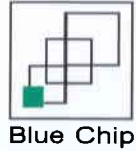




TEX INDUSTRIES LTD.



**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: 26<sup>th</sup> August, 2019**

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

**Scrip Code: 506981**

Dear Sir / Madam,

**Sub: Annual Report for the financial year ended 31<sup>st</sup> March, 2019 along with Notice of 34<sup>th</sup> Annual General Meeting.**

Please note that the 34<sup>th</sup> Annual General Meeting ("AGM") of the Members of the Company is scheduled on Saturday, 21<sup>st</sup> September, 2019 at 12.00 noon at Yatri Niwas, Pruthviraj Chauhan Road (Naroli Road), Silvassa, Dadra & Nagar Haveli – 396 230.

Pursuant to Regulation 30, 34 and all other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the financial year ended 31<sup>st</sup> March, 2019 and the Notice of the AGM along with Attendance Slip, Proxy Form, which are being sent to the Members of the Company through permitted mode.

The aforesaid documents are also made available on the website of the Company at [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com).

You are kindly requested to take the same on you records.

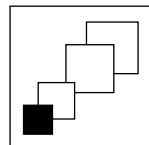
Thanking you,

Yours faithfully,  
For Blue Chip Tex Industries Limited

**Ashok Khemani**  
Managing Director  
DIN: 00053623



Encl: as above



# **BLUE CHIP TEX INDUSTRIES LIMITED**

**34<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2018-2019**

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## CORPORATE INFORMATION

<b>Corporate Identification Number</b>	L17100DN1985PLC005561
<b>Board of Directors</b>	: <b>Ashok K. Khemani</b> Chariman & Managing Director DIN: 00053623
	: <b>Rahul A. Khemani</b> Executive Director DIN: 03290468
	: <b>Shahin N. Khemani</b> Executive Director DIN: 03296813
	: <b>Kumar S. Nathani</b> Non-Executive & Independent Director DIN: 00062321
	: <b>Maulin S. Gandhi</b> Non-Executive & Independent Director DIN: 00073064
	: <b>Shraddha Teli</b> Non-Executive & Independent Director DIN: 06976334
<b>Statutory Auditors</b>	: D K P & Associates Chartered Accountant
<b>Banker</b>	: Axis Bank Limited
<b>Registered Office</b>	: Plot no. 63-B, Danudyog Sahakari Sangh Limited, Village Piparia, Silvassa, Union Territory of Dadra & Nagar Haveli- 396 230 Tel: 022- 43530400 / 9924422247 Email Id: bluechiptex@gmail.com Website: <a href="http://www.bluechiptexindustrieslimited.com">www.bluechiptexindustrieslimited.com</a>
<b>Corporate Office</b>	: Office No. 17, Maker Chambers - III, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400 021
<b>Chief Financial Officer (CFO)</b>	: Rahul A. Khemani
<b>Company Secretary</b>	: Bhumit Dharod Appointed w.e.f. 11.02.2019
<b>Factory</b>	: i) Plot no. 63-B, Danudyog Sahakari Sangh Limited, Village Piparia, Silvassa, Dadra & Nagar Haveli- 396 230 ii) Plot No. 45-B, Govt. Industrial Estate, Masat, Silvassa, Union Territory of Dadra & Nagar Haveli- 396 230
<b>Registrar &amp; Transfer Agent</b>	: Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp Vasant Oasis, Makwana Road, Marol, Andheri-East, Mumbai - 400 059 Tel: 022 - 62638200 Fax: 022 - 62638299 Email Id: investor@bigshareonline.com

**Members are requested to bring their copy of Annual Report at the Annual General Meeting**

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **CONTENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Notice of the Annual General Meeting	5
2.	Directors' Report	18
3.	Independent Auditor's Report	56
4.	Balance Sheet	64
5.	Statement of Profit and Loss	65
6.	Statement of Changes in Equity	66
7.	Cash Flow Statement	67
8.	Significant Accounting Policies	69
9.	Notes on Financial Statements	77
10.	Proxy Form	
11.	Attendance Slip	

**NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 34<sup>TH</sup> ANNUAL GENERAL MEETING OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON SATURDAY, 21<sup>ST</sup> SEPTEMBER, 2019 AT 12:00 NOON AT YATRI NIWAS, PRUTHVIRAJ CHAUHAN ROAD (NAROLI ROAD), SILVASSA, DADRA & NAGAR HAVELI – 396 230 TO TRANSACT THE FOLLOWING BUSINESS:**

**Ordinary Business:**

- 1) To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare final dividend of ₹ 1.80/- per equity share for the financial year ended 31<sup>st</sup> March, 2019.
- 3) To appoint a Director in place of Mr. Rahul A. Khemani (DIN-03290468) 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 2019-20 and to pass, with or without modification, the following Resolution as an Ordinary Resolution:**

**RESOLVED THAT** pursuant to provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable during the year 2019-20 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 2019-20, 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** any Director of the Company be and is hereby authorized to do all such acts, deeds, things such as intimation to the relevant authorities and other matters which are necessary, incidental, ancillary to give effect to aforesaid resolution.

- 5) **Re-appointment of Mr. Kumar Satur Nathani (DIN-00062321) as Independent Director of the Company and to pass, with or without modification, the following Resolution as a Special Resolution:**

**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 6<sup>th</sup> August, 2019 and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kumar Satur Nathani (DIN-00062321), who was appointed as an Independent Director of the Company for a period of 5 (five) years and who holds office of Independent Director upto the conclusion of this Annual General Meeting and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years on the Board of the Company till the conclusion of 39<sup>th</sup> Annual General Meeting and whose office shall not be liable to retire by rotation.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

**6) Re-appointment of Mr. Maulin Samir Gandhi (DIN-00073064) as Independent Director of the Company and to pass, with or without modification, the following Resolution as an Special Resolution:**

**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 6<sup>th</sup> August, 2019 and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Maulin Samir Gandhi (DIN-00073064), who was appointed as an Independent Director of the Company for a period of 3 (three) years and who holds office of Independent Director upto the conclusion of this Annual General Meeting and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years on the Board of the Company till the conclusion of 39<sup>th</sup> Annual General Meeting and whose office shall not be liable to retire by rotation.

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

By order of the Board

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

**Place: Mumbai**

**Date: 6<sup>th</sup> August, 2019**

**Registered Office:**

Plot no. 63-B, Danudyog Sahakari Sangh Limited,  
Village Piparia, Silvassa,  
Union Territory of Dadra & Nagar Haveli- 396 230

### **Notes:**

- 1) The respective Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of the business under Item nos. 4 to 6 of the accompanying notice is annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the corporate office of the Company not less than 48 hours before the commencement of the 34<sup>th</sup> Annual General Meeting (“AGM”).
- 3) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) The Register of Members and Transfer Books of the Company will be closed from Saturday, 14<sup>th</sup> September, 2019 to Friday, 20<sup>th</sup> September, 2019 (both days inclusive).
- 5) If the Final Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or before 19<sup>th</sup> October, 2019 as under:
  - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, 13<sup>th</sup> September, 2019;
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 13<sup>th</sup> September, 2019.
- 6) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agent, M/s. Bigshare Services Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Bigshare Services Pvt. Ltd.
- 7) In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above, Members are advised to dematerialize shares held by them in physical form.
- 8) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company’s Registrars and Transfer Agent, M/s. Bigshare Services Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- 9) Members may also note that the Notice of this AGM and the Annual Report for financial year 2018-19, will be available on the Company’s website [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com). Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send request to the Company’s e-mail ID: [bluechiptex@gmail.com](mailto:bluechiptex@gmail.com).



## **BLUE CHIP TEX INDUSTRIES LIMITED**

- 10) In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- 11) Members desirous of obtaining any information or clarifications on the Accounts, Annual Report and Operations of the Company, are requested to send in written queries to the Company at its Corporate address at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.
- 12) Transfer of Unclaimed/Unpaid amounts and share to the Investor Education and Protection Fund (IEPF): Pursuant to section 123, 124 and 125 of Companies Act, 2013 read with Investor Education & Protection Fund Authority Rules, 2016 all unclaimed/unpaid dividend, application money, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company and shares against the same have been transferred to the IEPF established by the Central Government. No claim shall lie against the Company for the amounts so transferred to Investor Education and Protection Fund of Central Government.
- 13) Member are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Bigshare Services Pvt. Ltd, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400 059  
Tel No: 022 - 62638200  
Fax No.: 022 -62638299  
Email: investor@bigshareonline.com

Members wishing to claim dividends, which remain unclaimed, are requested to send a correspond at Office no. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai - 400 021. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund as per Section 125 of the Companies Act, 2013 read with relevant rules.

