18,000) Equity Shares of Beekaylon Synthetics Private Limited of ₹10 each	41.90	41.90
	(ii) Investment in Capital of Partnership Firm		
	Jay Gee Rayons (Refer Note No.32 and 34)	0.89	10.58
	Total	42.79	52.48
2.1	Aggregate amount of unquoted investments	42.79	52.48
	Aggregate provision for diminution in value of investments	-	-
2.2	Category wise Non current Investment:		
	Financial assets measured at cost	42.79	52.48
	Total non current investment	42.79	52.48
3	Loans (Unsecured and considered good):		
	Security Deposits	1.43	1.43
	Total	1.43	1.43
4	Other Non-Current Financial Assets:		
	Bank Deposits with maturity for more than 12 months [Fixed Deposit Receipts pledged under bank's lien]	50.34	43.55
	Total	50.34	43.55
5	Other Non-Current Assets:		
	Capital advances	-	49.62
	Total	-	49.62
6	Inventories (As valued, verified and certified by the management)		
	(i) Raw materials	418.99	286.44
	(ii) Finished goods	637.47	408.84
	(iii) Packing materials and oil	38.71	32.52
	Total	1,095.17	727.80

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
7	Trade Receivables:		
	Unsecured Considered Good #	1,111.47	1,402.87
	Unsecured Considered credit impaired	-	19.44
		<u>1,111.47</u>	<u>1,422.31</u>
	Less: Allowance for credit impaired	-	19.44
	Total	<u>1,111.47</u>	<u>1,402.87</u>
	#Includes ₹ 59.80 Lakhs (Previous Year ₹ 62.11 Lakhs) from related party- Beekaylon Synthetics Private Limited. [Refer Note No.32]		
8a	Cash and Cash Equivalents		
	Cash on hand	0.76	0.59
	Balances with banks - current accounts	610.69	31.79
	Sub - Total	<u>611.45</u>	<u>32.38</u>
8a.1	Cash and Cash Equivalents as per Cash Flow Statement:		
	Cash on hand	0.76	0.59
	Balances with banks - current accounts	610.69	31.79
	Working Capital From Banks		
	(i) Unsecured Loan from Bank	-	-
	(ii) Secured Loan from banks - Overdraft	(476.36)	-
	Cash and Cash Equivalents at the year end	<u>135.09</u>	<u>32.38</u>
8b	Bank Balances other than cash and cash equivalents:		
	Earmarked balances with Bank - unclaimed dividend accounts	16.92	16.50
	Fixed Deposit-Bank with remaining maturity for more than 12 months	50.34	43.56
	Fixed Deposits-Bank with original maturity for more than 3 months but remaining maturity of less than 12 months	11.48	14.72
	Less: amount disclosed under other non-current financial assets [Note no.4]	(50.34)	(43.56)
	Sub - Total	<u>28.40</u>	<u>31.22</u>
	[Fixed Deposit Receipts pledged under bank's lien]		
	Total (8a + 8b)	<u>639.85</u>	<u>63.60</u>
8c	Other Financial Assets		
	Interest Accrued on Deposit with banks	0.32	1.05
	Total	<u>0.32</u>	<u>1.05</u>

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Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
9	Other Current Assets:		
	Prepaid Expenses	3.04	2.90
	Advance to Suppliers	-	19.17
	Others #	73.80	51.60
	# Includes mainly VAT / GST Refund Receivable		
	Total	76.84	73.67
10	Equity Share Capital:		
10.1	Authorized Share Capital -		
	25,00,000 (PY - 25,00,000) Equity Shares of ₹10 each	250.00	250.00
	Total	250.00	250.00
10.2	Issued, Subscribed and Paid up -		
	19,70,500 (PY - 19,70,500)	197.05	197.05
	Equity Shares of ₹10 each fully paid up		
	Add: Forfeited Shares	0.50	0.50
	Total	197.55	197.55
10.3	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.		
10.4	The details of Shareholders holding more than 5% shares:		
Sr. No.	Name of the Shareholder	As at 31 st March, 2021	As at 31 st March, 2020
1	Beekaylon Synthetics Private Limited		
	Number of Shares	486,188	486,188
	%	24.67	24.67
2	Indotex Export House Private Limited		
	Number of Shares	208,300	208,300
	%	10.57	10.57
3	Sangam Syntwist Textile Private Limited		
	No. of Shares	162,100	162,100
	%	8.23	8.23
4	IEPF* -		
	No. of Shares	126,460	118,460
	%	6.42	6.01
5	Roop K. Khemani		
	No. of Shares	105,700	105,700
	%	5.36	5.36