- 14) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Investor Education and Protection Fund, which remain unpaid:

<b>Sr. No</b>	<b>Date of Declaration</b>	<b>Dividend for the year</b>	<b>Due date of transfer to the Investor Education and Protection Fund</b>
1	17.09.2012	2011-2012	17.10.2019
2	21.08.2013	2012-2013	20.09.2020
3	09.09.2014	2013-2014	08.10.2021
4	23.07.2015	2014-2015	22.08.2022
5	16.07.2016	2015-2016	15.08.2023
6	29.08.2017	2016-2017	28.09.2024
7	11.09.2018	2017-2018	11.10.2025

It may be noted that the claimant of the Dividend shall be entitle to claim the amount of Dividend so entitled from Unpaid Equity Dividend Account in accordance with the procedure and submission of such documents as may be prescribed. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the corporate office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

- 15) Particulars of the dividend and shares transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended 31<sup>st</sup> March, 2019 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

In view of the above, the Company has transferred 8,200 equity shares to IEPF authority.

Sr. No	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund (₹)	Date of Transfer to Investor Education & Protection Fund
1	11.08.2011	2010-2011	1,27,379	09.10.2018

- 16) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company/Depositories.
- 17) In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.
- 18) Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- 19) Members/Proxies should fill the attendance slip for attending the meeting and bring their attendance slip along with their copy of Annual Report to the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- 20) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such a representative to attend and vote on their behalf at the meeting.
- 21) All documents referred to in the notice are open for inspection at the corporate office of the Company at Office no. 17, Maker Chambers III, Jammalal Bajaj Road, Nariman Point, Mumbai – 400 021 between Business hours on all working days up to the date of the Meeting.
- 22) Members can avail themselves, the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrars and Transfer Agent, M/s. Bigshare Services Pvt. Ltd. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

### 23) E- voting:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

The facility for voting through Polling Paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at AGM through Polling Paper. The Members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

### **Process for E-Voting:**

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

- i. The voting period begins from 09.00 a.m. on Tuesday, 17<sup>th</sup> September, 2019 and ends at 5.00 p.m. on Friday, 20<sup>th</sup> September, 2019, during this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 14<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- iii. Click on Shareholders;
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company;
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as **Corporates**.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **BLUE CHIP TEX INDUSTRIES LIMITED**

- 24) Mr. Pramod S. Shah, partner of M/s Pramod S. Shah & Associates, Practicing Company Secretary (Membership no. F-334/CP No. 3804) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit the consolidated scrutinizer report not later than three days of conclusion of the meeting of the total votes cast in favour or against, if any, to the Chairman of the Company.
- 25) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com) and on the website of CDSL immediately after the result is declared by the Chairman.
- 26) The requirements of the Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to the profile of the director to be re-appointed is enclosed as Annexure I.
- 27) 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 7<sup>th</sup> 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 32<sup>nd</sup> Annual General Meeting held on 29<sup>th</sup> 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 31<sup>st</sup> March, 2019.
- 28) The route map to the AGM venue is given herein. The Bhilad railway station is the nearest railway station to the venue.

By order of the Board

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

**Place: Mumbai**

**Date: 6<sup>th</sup> August, 2019**

**Registered Office:**

Plot no. 63-B, Danudyog Sahakari Sangh Limited,  
Village Piparia, Silvassa,  
Union Territory of Dadra & Nagar Haveli- 396 230

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

- **Re-appointment of Mr. Rahul A. Khemani (DIN: 03290468) as an Executive Director of the Company (Item no. 3)**

Name of the Director	Mr. Rahul A. Khemani
Director Identification Number	03290468
Date of Appointment	1 <sup>st</sup> November, 2010
Brief resume and nature of his expertise in specific functional area	Mr. Rahul has done MSC in technology entrepreneurship from university college of London. He has experience of 11 years in Textile Industry.
Disclosure of relationship between directors inter-se	Mr. Ashok Khemani, Managing director of the Company is the father of Mr. Rahul Khemani
Names of listed entities in which he holds the directorship and the membership of the committee of the board	NIL
Number of shares held in the Company	25,300

- **Re-appointment of Mr. Kumar Satur Nathani (DIN-00062321) as Independent Director of the Company (Item no. 5)**

For the details of Mr. Kumar Satur Nathani, please refer to the below Explanatory Statement in respect of the Special Business set out at Item No. 5 of the accompanying Notice of the AGM pursuant to Section 102 of the Companies Act, 2013.

- **Re-appointment of Mr. Maulin Samir Gandhi (DIN-00073064) as Independent Director of the Company (Item no. 6)**

For the details of Mr. Maulin Samir Gandhi, please refer to the below Explanatory Statement in respect of the Special Business set out at Item No. 6 of the accompanying Notice of the AGM pursuant to Section 102 of the Companies Act, 2013.

# **BLUE CHIP TEX INDUSTRIES LIMITED**

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

### **Item No. 4 (Ratification of remuneration payable to cost auditor)**

The Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2019, on the recommendation of the Audit Committee, had approved the appointment of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm Registration No.101893) as the cost auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2019-2020 and the remuneration payable to them.

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

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out In Item No. 4 for ratification of remuneration payable to the Cost Auditor for conducting the Audit of the cost records of the Company, for the financial year ended 31<sup>st</sup> March, 2020.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No.4.

### **Item No. 5 (Re-appointment of Mr. Kumar Satur Nathani (DIN-00062321) as Independent Director of the Company)**

Mr. Kumar Satur Nathani (DIN-00062321) was appointed as an Independent Director of the Company in 29<sup>th</sup> AGM held on 9<sup>th</sup> September, 2014 and he will hold office as an Independent Director of the Company upto the conclusion / date of the ensuing Annual General Meeting of the Company. He is an Arts Graduate from the Mumbai University and has been associated with the Textile Industry, mainly of weaving and readymade garments exports for the past 30 years and has acquired a wide range of knowledge in this sector.

Based on recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Kumar Satur Nathani (DIN-00062321) being eligible for re-appointment as an Independent Director, offers himself for re-appointment. After considering his background, experience and contributions made by him during his tenure, the Board of Directors considers that the continued association of Mr. Kumar Satur Nathani would be benefited to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Kumar Satur Nathani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Kumar Satur Nathani does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Kumar Satur Nathani does not holds the directorship and the membership of the committee of the board in any other listed entities.

Mr. Kumar Satur Nathani is not disqualified from being re-appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received declaration from Mr. Kumar Satur Nathani that he meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

In opinion of the Board of Company, Mr. Kumar Satur Nathani fulfils the conditions for re-appointment as an Independent Director as specified under Companies Act, 2013.

Mr. Kumar Satur Nathani, is interested in the resolution set out at item no.5 of the notice with regard to his reappointment. Relatives of Mr. Kumar Satur Nathani may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board of Directors recommends the said resolutions set out at item no.5 of the notice for your approval by Special Resolution.

### **Item No. 6 (Re-appointment of Mr. Maulin Samir Gandhi (DIN-00073064) as Independent Director of the Company)**

Mr. Maulin Samir Gandhi (DIN-00073064) was appointed as an Independent Director of the Company in 31<sup>st</sup> AGM held on 16<sup>th</sup> July, 2016 and he will hold office as an Independent Director of the Company upto the conclusion / date of the ensuing Annual General Meeting of the Company. He has done Bachelor of Science in Finance and Management. He has vast experience in the field of Sales, Marketing, Purchase and Operations & Logistics which will facilitate the Company to achieve its overall objectives and provide maximum benefit to the Members of the Company.

Based on recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Maulin Samir Gandhi (DIN-00073064) being eligible for re-appointment as an Independent Director, offers himself for re-appointment. After considering his background, experience and contributions made by him during his tenure, the Board of Directors considers that the continued association of Mr. Maulin Samir Gandhi would be benefited to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Maulin Samir Gandhi as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Maulin Samir Gandhi does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Maulin Samir Gandhi does not holds the directorship and the membership of the committee of the board in any other listed entities.

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

The Company has also received declaration from Mr. Maulin Samir Gandhi that he meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.



## **BLUE CHIP TEX INDUSTRIES LIMITED**

In opinion of the Board of Company, Mr. Maulin Samir Gandhi fulfils the conditions for re-appointment as an Independent Director as specified under Companies Act, 2013.

Mr. Maulin Samir Gandhi, is interested in the resolution set out at item no.6 of the notice with regard to his reappointment. Relatives of Mr. Maulin Samir Gandhi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise in the resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board of Directors recommends the said resolutions set out at item no.6 of the notice for your approval by Special Resolution.

By order of the Board

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

**Place: Mumbai**

**Date: 6<sup>th</sup> August, 2019**

**Registered Office:**

Plot no. 63-B, Danudyog Sahakari Sangh Limited,  
Village Piparia, Silvassa,  
Union Territory of Dadra & Nagar Haveli- 396 230

ROUTE MAP



# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **DIRECTORS' REPORT**

To,

The Members of

**Blue Chip Tex Industries Limited**

Your Directors are pleased to present herewith the 34<sup>th</sup> Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2019 together with the Audited Statement of Accounts and Auditor's Report thereon.

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

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

<b>Particulars</b>	<b>In terms of ₹ in Lakhs</b>	
	<b>Financial Year 2018-19</b>	<b>Financial Year 2017-18</b>
Profit before depreciation	681.27	905.19
Less: Depreciation	266.98	163.59
<b>Profit before Tax</b>	<b>414.29</b>	<b>741.60</b>
<b>Less:</b> Provision for taxation		
Current tax	86.89	201.5
Deferred tax	64.62	21.75
MAT Credit Entitlement	(26.32)	—
<b>Profit after tax</b>	<b>289.10</b>	<b>518.35</b>
<b>Other Comprehensive income</b>	<b>1.70</b>	<b>1.00</b>
<b>Total Comprehensive income for the year</b>	<b>290.80</b>	<b>519.35</b>
<b>Earnings per share (in ₹) (Basic and Diluted)</b>	<b>14.67</b>	<b>26.31</b>
<b>Amount transferred to Profit and Loss account</b>	<b>289.10</b>	<b>518.35</b>
Transfer to General Reserve	—	—

During the year under review your Company has reported a total income of ₹ 25,781.00 lakhs out of which non-operating income amounts to ₹ 25.79 lakhs. Revenue from operations increased by ₹ 7,643.56 lakhs as compared to previous year. Owing to increase in the revenue, the Company has earned the profit after tax of ₹ 289.10 lakhs and other Comprehensive income of ₹ 1.70 lakhs.

The above mentioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2018-19. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on the website of your Company i.e. [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com).

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

Your Directors are pleased to recommend a final dividend of ₹ 1.80/- per equity share for the Financial Year ended 31<sup>st</sup> March, 2019.

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

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

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

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

During the Financial Year ended 31<sup>st</sup> March, 2019, the Company's turnover has increased by ₹ 7,643.56 lakhs as compared to previous financial year.

The Company will strive to increase its turnover in financial year 2019-20 also.

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

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

**A. Rule 8 Sub-Rule 3 (A) pertaining to Conservation of Energy:**

**(i) Energy conservation measures taken:**

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

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

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

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

The measures taken have resulted in savings in the cost of production. Total energy consumption and energy consumption per unit of production:

**B. Power and Fuel Consumption:**

1.	Electricity:	Financial Year ended 31.03.2019	Financial Year ended 31.03.2018
	Purchased Units (KWH)	2,29,73,236	1,80,74,860
	Total Amount ( in ₹ Lakhs)	1,057.26	692.94
	Cost/Unit (₹)	4.60	3.83
	Consumption per ton polyester Texturized Yarn Production (units in KWH)	1,092.82	993.28

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

Efforts in brief made towards technology absorption, adoption and innovation:

The Company keeps itself abreast of the technical development and innovation in its line of products worldwide and tries to bring about improvements in the product for better yield, quality and cost effectiveness etc.

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

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

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

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

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

<b>Sr. No</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of becoming of Subsidiary / Joint ventures/ Associate Company.</b>
	Not Applicable		

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

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

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

<b>Sr. No</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of cession of Subsidiary / Joint ventures/ Associate Company.</b>
	Not Applicable		

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

<b>Sr. No</b>	<b>Name of Company</b>	<b>Subsidiary / Joint ventures/ Associate Company</b>	<b>Date of cession of Subsidiary / Joint ventures/ Associate Company.</b>
	Not Applicable		

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

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

### **12. DISCLOSURE OF ACCOUNTING TREATMENT:**

During the year under review, the Company followed the applicable Accounting Standards in the preparation of its Financial Statements.

### **13. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

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

**14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Particulars of loans or investments made or guarantees given or security provided in accordance with Section 186 of the Companies Act, 2013 as on 31<sup>st</sup> March, 2019 are as follows:

**Amount outstanding as at 31<sup>st</sup> March, 2019:**

<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
Loans given	—
Guarantee given	—
Security Provided	—
Investments made	<b>41.90</b>

**15. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return as prescribed under Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 is annexed to this report as “**Annexure I**”. The same is as on 31<sup>st</sup> March, 2019.

**16. DEPOSITS:**

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

**17. BOARD MEETINGS:**

During the year under review, total 5 (five) Meetings of Board of Directors (herein after called as “the Board”) were held, the details of which are mentioned below:

<b>Sr. No</b>	<b>Date of Meeting</b>	<b>Venue and time of the meeting</b>	<b>Directors Present</b>	<b>Directors who were absent with/without leave of absence</b>
<b>1</b>	25.05.2018	<b>Venue:</b> Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 <b>Time:</b> 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Kumar S. Nathani 4. Mr. Maulin Gandhi	1. Mrs. Shraddha M Teli 2. Mr. Shahin N Khemani
<b>2</b>	03.08.2018	<b>Venue:</b> Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 <b>Time:</b> 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N Khemani 4. Mr. Kumar S. Nathani 5. Mr. Maulin Gandhi 6. Mrs. Shraddha M Teli	None
<b>3</b>	13.11.2018	<b>Venue:</b> Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 <b>Time:</b> 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N Khemani 4. Mr. Kumar S. Nathani 5. Mr. Maulin Gandhi 6. Mrs. Shraddha M Teli	None

## **BLUE CHIP TEX INDUSTRIES LIMITED**

<b>Sr. No</b>	<b>Date of Meeting</b>	<b>Venue and time of the meeting</b>	<b>Directors Present</b>	<b>Directors who were absent with/without leave of absence</b>
4	11.02.2019	<b>Venue:</b> Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 <b>Time:</b> 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Shahin N Khemani 3. Mr. Kumar S. Nathani 4. Mr. Maulin Gandhi 5. Mrs. Shraddha M Teli	1. Mr. Rahul A. Khemani
5	29.03.2019	<b>Venue:</b> Office No. 17, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 <b>Time:</b> 5.00 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N Khemani 4. Mr. Kumar S. Nathani	1. Mr. Maulin Gandhi 2. Mrs. Shraddha M Teli

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

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

<b>Sr. No</b>	<b>Name of the Director/ Key managerial personnel</b>	<b>Particulars</b>	<b>Date of Appointment/ Resignation/ Change in Designation</b>
1	Mr. Hitesh Kavediya	Resigned as Company Secretary	Effective date of resignation is 31.08.2018
2	Mr. Bhumit Dharod	Appointed as Company Secretary	Effective date of appointment is 11.02.2019

### **19. QUALIFICATION GIVEN BY THE STATUTORY AUDITORS:**

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

### **20. STATUTORY AUDITORS:**

M/s. D K P & Associates, Chartered Accountants (Firm Registration No. 126305W) have been appointed for a period of 5 (five) years from the conclusion of the 32<sup>nd</sup> Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting of the company subject to ratification by the Members in every Annual General Meeting.

In view of the amendment in the Companies Act, 2013 which were notified with effect from May 07, 2018 by the Ministry of Corporate Affairs, the requirement of ratification of Auditors at every year has been removed and accordingly, there is no requirement of ratification of appointment of Auditors.

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.

### **21. SECRETARIAL AUDITOR:**

As required under provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s Pramod S. Shah and Associates, Practicing Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year 2018-19 is annexed herewith as “**Annexure II**”. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

### **22. COST AUDITORS AND THEIR REPORT**

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, as amended, the Board of Directors of your Company on recommendation of the Audit Committee have re-appointed M/s. NKJ & Associates, Practising Cost Accountants, Mumbai (Registration No. 101893) as the Cost Auditors to carry out the cost audit for the financial year 2019-20. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice convening the 34<sup>th</sup> Annual General Meeting of your Company.