*Investor Education & Protection Fund Authority

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
10.5	Reconciliation of the number of shares outstanding:		
	Number of shares at the beginning of the year	1,970,500	1,970,500
	Shares issued during the year	-	-
	Number of shares at the end of the year	1,970,500	1,970,500
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.		
11	Other Equity		
	1. Capital Reserve No.1		
	(Central Government Investment subsidy for unit in Backward Area)		
	As per last Balance sheet	25.00	25.00
	2. Capital Reserve No.2		
	(Amount forfeited on equity shares warrants)		
	As per last Balance sheet	0.16	0.16
	3. Securities Premium		
	(Amount received on issue of equity shares at premium)		
	As per last Balance sheet	33.80	33.80
	4. General Reserve		
	(Amount accumulated as General Reserve from Retained Earnings)		
	As per last Balance sheet	58.34	58.34
	5. Retained Earnings		
	As per last Balance sheet	2,020.58	1,481.80
	Add : Profit for the year	181.43	581.54
		2,202.01	2,063.34
	Less: Appropriations		
	Dividend on Equity Shares	35.47	35.47
	[Dividend per share ₹ 1.80 (Previous year ₹1.80)]		
	Tax on Dividend	-	7.29
		2,166.54	2,020.58
	6. Other Comprehensive Income (OCI)		
	As per Last Balance sheet - Actuarial loss	(1.00)	0.90
	Add Movement in OCI (Net of tax) during the year- Actuarial loss	(1.11)	(1.90)
		(2.11)	(1.00)
	Total	2,281.71	2,136.87

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Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
12	Borrowings:		
	Secured - At amortized Cost		
	Term Loans from Bank	974.37	1,248.23
	Less : Current Maturities of Term Loans	(225.00)	(278.11)
		749.37	970.12
	Unsecured		
	Loan from Directors	148.00	148.00
	Loan from Other	60.40	377.00
	(Refer Note No.32)		
	Total	957.77	1,495.12

12.1 Term loan from Bank Aggregating to ₹ 974.37 Lakhs (Previous Year - ₹ 1,248.23 Lakhs)

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 1474.50 sq.mtrs.,plot no.64A(part) admeasuring above 523.00 sq.mtrs. Plot No. 68B admeasuring about 1825.50 sq.mtrs and plot no 69 admeasuring about 3102.00 sq.mtrs lying being and situated at Piparia Industrial Estate, Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq.mtrs

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 Borrowings referred above:

₹ In Lakhs

Loan No.	Floating Rate of Interest	2021-22	2022-23	2023-25
1	9.90%*	225.00	225.00	534.13
2	9% **	-	-	208.40

* including ₹ 9.76 Lakhs as prepaid finance charges

** As per Sanction Letter of Term Loan, Repayment of unsecured loan from Directors and Others is subjected to terms and conditions as stipulated in sanction letter.

Blue Chip Tax Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
13	Provisions - Non Current:		
	Provision for Leave Encashment	11.23	10.40
	Total	11.23	10.40
14	Deferred Tax Liabilities (Net):		
	At the start of the year	201.42	220.92
	Charge / (Credit) for the year		
	Related to Property Plant and Equipment	5.16	(17.02)
	Related to Disallowances under the Income Tax Act, 1961	0.19	(2.48)
	At the end of year	206.77	201.42
15	Borrowings:		
	Working Capital Loan at amortized cost		
	(i) Secured - Bank Overdraft	476.36	-
	Total	476.36	-

15.1 Primary Security: Extension of first charge on entire current 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 1474.50 sq.mtrs., plot no.64A(part) admeasuring above 523.00 sq.mtrs. Plot No.68B admeasuring about 1825.50 sq.mtrs and plot no 69 admeasuring about 3102.00 sq.mtrs lying being and situated at Piparia Industrial Estate, Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq.mtrs.

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 Personal guarantee of the two promoters/directors of the Company.