The re-appointment of M/s. NKJ & Associates, Practising Cost Accountants, Mumbai as the Cost Auditors of your Company is within the prescribed limits of the Act and free from any disqualifications specified thereunder. Your Company has received the Certificate from the Cost Auditor confirming their independence and relationship on arm's length basis.

The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2018, issued by M/s. NKJ & Associates, Practising Cost Accountants, in respect of the various products prescribed under Cost Audit Rules does not contained any qualification(s), reservation(s) or adverse remark(s) and the same was filed with the Ministry of Corporate Affairs on 10<sup>th</sup> September, 2018. The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2019 will be filed with the Ministry of Corporate Affairs within the prescribed statutory time limit.

### **23. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:**

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

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

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

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

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

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

There has been no change in the capital structure of the Company during the year ended 31<sup>st</sup> March, 2019.

### **27. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:**

During the year under review Company has constituted a CSR Committee the details of which is mentioned in point no. 33-IV. The CSR Policy of the Company is available on its website at: [www.bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com).



## **BLUE CHIP TEX INDUSTRIES LIMITED**

During the year, the Company has spent ₹ 9.38 Lakhs on CSR activities. The Disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as “Annexure IV”.

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

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

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

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

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

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

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

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

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

As per the provisions of Section 149(4) of the Companies Act, 2013 read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 every listed public company shall have at least one-third of the total number of directors as independent directors.

In view of the above, your Company has duly complied with the provision and following are the independent directors as on 31<sup>st</sup> March, 2019:

<b>Sr. No.</b>	<b>Name of the Independent Director</b>	<b>Date of appointment / Reappointment</b>	<b>Date of passing of special resolution / Board Resolution (if any)</b>
1.	Mr. Maulin Gandhi	22.04.2016	16.07.2016
2.	Mr. Kumar S. Nathani	09.09.2014	09.09.2014
3.	Mrs. Shraddha M. Teli	07.11.2014	23.07.2015 and 29.08.2017

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

**33. COMMITTEES OF BOARD:****I. Nomination and Remuneration Committee:**

The 'Nomination and Remuneration Committee' consists of three non-executive Directors who are independent directors as well and the said constitution is in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee acts in accordance with the Terms of Reference as approved and adopted by the Board.

The Composition of the Committee is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Kumar S. Nathani	Chairman
2	Mr. Maulin Gandhi	Member
3	Mrs. Shraddha M. Teli	Member

**Nomination and Remuneration Policy**

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

**II. Audit Committee:**

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

The Composition of the Committee is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Kumar S. Nathani	Chairman
2	Mr. Maulin Gandhi	Member
3	Mr. Ashok K. Khemani	Member

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

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

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

The composition of the Stakeholders Relationship Committee / Shareholders Grievance Committee as on March 31, 2019 is as under:-

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>
<b>1</b>	Mr. Kumar S. Nathani	Chairman
<b>2</b>	Mr. Shahin N. Khemani	Member
<b>3</b>	Mr. Ashok K. Khemani	Member

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

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

### **IV. Corporate Social Responsibility Committee:**

Your Company has constituted a "Corporate Social Responsibility Committee" comprising of three directors consisting of one Independent director and two executive directors with the Chairman being Independent director.

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

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
<b>1</b>	Mr. Kumar S. Nathani	Chairman
<b>2</b>	Mr. Shahin N. Khemani	Member
<b>3</b>	Mr. Ashok K. Khemani	Member

**The Corporate Social Responsibility Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which inter-alia includes:**

1. Formulate and recommend the Corporate Social Responsibility (CSR) Policy and any amendments therein to the Board of Directors of the Company;
2. 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;
3. Determine modalities of execution of such CSR projects, programs and activities;
4. Undertake all necessary steps to implement the CSR activities;
5. Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors;
6. Monitor the CSR activities in such manner as it deems fit;
7. 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;
8. To perform such functions as may be entrusted by the Board of Directors from time to time.

**V. THE VIGIL MECHANISM:**

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

**34. PARTICULARS OF REMUNERATION TO DIRECTORS AND EMPLOYEES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided under “**Annexure – VI-A**”, which is annexed to this Report.

In terms of the provisions Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided under “**Annexure – VI-B**”, which is annexed to this Report.

**35. DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

Declaration signed by the Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed as “**Annexure VII**” to this Report.

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

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

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

Such evaluation exercise has been carried out:

- (i) of Independent Directors by the Board;
- (ii) of Non-Independent Directors by all the Independent Directors in separate meeting held for the purpose on 11<sup>th</sup> February, 2019;
- (iii) of the Board as a whole by all the Directors;
- (iv) of the Committees by all the Directors;
- (v) of the Chairperson of your Company by the Independent Directors in separate meeting held on 11<sup>th</sup> February, 2019 after taking into account the views of the Executive/ Non-Executive Directors;
- (v) of the Board by itself.

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

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

### **37. DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (a) In the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

#### **Industry Structure**

The Indian textile Industry has been a significant contributor to the Indian economy both in terms of its domestic share and exports and continues to play a pivotal role in India's growth story through its contribution to industrial output, employment generation and export earnings. The textile Industry contributes about 7% to industry output, 2% to the GDP. The exports from the sector are valued at around \$37 billion, amounting to 13% of India's total exports. India is one of the few countries with a complete and integrated textile value chain having production at each level of textile manufacturing. The textile Industry is labour intensive and is one of the largest employers. It is second largest contributor towards employment generation, after agriculture, contributing 10% to the country's manufacturing, owing to its labour intensive nature.

The Indian textiles Industry, currently estimated at around 150 billion dollars approx is expected to reach US\$ 250 billion approx by 2019. In 2019, the International Monetary Fund (IMF) predicts global growth 3.3% as compared to 3.6% in previous year. Improvements are expected later and global economic growth in 2020 is expected to return to 3.6 percent. The World Trade Organization (WTO) as well as the World Bank and the Organisation for Economic Co-operation and Development have downgraded their projections across trade, equities, currencies and interest rates.

**Strength and Opportunities**

- Robust Demand:  
Rise in income levels is expected to drive demand in textile industry.
- Competitive Advantage:  
India has abundant availability of raw materials such as cotton, wool, silk and jute. It also enjoys a comparative advantage in terms of skilled manpower and in cost of production;
- Policy Support:  
100% FDI (automatic route) is allowed in the Indian Textile Sector. To boost exports, free trade with ASEAN is allowed;
- Abundant raw material availability;
- Low cost skilled labour;
- Promising export potential;
- Location Advantage: Silvassa is well connected & close to Big textiles markets like Surat, North India & Bhiwandi;
- With GST Implementation the organised sector is in the advantage.

**Weakness and Threats**

- Indian Textile Industry is highly Fragmented Industry;
- Competition in the domestic as well as world markets specially from China;
- Lack of Technological Development that affect the productivity and other activities in whole value chain;
- Cost competitiveness and low margins: Due to severe recessionary trends which are continuing in the developed countries, unit realisation of products may continue to be under pressure; – Technological obsolescence in weaving and spinning sector;  
Problems of power yet prevail: Severe power shortage in some of the states will remain a big threat for the utilisation of the plant and equipment's due to shortage of power, the utilisation may drop severely and hence volatility in yarn prices may continue;
- Increase in Labour wage rate;
- Increasing input costs i.e. power, finance and logistics;
- Fluctuation in Crude Oil Prices.

**Management Perception of Risks and Concerns**

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

### **Internal Control and Management Systems:**

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

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

The Company has complied with the applicable secretarial standards for the financial year 2018-19.