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

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Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
16	Trade Payables:		
	Dues of micro enterprises and small enterprises *	4.08	2.31
	Dues of other than micro enterprises and small enterprises #	1,055.65	615.59
	Total	<u>1,059.73</u>	<u>617.90</u>
	* The information regarding Micro and Small Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company.		
	(i) Principal amount due remaining unpaid to Micro and Small Enterprises	3.93	2.18
	(ii) Interest due and payable to Micro and Small Enterprises	0.15	0.13
	# Includes ₹ 611.19 Lakhs (Previous Year - ₹ 321.32 Lakhs) payable to a related party - Beekaylon Synthetics Private Limited (Refer Note No.32)		
17	Other Current Financial Liabilities:		
	Current Maturities of Long Term Loans (Secured) (Refer Note No.12)	225.00	278.11
	Book overdraft	-	13.65
	Creditors for Capital Goods	-	0.71
	Unclaimed dividend *	16.92	16.51
	Interest accrued and due on borrowing-bank	-	22.27
	Other Payables #	219.70	271.65
	Total	<u>461.62</u>	<u>602.90</u>
	* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	# Includes mainly statutory dues and advances from customers.		
18	Provisions - Current:		
	Provision for Leave Encashment	1.54	2.85
	Provision for Gratuity (Refer Note No.24.1A)	8.70	3.12
	Provision for unspent CSR (Refer Note No. 38)	11.31	-
	Total	<u>21.55</u>	<u>5.97</u>
19	Current Tax Liabilities (Net):		
	Provision for tax (Net of Advance Tax paid)	3.68	10.18
	Total	<u>3.68</u>	<u>10.18</u>

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	As at 31 st March, 2021	As at 31 st March, 2020
19.1	Provision for tax (Net of Advance Tax paid):		
	At the start of the year	10.18	30.73
	Charge for the year	62.00	173.09
	Others	-	(0.49)
	Tax paid during the year	(68.50)	(193.15)
	At the End of year	3.68	10.18
19.2	Taxation		
	Income tax recognised in statement of Profit and loss		
	(i) Current tax	62.00	173.10
	(ii) Deferred Tax	5.72	(19.50)
	(iii) MAT Credit (Entitlement) / utilised	-	26.33
	Income tax expenses recognised in Statement of profit and loss	67.72	179.92
	The income tax expenses for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	249.14	761.46
	Applicable tax rate	25.17%	27.82%
	Computed Tax expense	62.71	211.84
	Tax effect of :		
	On exempt income	(0.06)	(3.12)
	Expenses Disallowed / (Allowed) (net)	(0.64)	(35.63)
	Current tax provision (A)	62.00	173.10
	Incremental / (Reversal) of Deferred Tax liability on account of Property Plant and Equipment	5.16	(17.02)
	Incremental Deferred Tax Asset on account of Other items	0.19	(2.48)
	Deferred Tax provision (B)	5.72	(19.50)
	MAT Credit (Entitlement) / Utilised (C)	-	26.33
	Total Income tax expenses recognised in statement of Profit and loss (A + B + C)	67.72	179.92
	Effective Tax rate	27.18%	23.63%

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	2020-21	2019-20
20	Revenue From Operations:		
	(a) Sale of Products		
	Texturised and Twisted Yarn	15,593.62	22,181.97
	(b) Sale of Services		
	Job Work Income	19.59	2.76
	Total	<u>15,613.21</u>	<u>22,184.73</u>
20.1	Reconciliation of Revenue from operations with contract price:		
	Contract price	15,609.83	22,175.77
	Add: Frieght & Insurance Collected	17.10	38.20
	Less: Sales Return	7.31	27.03
	Less: Rebates & Incentives	6.41	2.21
	Total Revenue from operation	<u>15,613.21</u>	<u>22,184.73</u>
21	Other Income:		
	Interest Income	4.30	4.24
	Profit from Partnership Firm (Refer note no 32 & 34)	0.26	11.20
	Sundry Income - (Inclusive of Scrap sale)	10.28	7.80
	Sundry Balances written back	13.70	4.23
	Total	<u>28.54</u>	<u>27.47</u>
22	Cost of Material Consumed POY - Yarn:		
	Opening Stock	286.44	214.28
	Add: Purchases during the year	12,420.16	17,474.48
	Less: Closing Stock	418.99	286.44
	Total	<u>12,287.61</u>	<u>17,402.32</u>
23	Changes in Inventories of Finished Goods:		
	Inventories - at close:		
	Finished Goods	637.46	408.83
	Inventories - at commencement:		
	Finished Goods	408.83	486.77
	Total	<u>(228.63)</u>	<u>77.94</u>

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	2020-21	2019-20
24	Employee Benefit Expenses:		
(a)	Salaries and Wages (Including ₹ 57.50 Lakhs (Previous Year ₹ 60.00 Lakhs) paid as directors remuneration)	391.11	461.15
(b)	Contribution to Provident Fund	12.35	17.05
(c)	Staff Welfare Expenses	4.40	3.47
	Total	407.86	481.67

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 :

Employer's Contribution to Provident Fund	3.43	4.70
Employer's Contribution to Family Pension Fund	8.36	11.47

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:

Assumptions	2020-21	2019-20
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of Discounting	6.96%	6.82%
Rate of Salary increase	5%	5%
Rate of Employee Turnover	2%	2%
Mortality Rate After Employment	NA	NA
Change in Defined Benefit Obligation:		
Present Value of Benefit Obligation at the Beginning of the year	29.80	22.14
Interest Cost	2.03	1.72
Current service cost	6.25	5.46
Benefit Paid Directly by the Employer	-	(1.91)
Benefit Paid from the Fund	(4.23)	-
Actuarial (Gains)/losses on Obligation - Due to change in financial assumptions	(0.55)	3.19
Actuarial (Gains)/losses on Obligation - Due to experience	1.07	(0.79)
Defined Obligation at the End of the year	34.37	29.80

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	2020-21	2019-20
	Change in Fair Value of Plan Assets:		
	Fair Value of Plan Assets at the beginning	26.68	-
	Interest Income	1.82	-
	Employer Contributions	2.37	26.68
	Benefit Payments from Plan Assets	(4.23)	-
	Remeasurements - Return of plan assets excluding amount included in interest income	(0.97)	-
	Fair Value of Plan Assets at the end	25.67	26.68
	Net liability recognised in the Balance Sheet	8.70	3.12

Components of Defined Benefit Cost recognised in the Statement of Profit and Loss under Employee Benefit Expenses:

Current Service Cost	6.25	5.46
Net Interest Cost	0.21	1.72
Defined Benefit Cost recognised in the Statement of Profit and Loss	6.47	7.18

Components of Defined Benefit Cost recognised in the Statement of Other Comprehensive Income:

Actuarial (Gain)/Losses on Defined Benefit Obligation	0.51	2.40
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	0.97	-
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income	1.48	2.40

Sensitivity Analysis

Projected Benefit Obligations on Current Assumptions	34.37	29.80
Delta Effect of +1% change in Rate of Discounting	(3.57)	(3.31)
Delta Effect of -1% change in Rate of Discounting	4.30	4.01
Delta Effect of +1% change in Rate of Salary Increase	4.34	4.05
Delta Effect of -1% change in Rate of Salary Increase	(3.66)	(3.39)
Delta Effect of +1% change in Rate of Employee Turnover	0.62	0.47
Delta Effect of -1% change in Rate of Employee Turnover	(0.76)	(0.60)

B Long Term Compensated Absences

Actuarial Assumptions	2020-21	2019-20
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of Discounting	6.96%	6.82%
Future Salary increase	5.00%	5.00%
Attrition Rate	2.00%	2.00%
Expenses recognized in the Statement of Profit / loss		
for Provision for Leave encashment	(0.48)	3.60

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	2020-21	2019-20
	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	Finance Cost:		
	Interest Expenses #	142.80	181.43
	Other Borrowing Costs	4.19	2.31
	Total	146.99	183.74
	# Net off interest received ₹ 3.99 Lakhs (Previous Year ₹ 25.82 Lakhs)		
26	Other Expenses:		
	(a) Manufacturing expenses:		
	Packing materials	495.35	585.52
	Stores, Spares and Oil consumed	339.82	488.76
	Power and fuel	969.48	1,188.28
	Contract labour charges	239.02	255.14
	Repairs to Building	1.30	13.87
	Repairs to Plant and Machinery	17.09	11.28
	Repairs to Others	18.99	22.64
	Rent - Office	0.42	0.42
	Machine Hire Charges [Refer Note No.32]	0.78	53.60
	Rates and taxes	16.59	0.21
	Insurance	13.36	14.69
	Total Manufacturing Expenses	2,112.20	2,634.41
	(b) Establishment Expenses:		
	Payment to Auditors [Refer Note No.28]	3.70	4.15
	Directors sitting fees	0.65	0.55
	Corporate Social Responsibility [Refer Note No. 18 & 38]	22.31	0.41
	Miscellaneous expenses	97.02	107.08
	Total Establishment Expenses	123.68	112.19