### **40. ACKNOWLEDGEMENT**

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

### **For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**ANNEXURE TO BOARD'S REPORT**

**“ANNEXURE 1: ANNUAL RETURN”**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31<sup>st</sup> March, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L17100DN1985PLC005561
- ii) Registration Date : 17/09/1985
- iii) Name of the Company : Blue Chip Tex Industries Limited
- iv) Category / Sub-Category of the Company : Company Limited by shares / Indian Non-Government
- v) Address of the Registered office and contact details : Plot no. 63-B, Danudyog Sahakari Sangh Limited, Village Piparia, Silvassa, Union Territory of Dadra & Nagar Haveli- 396 230  
Tel No.: 022 4353 0400 / 9924422247  
Email Id: bluechiptex@gmail.com
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Bigshare Services Pvt. Ltd  
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059  
Tel No.: 022- 62638200  
Email Id: investor@bigshareonline.com

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of synthetic or artificial filament yarn, tenacity yarn whether or not textured including high tenacity yarn	20203	100

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

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
NIL					



# BLUE CHIP TEX INDUSTRIES LIMITED

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

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during theyear
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	648288	0	648288	32.90	648288	0	648288	32.90	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Directors/Relatives	254695	0	254695	12.93	324595	0	324595	16.47	3.54
g) Group Companies	212700	0	212700	10.79	212700	0	212700	10.79	0
<b>Sub-total (A) (1):-</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>1185583</b>	<b>0</b>	<b>1185583</b>	<b>60.16</b>	<b>3.54</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1115683</b>	<b>0</b>	<b>1115683</b>	<b>56.62</b>	<b>1185583</b>	<b>0</b>	<b>1185583</b>	<b>60.16</b>	<b>3.54</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	1100	0	1100	0.06	1100	0	1100	0.06	0
c) Central Govt(IEPF)	103952	0	103952	5.28	112152	0	112152	5.69	0.41
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>105052</b>	<b>0</b>	<b>105052</b>	<b>5.34</b>	<b>113252</b>	<b>0</b>	<b>113252</b>	<b>5.75</b>	<b>0.41</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	7413	600	8013	0.41	6831	600	7431	0.38	0.03
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during theyear
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	357952	238191	596143	30.25	392840	206839	599679	30.43	0.18
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	106651	0	106651	5.41	44689	0	44689	2.27	3.14
c) Clearing Member	2649	0	2649	0.13	432	0	432	0.02	0.11
d) Non Resident Indian (NRI)	31409	4900	36309	1.84	14534	4900	19434	0.99	0.85
<b>Sub-total (B)(2):</b>	<b>506074</b>	<b>243691</b>	<b>749765</b>	<b>38.04</b>	<b>459326</b>	<b>212339</b>	<b>671665</b>	<b>34.09</b>	<b>-3.95</b>
<b>Total PublicShareholding (B)=(B)(1)+ (B)(2)</b>	<b>611126</b>	<b>243691</b>	<b>854817</b>	<b>43.38</b>	<b>572578</b>	<b>212339</b>	<b>784917</b>	<b>39.84</b>	<b>-3.54</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1726809</b>	<b>243691</b>	<b>1970500</b>	<b>100.00</b>	<b>1758161</b>	<b>212339</b>	<b>1970500</b>	<b>100.00</b>	<b>(0.00)</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1.	M/s. Beekaylon Synthetics Private Ltd.	486188	24.67	0.00	486188	24.67	0.00	0.00
2.	M/s. Indotex Export House Private Limited	208300	10.57	100.00	208300	10.57	100.00	0.00
3.	M/s. Sangam Syntwist Textiles Private Limited	162100	8.23	100.00	162100	8.23	100.00	0.00
4.	Mr. Ashok K. Khemani	74690	3.79	0.00	74690	3.79	0.00	0.00
5.	Mr. Nand K. Khemani	70531	3.58	0.00	70531	3.58	0.00	0.00
6.	Mr. Roop K. Khemani	35800	1.82	0.00	105700	5.36	0.00	3.54
7.	Mr. Shahin N. Khemani	28600	1.45	0.00	28600	1.45	0.00	0.00
8.	Mr. Rahul A. Khemani	25300	1.28	0.00	25300	1.28	0.00	0.00
9.	Mrs. Rachna A. Khemani	16495	0.84	0.00	16495	0.84	0.00	0.00
10.	M/s. Setron Textile Mills Pvt. Ltd.	4400	0.22	0.00	4400	0.22	0.00	0.00
11.	Mr. Siddharth A. Khemani	3279	0.17	0.00	3279	0.17	0.00	0.00
	<b>TOTAL</b>	<b>1115683</b>	<b>56.62</b>	<b>33.20</b>	<b>1185583</b>	<b>60.16</b>	<b>0.00</b>	<b>3.54</b>

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1115683	56.62	1115683	56.62
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Date wise increase/decrease of promoters holding: Acquisition of 69,900 equity shares by Mr. Roop Khemani on 11 <sup>th</sup> January, 2019 by Gift.			
	At the End of the year	1185583	60.16	1185583	60.16

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

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Ramesh Roop Khemani</b>				
	At the beginning of the year	40800	2.07	40800	2.07
	Bought/sold during the year				
	1) 11.01.2019	(36000)	(1.83)	4800	0.24
	At the end of the year			4800	0.24
2.	<b>Rajesh Roop Khemani</b>				
	At the beginning of the year	33900	1.72	33900	1.72
	Bought/sold during the year				
	1) 11.01.2019	(33900)	(1.72)	0	0
	At the end of the year			0	0
3.	<b>Satya Prakash Mittal</b>				
	At the beginning of the year	31951	1.62	31951	1.62
	Bought/sold during the year				
	1) 15.06.2018	812	0.04	32763	1.66
	2) 22.06.2018	1076	0.05	33839	1.71
	3) 29.06.2018	720	0.04	34559	1.75
	4) 10.08.2018	142	0.01	34701	1.76
	5) 17.08.2018	134	0.01	34835	1.77
6) 31.08.2018	(78)	(0.01)	34757	1.76	
	7) 03.09.2018	113	0.01	34870	1.77

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	8) 14.09.2018	(48)	(0.00)	34822	1.77
	9) 26.10.2018	6	0.00	34828	1.77
	10) 22.02.2019	(13)	0.00	34815	1.77
	11) 01.03.2019	(123)	0.01	34692	1.76
	At the end of the year			34692	1.76
<b>4.</b>	<b>Sabyasachi Ghosh</b>				
	At the beginning of the year	14248	0.72	14248	0.72
	Bought /sold during the year				
	1) 15.06.2018	(1000)	(0.05)	13248	0.67
	2) 03.08.2018	(3322)	(0.17)	9926	0.50
	3) 05.10.2018	(76)	(0.00)	9850	0.50
	4) 19.10.2018	(54)	(0.00)	9796	0.50
	5) 14.12.2018	(1156)	(0.06)	8640	0.44
	6) 28.12.2018	(423)	(0.02)	8217	0.42
	7) 04.01.2019	(1000)	(0.05)	7217	0.37
	8) 29.03.2019	(150)	(0.01)	7067	0.36
	At the end of the year			7067	0.36
<b>5.</b>	<b>Amit Arora</b>				
	At the beginning of the year	10000	0.51	10000	0.51
	Bought/sold during the year				
	1) 22.06.2018	(10000)	0.51	0	0.00
	At the end of the year			0	0.00
<b>6.</b>	<b>Satya Prakash Mittal (HUF)</b>				
	At the beginning of the year	0	0.00	0	0.00
	Bought/sold during the year				
	1) 21.12.2018	120	0.01	120	0.01
	2) 08.02.2019	116	0.00	236	0.01
	3) 15.02.2019	9761	0.50	9997	0.51
	At the end of the year			9997	0.51
<b>7.</b>	<b>Pratyush Mittal</b>				
	At the beginning of the year	9400	0.48	9400	0.48
	Bought/sold during the year				
	1) 06.04.2018	300	0.01	9700	0.49
	2) 13.04.2018	25	0.00	9725	0.49

## BLUE CHIP TEX INDUSTRIES LIMITED

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	3) 25.05.2018	45	0.01	9770	0.50
	4) 15.02.2019	(9770)	(0.50)	0	0.00
	5) 15.03.2019	4257	0.22	4257	0.22
	At the end of the year			4257	0.22
<b>8.</b>	<b>Jyoti Prem Tolani</b>				
	At the beginning of the year	12072	0.61	12072	0.61
	Bought/sold during the year				
	1) 11.05.2018	236	0.01	12308	0.62
	2) 18.05.2018	25	0.00	12333	0.62
	3) 22.06.2018	300	0.01	12633	0.63
	4) 29.06.2018	69	0.00	12702	0.63
	5) 20.07.2018	49	0.01	12751	0.64
	6) 05.10.2018	10	0.00	12761	0.64
	7) 07.12.2018	2	0.00	12763	0.64
	At the end of the year			12763	0.64
<b>9.</b>	<b>Meena Jetho Belani</b>				
	At the beginning of the year	6900	0.35	6900	0.35
	Bought/sold during the year				
	1) 11.05.2018	219	0.01	7119	0.36
	2) 18.05.2018	54	0.00	7173	0.36
	3) 25.05.2018	4	0.00	7177	0.36
	4) 01.06.2018	43	0.01	7220	0.37
	At the end of the year			7220	0.37
<b>10.</b>	<b>Gyanendra Kumar</b>				
	At the beginning of the year	5755	0.29	5755	0.29
	Bought/sold during the year				
	1) 13.04.2018	75	0.01	5830	0.30
	2) 18.05.2018	450	0.02	6280	0.32
	3) 13.07.2018	100	0.00	6380	0.32
	4) 20.07.2018	50	0.01	6430	0.33
	5) 03.08.2018	750	0.03	7180	0.36
	6) 10.08.2018	150	0.01	7330	0.37
	7) 16.11.2018	(2319)	0.12	5011	0.25
	8) 23.11.2018	(1006)	0.05	4005	0.20