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Note	Particulars	2020-21	2019-20
	(c) Selling and Distribution Expenses		
	Brokerage and Commission	171.86	214.24
	Service Charges on Handling Sales	60.00	-
	Allowances / (Reversal) for Credit Impaired	(19.44)	19.44
	Bad Debts Written Off	26.05	0.35
	Debit Balance Written Off	3.47	-
	Discount Allowed	13.27	8.66
	Freight Charges	33.53	38.75
	Total Selling and Distribution Expenses	288.74	281.44
	Total Other Expenses (a+b+c)	2,524.62	3,028.04
27	Value of Stores (Including Oil) and Packing Materials Consumed:		
	Imported	-	1.01
	%	-	-
	Indigenous	835.17	1,073.27
	%	100%	100%
	Total	835.17	1,074.28
28	Payment to Auditors as:		
	(a) Auditor		
	Statutory Audit Fees	2.50	*2.95
	Tax Audit Fees	0.50	0.50
	Limited Review of Quarterly Result	0.30	0.30
	(b) Cost Audit Fees	0.40	0.40
	Total	3.70	4.15
	*Including GST		
29	Earning Per Share:		
	a. Net Profit after tax		
	Profit attributable to Equity Shareholders (₹ In Lakhs)	181.43	581.54
	b. Weighted average number of Equity Shares	1,970,500	1,970,500
	c. Nominal value of Equity Shares (In ₹)	10.00	10.00
	d. Earning per Share (Basic and diluted) in ₹	9.21	29.51
30	CIF Value of Import:		
	Store & Spares	-	0.58

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

31 COVID-19 Assessment:

The Company has considered the impact of COVID-19 pandemic on its business operations and financial statement based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of this pandemic is continuing process given the uncertainties associated with its nature and duration. Accordingly, the Company will continue to monitor any material changes to future economic conditions. There is no significant impact on its financial statements as at 31st March 2021.

32 Related Party Disclosures:

a) Name of related parties and description of relationship:

i. Key Management Personnel (KMP):

Name	Designation
Mr. Ashok .K. Khemani (Resigned w.e.f. 01.09.2020)	Managing Director
Mr. Rahul .A. Khemani	Executive Director & CFO
Mr. Shahin .N. Khemani (Appointed as MD w.e.f 01.09.2020)	Managing Director (MD)
Mr. Kumar Nathani (Resigned w.e.f. 25.02.2020)	Independent Director
Ms. Shraddha Teli	Independent Director
Mr. Maulin Gandhi (Resigned w.e.f. 15.01.2020)	Independent Director
Mr. Shatrughun .N. Jiwnani	Independent Director
Mr. Rohit .P. Bajaj	Independent Director
Mr. Siddharth .A. Khemani (Date of Appointment: 01.10.2020)	Non-Executive, Non-Independent Director
Mr. Bhumit .M. Dharod	Company Secretary

ii. Others

Beekaylon Synthetics Private Limited	} Entities in which Key Management Personnel have control or significant influence
Jay Gee Rayons	
Mr. Roop K. Khemani	Relative of previous Managing Director i.e. Mr. Ashok .K. Khemani
Mr. Ashok .K. Khemani	Relative of Mr. Rahul .A. Khemani & Mr. Siddharth .A. Khemani

Notes on Financial Statements for the year ended 31st March 2021

b) Transactions with related parties :

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
1	Rent Paid: Mr. Kumar Nathani Mr. Roop .K. Khemani	NIL (NIL) NIL (0.15)	NIL (0.15) NIL (NIL)	NIL (0.15) NIL (0.15)
2	Machine Hire Charges Paid: Beekaylon Synthetics Private Limited	NIL (62.87)	NIL (NIL)	NIL (62.87)
3	Insurance Premium (Reimbursed): Beekaylon Synthetics Private Limited	3.38 (5.20)	NIL (NIL)	3.38 (5.20)
4	Purchase of raw materials and goods: Beekaylon Synthetics Private Limited	12,319.15 (17809.54)	NIL (NIL)	12,319.15 (17809.54)
5	Stationery Purchase Beekaylon Synthetics Private Limited	0.05 (NIL)	NIL (NIL)	0.05 (NIL)
6	Staff Welfare Expenses Beekaylon Synthetics Private Limited	0.32 (NIL)	NIL (NIL)	0.32 (NIL)
7	Packing Material: Beekaylon Synthetics Private Limited	1.64 (1.54)	NIL (NIL)	1.64 (1.54)
8	Repairs to Machinery: Beekaylon Synthetics Private Limited	2.01 (1.22)	NIL (NIL)	2.01 (1.22)
9	Service Charges paid on handlig of sales Beekaylon Synthetics Private Limited	70.80 (NIL)	NIL (NIL)	70.80 (NIL)
10	Purchase of Property Plant & Equipment - Plant and Machinery: Beekaylon Synthetics Private Limited	NIL (117.96)	NIL (NIL)	NIL (117.96)
11	Sale of Goods: Beekaylon Synthetics Private Limited	1,906.60 (1750.88)	NIL (NIL)	1,906.60 (1750.88)
12	Sale of Store Spares: Beekaylon Synthetics Private Limited	4.16 (7.77)	NIL (NIL)	4.16 (7.77)
13	Sale of Packing Material Beekaylon Synthetics Private Limited	2.18 (NIL)	NIL (NIL)	2.18 (NIL)

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
14	Sale of Scrap Beekaylon Synthetics Private Limited	4.00 (NIL)	NIL (NIL)	4.00 (NIL)
15	Remuneration to Director: Mr. Rahul .A. Khemani Mr. Shahin .N. Khemani	NIL (NIL) NIL (NIL)	28.75 (30.00) 28.75 (30.00)	28.75 (30.00) 28.75 (30.00)
16	Remuneration to Company Secretary: Mr. Bhumit .M. Dharod	NIL (NIL)	4.65 (4.72)	4.65 (4.72)
17	Director Sitting Fees Mr. Kumar Nathani Mr. Maulin Gandhi Ms. Shraddha Teli Mr. Shatrughun .N. Jiwnani Mr. Rohit .P. Bajaj Mr. Siddharth .A. Khemani	NIL (NIL) NIL (NIL) NIL (NIL) NIL (NIL) NIL (NIL)	NIL (0.20) NIL (0.10) 0.20 (0.15) 0.15 (0.05) 0.20 (0.05) 0.10 (NIL)	NIL (0.20) NIL (0.10) 0.20 (0.15) 0.15 (0.05) 0.20 (0.05) 0.10 (NIL)
18	Interest Paid on Late Payment Beekaylon Synthetics Private Limited	NIL (8.98)	NIL (NIL)	NIL (8.98)
19	Interest on Unsecured Loan Taken Mr. Ashok .K. Khemani Mr. Shahin .N. Khemani Jay Gee Rayons	NIL (NIL) NIL (NIL) 20.77 (37.70)	9.00 (10.00) 4.32 (4.80) NIL (NIL)	9.00 (10.00) 4.32 (4.80) 20.77 (37.70)
20	Interest paid to Partnership Firm Jay Gee Rayons	NIL (0.04)	NIL (NIL)	NIL (0.04)
21	Interest Received from Partnership Firm Jay Gee Rayons	0.55 (NIL)	NIL (NIL)	0.55 (NIL)
22	Share of Profit from Partnership Firm Jay Gee Rayons	0.26 (11.20)	NIL (NIL)	0.26 (11.20)

Notes on Financial Statements for the year ended 31st March 2021

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
23	Loan Repaid Jay Gee Rayons	316.60 (NIL)	NIL (NIL)	316.60 (NIL)
24	Capital Withdrawal from Partnership Firm Jay Gee Rayons	10.50 (NIL)	NIL (NIL)	10.50 (NIL)
25	Investment in Partnership Firm at year end: Jay Gee Rayons	0.89 (10.58)	NIL (NIL)	0.89 (10.58)
26	Balance Recoverable /Receivable at year end: Beekaylon Synthetics Private Limited	59.80 (62.11)	NIL (NIL)	59.80 (62.11)
27	Balance Payable at year end: Beekaylon Synthetics Private Limited	611.19 (321.32)	NIL (NIL)	611.19 (321.32)
28	Loan/Interest payable to Directors and Other- at year end: Mr. Ashok .K. Khemani Mr. Shahin .N. Khemani Jay Gee Rayons# # Firm wherein Partners are the shareholders of the Company	NIL (NIL) NIL (NIL) 60.40 (385.37)	100.00 (102.22) 48.00 (49.07) NIL (NIL)	100.00 (102.22) 48.00 (49.07) 60.40 (385.37)