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	9) 07.12.2018	(40)	0.00	3965	0.20
	10) 14.12.2018	(1188)	0.06	2777	0.14
	11) 21.12.2018	(1100)	0.05	1677	0.09
	12) 25.01.2019	(57)	0.01	1620	0.08
	13) 01.02.2019	(1000)	0.05	620	0.03
	14) 08.02.2019	(450)	0.02	170	0.01
	15) 15.02.2019	(170)	0.01	0	0.00
	At the end of the year			0	0.00
<b>11.</b>	<b>Namita Parakh</b>				
	At the beginning of the year	5681	0.29	5681	0.29
	Bought/sold during the year	0	0	0	0
	At the end of the year			5681	0.29
<b>12.</b>	<b>George Joseph</b>				
	At the beginning of the year	2615	0.13	2615	0.13
	Bought/sold during the year				
	1) 06.04.2018	650	0.04	3265	0.17
	2) 01.06.2018	1044	0.05	4309	0.22
	3) 08.06.2018	400	0.02	4709	0.24
	4) 22.06.2018	400	0.02	5109	0.26
	5) 29.06.2018	200	0.01	5309	0.27
	6) 06.07.2018	200	0.01	5509	0.28
	7) 10.08.2018	(462)	0.02	5047	0.26
	At the end of the year			5047	0.26
<b>13.</b>	<b>Bhupendra Ratilal Shah</b>				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year	0	0	0	0
	At the end of the year			5000	0.25
<b>14.</b>	<b>Mahesh L Lakhwani</b>				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year	0	0	0	0
	At the end of the year			5000	0.25
<b>15.</b>	<b>Devkinandan Jagmohanlal Tibrewala</b>				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year	0	0	0	0
	At the end of the year			5000	0.25

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

<b>Sr. No.</b>	<b>Name of the Director/KMP</b>	<b>Shareholding at the beginning of the year</b>		<b>Cumulative Shareholding during the year</b>	
		<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
<b>1.</b>	<b>Mr. Ashok K Khemani, Managing Director</b> At the beginning of the year Bought /sold during the year At the end of the year	74690 0	3.79 0	74690 0 <b>74690</b>	3.79 0 <b>3.79</b>
<b>2.</b>	<b>Mr. Rahul A Khemani, Director and Chief Financial officer</b> At the beginning of the year Bought/sold during the year At the end of the year	25300 0	1.28 0	25300 0 <b>25300</b>	1.28 0 <b>1.28</b>
<b>3.</b>	<b>Mr. Shahin N Khemani, Director</b> At the beginning of the year Bought /sold during the year At the end of the year	28600 0	1.45 0	28600 0 <b>28600</b>	1.45 0 <b>1.45</b>
<b>4.</b>	<b>Mr. Kumar Satur Nathani, Independent Director</b> At the beginning of the year Bought /sold during the year At the end of the year	0 0	0 0	0 0 <b>0</b>	0 0 <b>0</b>
<b>5.</b>	<b>Mr. Maulin Samir Gandhi, Independent Director</b> At the beginning of the year Bought /sold during the year At the end of the year	0 0	0 0	0 0 <b>0</b>	0 0 <b>0</b>
<b>6.</b>	<b>Mrs. Shraddha Teli Mangesh, Independent Director</b> At the beginning of the year Bought /sold during the year At the end of the year	0 0	0 0	0 0 <b>0</b>	0 0 <b>0</b>
<b>7.</b>	<b>Mr. Bhumit Dharod, Company Secretary</b> At the beginning of the year Bought /sold during the year At the end of the year	0 0	0 0	0 0 <b>0</b>	0 0 <b>0</b>

**V. INDEBTEDNESS:**

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,287.00	465.00	0.00	1,752.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>1,287.00</b>	<b>465.00</b>	<b>0.00</b>	<b>1,752.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	450.05	60.00	0.00	510.05
Reduction	(195.47)	0.00	0.00	(195.47)
<b>Net Change</b>	<b>254.58</b>	<b>60.00</b>	<b>0.00</b>	<b>314.58</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1541.58	525.00	0.00	2066.58
ii) Interest due but not paid	0	0.00	0.00	0.00
iii) Interest accrued but not due	0	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>1541.58</b>	<b>525.00</b>	<b>0.00</b>	<b>2066.58</b>

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

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Ashok Kishinchand Khemani - Managing Director	
1.	Gross salary	—	—
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission/ Performance Pay	—	—
	— as % of profit	—	—
	— others, specify...	—	—
5.	Others, please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.	



# BLUE CHIP TEX INDUSTRIES LIMITED

## B. Remuneration to other Directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Kumar Nathani	Mr. Maulin Gandhi	Ms. Shraddha Teli	Mr. Rahul Khemani	Mr. Shahin Khemani	Total
1.	Independent Directors						
	• Fee for attending board / committee meetings	0.20	0.20	0.15	0.00	0.00	0.55
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (1)</b>	<b>0.20</b>	<b>0.20</b>	<b>0.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.55</b>
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
3	Other Executive Directors						
	• Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00	0.00	0.00
	• Others- Remuneration	0.00	0.00	0.00	30.00	30.00	60.00
	<b>Total (B)=(1+2+3)</b>	<b>0.20</b>	<b>0.20</b>	<b>0.15</b>	<b>30.00</b>	<b>30.00</b>	<b>60.55</b>
	<b>Total Managerial Remuneration</b>	<b>0.20</b>	<b>0.20</b>	<b>0.15</b>	<b>30.00</b>	<b>30.00</b>	<b>60.55</b>
	Overall Ceiling as per the Act	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013					

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

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary (Mr. Hitesh Kavediya)	Company Secretary (Mr. Bhumit Dharod)	CFO (Mr. Rahul Khemani)	
1.	Gross salary	0.00	0.75	1.02	0.00	1.77
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4.	Commission - as % of profit- others, specify...	0.00	0.00	0.00	0.00	0.00
5.	Others, please specify -incentive	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.75</b>	<b>1.02</b>	<b>0</b>	<b>1.77</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

<b>Ashok Khemani</b> Managing Director DIN: 00053623	<b>Rahul Khemani</b> CFO & Director DIN: 03290468
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# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **“ANNEXURE II”**

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

#### **SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2019

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

To,

The Members,

Blue Chip Tex Industries Limited

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (Not applicable during the audit period)

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

- (i) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).

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

### **We further report that**

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

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

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

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

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

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

1. Declared and paid Final dividend during the financial year ended 31<sup>st</sup> March, 2018 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
2. Passed a Special Resolution in its 33<sup>rd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2018 for authorizing Board to borrow fund upto ₹ 100 Crores.
3. Passed a Special Resolution in its 33<sup>rd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2018 and received an Order on 5<sup>th</sup> December, 2018 from Regional Director, Western Region for shifting the registered office of the Company from the state of "Maharashtra" to Union Territory "Dadra and Nagar Haveli".