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 GST/SERVICE TAX wherever applicable

33 Contingent Liabilities and Commitments:	2020-21	2019-20
(To the extent not provided for)	₹ In Lakhs	₹ In Lakhs
(i) Disputed Income Tax Liabilities/Demand :	32.70	26.72
(ii) Outstanding Bank Guarantee	149.12	119.22
(iii) Capital Contract		
Property Plant & Equipment	-	50.63
Less: Capital Advances given	-	49.62
Net Capital Commitments	-	1.01

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

34 Particulars about Investment in Partnership Firm:

Name of the Firm - Jay Gee Rayons

(Based on Management certified financial statement of Partnership Firm)

₹ In Lakhs

Name of the Partners	As at 31.03.2021			
	Fixed Capital Account	Current Capital Account	Total Capital Account	Share of Profit/Loss of each Partner
M/s. Beekaylon Synthetics Private Limited	0.050	(268.54)	(268.49)	10%
M/s. Blue Chip Tex Industries Limited	0.045	0.84	0.89	9%
M/s. Indotex Export House Private Limited	0.045	150.39	150.44	9%
M/s. Sangam Syntwist Textile Private Limited	0.045	244.25	244.30	9%
Mr. Nand .K. Khemani	0.045	(0.43)	(0.39)	9%
Mr. Ashok .K. Khemani	0.045	(13.55)	(13.51)	9%
Mr. Rahul .A. Khemani	0.045	(0.43)	(0.39)	9%
Mr. Siddharth .A. Khemani	0.045	(0.37)	(0.33)	9%
Mr. Shahin .N. Khemani	0.045	(0.43)	(0.39)	9%
Mrs. Nitika .S. Khemani	0.045	(0.43)	(0.39)	9%
Mrs. Rishma .R. Khemani	0.045	(0.43)	(0.39)	9%
Total	0.50	110.87	111.37	

₹ In Lakhs

Name of the Partners	As at 31.03.2020			
	Fixed Capital Account	Current Capital Account	Total Capital Account	Share of Profit/Loss of each Partner
M/s. Beekaylon Synthetics Private Limited	0.050	(159.93)	(159.88)	10%
M/s. Bluechip Tex Industries Limited	0.045	10.53	10.58	9%
M/s. Indotex Export House Private Limited	0.045	132.07	132.12	9%
M/s. Sangam Syntwist Textile Private Limited	0.045	363.15	363.20	9%
Mr. Nand .K. Khemani	0.045	10.53	10.58	9%
Mr. Ashok .K. Khemani	0.045	12.42	12.47	9%
Mr. Rahul .A. Khemani	0.045	10.53	10.58	9%
Mr. Siddharth .A. Khemani	0.045	12.59	12.64	9%
Mr. Shahin .N. Khemani	0.045	10.53	10.58	9%
Mrs. Nitika .S. Khemani	0.045	10.53	10.58	9%
Mrs. Rishma .R. Khemani	0.045	10.53	10.58	9%
Total	0.50	423.48	423.98	

Notes on Financial Statements for the year ended 31st March 2021

- 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.

Gearing ratio ₹ In Lakhs except Net Gearing

Particulars	As at 31 st March 2021	As at 31 st March 2020
Gross Debt	1,659.13	1,773.23
Cash and Cash Equivalent	639.85	63.60
Net Debt (A)	1,019.28	1,709.63
Total Equity (as per Balance Sheet) (B)	2,479.26	2,334.42
Net Gearing (A/B)	0.41	0.73

38 **Corporate Social Responsibility (CSR):** ₹ In Lakhs

Particulars	2020-21	2019-20
a) Unspent CSR amount of previous years	9.53	0.14
b) Gross amount required to be spent by the company during the year	12.78	9.80
Total CSR amount required to be spent	22.31	9.94
c) Amount Spent during the year		
i) Construction / acquisition of asset	-	-
ii) on the purpose other than (i) above		
- on field of Promoting Education	10.00	0.41
- Covid-19 Ration Kits	1.00	-
Total CSR amount spent during the year	11.00	0.41
Amount unspent at the end of the year	11.31	9.53
Provision created during the year for CSR payable (Refer note no 18)	11.31	-