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

Pramod S. Shah - Partner  
Pramod S. Shah & Associates  
**Membership No.: FCS 334**  
**C.O.P. No.: 3804**

Place: Mumbai  
Date: 06<sup>th</sup> August, 2019

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **Annexure I**

To,

The Members  
Blue Chip Tex 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  
Pramod S. Shah & Associates  
**Membership No.: FCS 334**  
**C.O.P. No.: 3804**

Place: Mumbai  
Date: 06<sup>th</sup> August, 2019

**“ANNEXURE III”**

**Form AOC-2**

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

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

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

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

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

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	*Date(s) of approval by the Board/ Audit Committee if, any	Amount paid as advances, if any (In ₹)
1.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Machinery Hire Charges Paid	Ongoing	Salient features: Machine Hire Charges Paid. Value: ₹ 82,42,300/-	03.08.2018 13.11.2018 11.02.2019 27.05.2019	NIL
2.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Purchase of raw materials and goods	Ongoing	Salient features: Purchase of raw materials and goods Value: ₹ 2,16,23,67,202/-	03.08.2018 13.11.2018 11.02.2019 27.05.2019	NIL
3.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Purchase of Packing Materials	Ongoing	Salient features: Purchase of packing materials Value: ₹ 4,19,487/-	03.08.2018 13.11.2018 11.02.2019 27.05.2019	NIL
4	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Repairs of Machinery	Ongoing	Salient features: Repairs of Machinery Value: ₹ 1,95,595/-	03.08.2018 13.11.2018 27.05.2019	NIL

## **BLUE CHIP TEX INDUSTRIES LIMITED**

<b>Sr. No.</b>	<b>Name of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of contracts/ arrangements/ transactions</b>	<b>Salient features of contracts/ arrangements/ transactions, including value, if any</b>	<b>*Date(s) of approval by the Board/ Audit Committee if, any</b>	<b>Amount paid as advances, if any (In ₹)</b>
5.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Purchase of Oil	Ongoing	Salient features: Purchase of Oil Value: ₹ 29,736/-	13.11.2018	NIL
6.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Sale of Goods	Ongoing	Salient features: Sale of Goods. Value: ₹ 24,95,89,259/-	03.08.2018 13.11.2018 11.02.2019 27.05.2019	NIL
7.	M/s. Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Income from Job Work	Ongoing	Salient features: Income from Job work. Value: ₹ 25,98,886	03.08.2018 13.11.2018	NIL
8	Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Purchase of fixed assets	Ongoing	Salient features: Purchase of fixed assets Value: ₹ 20,16,532/-	03.08.2018 13.11.2018	NIL
9.	Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Sale of Scrap	Ongoing	Salient features Sale of Scrap Value: ₹ 2,36,917/-	13.11.2018 11.02.2019 27.05.2019	NIL
10.	Beekaylon Synthetics Private Limited Nature of the relationship: refer Note No.1	Sale of Fixed Assets	Ongoing	Salient features Sale of Fixed Assets Value: ₹ 28,14,300/-	11.02.2019 27.05.2019	NIL

\* Transactions entered between M/s. Blue Chip Tex Industries Limited with M/s. Beekaylon Synthetics Private Limited are entered in the ordinary course of Business and the same are at arm's length price and hence provisions of Section 188 (1) are not applicable to your Company.

However, the Board of Director' at their meeting held on 03.08.2018, 13.11.2018, 11.02.2019 & 27.05.2019 has ratified the respective transactions.

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

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

**For and on behalf of the Board**

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

**“ANNEXURE IV”**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

<b>1</b>	A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The CSR Policy of the Company inter-alia includes CSR activities to be undertaken by the Company inline with Schedule VII of the Companies Act, 2013. CSR Policy of the Company is available on the website of the Company at: <a href="http://www.bluechiptexindustrieslimited.com">www.bluechiptexindustrieslimited.com</a> . The Company has deployed its CSR funds directly and not through any implementing agency.
<b>2</b>	The Composition of the CSR Committee:	The CSR Committee as on 31 <sup>st</sup> March, 2019 comprises of: <ul style="list-style-type: none"> <li>• Mr. Kumar Satur Nathani</li> <li>• Mr. Ashok Khemani</li> <li>• Mr. Shahin Khemani</li> </ul>
<b>3</b>	Average net profit of the Company for last three financial years:	Profit of ₹ 476.00 Lakhs
<b>4</b>	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):	₹ 9.52 Lakhs
<b>5</b>	Details of CSR spent during the financial year 2018-19:	
	a) Total amount to be spent for the financial year 2018-19	₹ 9.52 Lakhs
	b) Total amount spent for the financial year 2018-19	₹ 9.38 Lakhs
	c) Amount Unspent, if any	₹ 0.14 Lakhs
	d) Manner in which the amount spent during the financial year 2018-19 is detailed below:	Refer below table

₹ in Lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects or Programs 2) Overheads:	Cumulative Expenditure upto the Reporting period	Amount spent direct or through implementing agency
1	Promotion of Education in backward areas	Promoting Education	Silvassa, Union Territory of Dadra & Nagar Haveli	0.00	9.38	9.38	Direct



## **BLUE CHIP TEX INDUSTRIES LIMITED**

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The CSR programmes undertaken by the Company are on-going in nature. Considering that the CSR programmes often extend beyond the financial year, a small amount of the committed CSR amount has remained unspent during the financial year 2018-19. The Company will endeavour to spend the same during the financial year 2019-20 alongwith the CSR commitments of the financial year 2019-20.

### **Responsibility Statement**

The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company

is stated below:

“The implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policy of the Company”.

### **For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**“ANNEXURE V”****NOMINATION AND REMUNERATION POLICY**

The Board of Directors of Blue Chip Tex Industries Limited (“the Company”) constituted the “Nomination and Remuneration Committee” at the Meeting held on 7<sup>th</sup> November 2014 consisting of three (3) Non-Executive Directors forming majority are Independent Directors. The committee was reconstituted by the Board of directors at the meeting held on 5<sup>th</sup> December, 2017 consisting of three Non- Executive Directors.

**1. Purpose of the Policy:**

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

The Policy is framed with the objective(s):

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

**2. Definitions:**

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

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **3. Role of Committee:**

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

#### **The Committee shall:**

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

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

#### **3.2.1 Appointment criteria and qualifications**

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

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

- a) **Performance:** The Committee shall while determining remuneration ensure that the performance of the Director and Key Managerial Personnel and their commitment and efficiency is constructive and beneficial in generating commercial for the Company,
- b) **Responsibilities and Accountability:** The roles and responsibilities towards the organisation and the position of the Director and Key Managerial Personnel shall be formerly evaluated to fix the remuneration,
- c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality,

- d) Flexibility: The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation,
- e) Affordability and Sustainability: The remuneration payable is affordable and on a sustainable basis.

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

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

### **3.2.4 Term / Tenure**

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

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

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

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

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

### **3.2.5 Evaluation**

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

### **3.2.6 Removal**

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

### **3.2.7 Retirement**

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

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

### **3.3.1 General**

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

## **BLUE CHIP TEX INDUSTRIES LIMITED**

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

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

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

## **4. Membership:**

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

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

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

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

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

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

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

### **For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**“ANNEXURE VI-A”  
REMUNERATION**

**[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

Information as per Rule 5(1) of Chapter XIII, 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 2018-19 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel (“KMP”) for the same period are under:

<b>Name of Director / KMP and Designation</b>	<b>Remuneration of Director / KMP for Financial Year 2018-19 (₹ in Lakhs) (1)</b>	<b>% increase in Remuneration in the Financial Year 2018-19 (2)</b>	<b>Ratio of Remuneration of each Director / KMP to MRE for Financial Year 2018-19 (3 = (1) / MRE)</b>
<b>Managing Director:</b>			
Mr. Ashok Khemani	NIL	NIL	Not Applicable
<b>Executive Director:</b>			
Mr. Shahin Khemani	30.00	0.00	12.57
Mr. Rahul Khemani	30.00	0.00	12.57
<b>Non-Executive &amp; Independent Director:</b>			
Mr. Kumar Satur Nathani	Not applicable as none of the Directors was paid any remuneration except sitting fees		
Mr. Maulin Samir Gandhi			
Mrs. Shraddha Mangesh Teli			
<b>Other Key Managerial Personnel (KMP):</b>			
Mr. Rahul Khemani- CFO	0.00	0.00	0.00
Mr. Bhumit Dharod - Company Secretary*	1.02	Not Applicable	0.42
Mr. Hitesh Manoj Kavediya**	0.75	Not Applicable	0.31

**Notes:**

\*Mr. Bhumit Dharod was appointed as a Company Secretary with effect from 11<sup>th</sup> February, 2019;

\*\* Mr. Hitesh Manoj Kavediya appointed as a Company Secretary with effect from 1<sup>st</sup> June, 2017 and Resigned with effect from 31<sup>st</sup> August, 2018. There was no change in his remuneration during the tenure.