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

39 Financial instruments:

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

₹ In Lakhs

Particulars	As at 31 st March 2021			As at 31 st March 2020		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets:						
Investment*	-	-	-	-	-	-
Carried at Amortised Cost						
Trade receivable - Net	1,111.47	-	-	1,402.88	-	-
Cash and Bank Balances	639.85	-	-	63.60	-	-
Loans	1.43	-	-	1.43	-	-
Other financial Assets	50.66	-	-	44.61	-	-
Financials Liabilities:						
Carried At Amortised Cost						
Borrowing	1,659.12	-	-	1,773.24	-	-
Trade payables	1,059.73	-	-	617.90	-	-
Other financial liabilities	236.62	-	-	324.79	-	-

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

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 31 st March 2021	As at 31 st March 2020
Loans		
Long term Floating Loan	974.36	1,248.24
Long term Fixed Loan	208.40	525.00
Short term overdraft	476.36	-
Total	1,659.12	1,773.24

Notes on Financial Statements for the year ended 31st March 2021

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

Particulars	As at 31 st March 2021	As at 31 st March 2020
Impact on equity (Up Move)	-	-
Impact on equity (Down Move)	-	-
Impact on Profit or Loss (Up Move)	8.81	11.32
Impact on Profit or Loss (Down Move)	(8.81)	(11.32)

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 Company if a customer or counter party to a financial instruments fails to meet it 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 31st March, 2021 the carrying amount of financial assets exposure to credit risk was ₹ 1803.41 Lakhs (₹ 1512.52 Lakhs as at 31st March 2020), being representing balances with banks, short term deposits with banks, trade receivables and other financial assets.

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

₹ In Lakhs

Particulars	As at 31 st March 2021	As at 31 st March 2020
Trade Receivables	Gross	Gross
Less than 6 months	1089.90	1374.15
More than 6 months	21.57	48.16
Total	1111.47	1422.31

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 meets it 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 and others.

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2021

Following are the contractual maturities of loans obtained:

Maturity profile of loans as on 31st March 2021

₹ In Lakhs

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
<u>Secured Loan:</u>							
Loan from Bank-Long Term*	56.25	56.25	112.50	450.00	299.37	-	974.37
Loan from Bank-Short Term	476.36	-	-	-	-	-	476.36
<u>Unsecured Loan:</u>							
Loan From Directors and Other	-	-	-	-	208.40	-	208.40
Total	532.61	56.25	112.50	450.00	507.77	0.00	1659.13

* Including ₹ 9.77 Lakhs as prepaid finance charges

Maturity profile of loans as on 31st March 2020

₹ In Lakhs

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
<u>Secured Loan:</u>							
Loan from Bank-Long Term*	71.07	71.07	135.97	450.00	436.00	84.13	1248.24
Loan from Bank-Short Term	-	-	-	-	-	-	-
<u>Unsecured Loan:</u>							
Loan From Directors and Other	-	-	-	-	525.00	-	525.00
Total	71.07	71.07	135.97	450.00	961.00	84.13	1773.24

* Including ₹14.00 Lakhs as prepaid finance charges

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.

Notes on Financial Statements for the year ended 31st March 2021

40 Approval of Financial Statement:

The Financial Statements were approved for issue by the Board of Directors on May 27, 2021.

As per our report of even date
For D K P & Associates
Chartered Accountants
Firm Registration No. 126305W

For and on behalf of the Board
Blue Chip Tex Industries Limited

Shahin .N. Khemani
Managing Director
DIN: 03296813

Rahul .A. Khemani
Chief Financial Officer & Director
DIN: 03290468

D. K. Doshi
Partner
Membership No. 037148

Bhumit .M. Dharod
Company Secretary
ACS 51555

Place: Mumbai
Dated: 27th May, 2021

Place: Mumbai
Dated: 27th May, 2021

If Undelivered, please return to :

BLUE CHIP TEX INDUSTRIES LIMITED

Office no. 15/16/17, 1st floor, Maker Chambers III,
Jamnalal Bajaj Road, Nariman Point,
Mumbai - 400 021