- The Median Remuneration of Employees (MRE) of the Company during the year was ₹ 2,38,621/- and for the previous year it was ₹ 2,12,587/-;
- The increase in MRE in the financial Year 2018-19, as compare to financial year 2017-18 was 12.25%;
- There were 36 permanent Employees on the rolls of the Company as on 31<sup>st</sup> March, 2019;
- Average percentage increase / decrease made in salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was 10% to 12% whereas there was around 0% increase in the managerial remuneration for the same financial year. The remuneration of Managing Director, Director or other KMP is decided based on the individual performance, prevailing industrial trends and benchmarks.
- The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

**For and on behalf of the Board**

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **“ANNEXURE VI-B”**

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

1. Top 10 employees in terms of Remuneration drawn:

<b>Sr. no</b>	<b>Name and Age</b>	<b>Designation</b>	<b>Remuneration (In ₹)</b>	<b>Qualification &amp; Experience</b>	<b>Date of Commencement of Employment</b>	<b>Last Employment held</b>
1	N Shangameshwaran 52	General Manager- Sales & Marketing	18,55,257	B.com & PGD- Market- ing Manage- ment 29 years	01.11.2017	AYM Syntex Ltd
2	Dharmil Bhupendra Shah 27	Head- Dope Dyed	10,91,949	B.A.F (Bachelor In Accounting And Finance) 3 years	29.02.2016	Not Applicable
3	Navin Umashankar Prasad Tiwari 48	Manager - Production	6,92,412	BBA 20 years	01.04.2000	Not Applicable
4	Gaurang Das 31	Asst. Manager - Production	5,75,967	B.com 6 years	01.10.2012	Not Applicable
5	Pramod Chan- drabhaskar Shukla 51	Asst. Manager - Production	5,52,192	MA 20 years	01.07.2011	Alok Industries
6	Avinash Ganesh Chhetri 39	Manager - Production	4,40,808	Mechanical Diploma 13 years	01.02.2015	Not Applicable
7	Tasneem Rangel 42	Sale Executive	3,52,456	M.Com 15 years	01.07.2017	Allana Sons
8	Felix Anton Nunes 54	Assistant In charge	3,50,012	SSC 32 years	01.04.1987	Not Applicable
9	Fakir Singh Chan- drasingh Rawal 49	Production Supervisor	3,20,239	M.Com 21 years	01.10.2016	Garden Texturizing Ltd
10	Harbir Singh 43	Production Supervisor	3,10,274	BA 18 Years	01.02.2017	Sanatan Textiles Pvt. Ltd.

2. Employees employed throughout the year and were in receipt of remuneration aggregating to not less than ₹ 01.02 Crore per annum: NIL
3. Employees employed for part of the year and were in receipt of remuneration aggregating to not less than ₹ 08.50 Lakhs per month: NIL
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

#### **For and on behalf of the Board**

**Place:** Mumbai  
**Date:** 6<sup>th</sup> August, 2019

**Ashok Khemani**  
Managing Director  
DIN: 00053623

**Rahul Khemani**  
CFO & Director  
DIN: 03290468

**ANNEXURE VII**

**DECLARATION ON COMPLIANCE OF CODE OF CONDUCT**

To,

The Members of  
Blue Chip Tex Industries Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended 31<sup>st</sup> March, 2019.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: 6<sup>th</sup> August, 2019**

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



# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **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 31<sup>st</sup> March 2019, 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, 2019, 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**

##### *Revenue Recognition – Rebates and discounts*

Revenue is measured based on transaction price, which is the consideration, adjusted for rebates and discounts. As disclosed in Note B2 (f) to the Financial Statements, Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue is recognised net of claims & rebates, discounts, incentives, scheme allowances and estimated sales returns owed to the customers based on the arrangement with customers.

The recognition and measurement of rebates, discounts, incentives and schemes allowances, including establishing an appropriate accrual at year end, involves significant judgement and estimates, particularly the expected level of claims of each of the customers.

To determine these estimates, Management is required to consider historical experience, Contractual terms and future expectation of revenue. Management judgement is also significantly impacted by volatility in the market and actions of the third party.

**Auditor's Response***Principal Audit Procedures.*

We obtained an understanding of the Company's process for making estimates in these areas and performed the following procedures:

We tested the design and operating effectiveness of the key controls related to rebates/discount and returns. We obtained an understanding of the key contractual arrangements with customers, for rebate/discount and returns.

We considered the accuracy of the management's estimates in previous years by comparing historical accrued liabilities to actual settlements.

We considered the adequacy of the company's Revenue recognition accounting policies, including the recognition and measurement of the deductions to gross sales relating to rebates /discounts and returns and related disclosures.

**Other Information**

The Company's Management and Board of Directors are responsible for the preparation of 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.

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **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.
- 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.
  - (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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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

Place: Mumbai  
Date: 27<sup>th</sup> May, 2019

## **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. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause (iii) of the Order is not applicable to the Company.
- iv. The Company has not given loans; guarantees and security to directors or to any other person in whom the 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 31<sup>st</sup> March, 2019 for a period of more than six months from the date becoming payable, except Value Added Tax ₹ 2.27 Lakhs and Provident Fund ₹ 0.74 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 31<sup>st</sup> March 2019, except for Income Tax dues as follows:

Sr. No.	Assessment Year	₹ 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

- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans to the Bank and did not have any outstanding dues payable to financial institution, Government or to debenture holders.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and money raised during the year on term loans has been applied for the purpose for which it has been raised.
- 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 is 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 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

Place: Mumbai

Date: 27<sup>th</sup> May, 2019

### **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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019, 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

Place: Mumbai

Date: 27<sup>th</sup> May, 2019



# BLUE CHIP TEX INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31st March, 2019

₹ In Lakhs

Particulars	NOTE	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	3,004.63	2,838.19
Capital Work-in-progress	1	-	345.65
Financial assets			
Investments	2	41.95	41.95
Loans	3	1.43	1.43
Other financial assets	4	65.53	82.47
Other Non current Assets	5	26.33	6.54
<b>Total non-current assets</b>		<b>3,139.87</b>	<b>3,316.23</b>
<b>Current Assets</b>			
Inventories	6	735.49	424.59
Financial assets			
Trade Receivables	7	1,468.70	1,732.49
Cash and cash equivalents	8a	294.53	95.07
Bank Balances other than cash and cash equivalent	8b	25.36	19.93
Other financial assets	8c	1.04	9.51
Other current assets	9	134.02	513.53
<b>Total current assets</b>		<b>2,659.14</b>	<b>2,795.12</b>
<b>TOTAL ASSETS</b>		<b>5,799.01</b>	<b>6,111.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	197.55	197.55
Other equity	11	1,600.00	1,351.95
<b>Total equity</b>		<b>1,797.55</b>	<b>1,549.50</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	12	1,764.03	1,538.87
Provisions	13	30.03	22.53
Deferred tax liabilities (Net)	14	220.92	156.30
<b>Total non-current liabilities</b>		<b>2,014.98</b>	<b>1,717.70</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	291.91	397.82
Trade Payables	16		
a) Outstanding Dues of Micro and Small Enterprises		2.49	2.06
b) Outstanding dues of creditors other than Micro and Small Enterprise		1,126.54	1,509.48
Other Financial Liabilities	17	533.05	883.31
Provisions	18	1.76	1.76
Current tax liabilities (Net)	19	30.73	49.72
<b>Total current liabilities</b>		<b>1,986.48</b>	<b>2,844.15</b>
<b>Total liabilities</b>		<b>4,001.46</b>	<b>4,561.85</b>
<b>Total equity and liabilities</b>		<b>5,799.01</b>	<b>6,111.35</b>

The accompanying significant accounting Policies and notes from an integral part of the financial statements 1 to 41

As per our report of even date

For and on behalf of the Board

### For D K P & Associates

Chartered Accountants  
Firm Registration No. 126305W

**Ashok K. Khemani**  
Managing Director

**Rahul A. Khemani**  
Director - Chief Financial Officer

### D. K. Doshi

Partner  
Membership No. 037148

**Bhumit Dharod**  
Company Secretary

Place: Mumbai  
Dated: 27th May, 2019

Place: Mumbai  
Dated: 27th May, 2019

**Statement of Profit and Loss for the year ended 31st March, 2019**

₹ In Lakhs

<b>Particulars</b>	<b>NOTE</b>	<b>2018-19</b>	<b>2017-18</b>
<b>INCOME</b>			
Revenue from Operations	20	25,755.21	18,111.65
Other Income	21	25.79	19.71
<b>TOTAL INCOME</b>		<b>25,781.00</b>	<b>18,131.36</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	21,669.14	14,525.07
Changes in Inventories of Finished Goods	23	(255.81)	(48.87)
Employee Benefits Expense	24	469.15	360.26
Finance Costs	25	271.39	151.83
Depreciation and Amortisation Expense		266.98	163.59
Other Expenses	26	2,945.86	2,237.88
<b>TOTAL EXPENSES</b>		<b>25,366.71</b>	<b>17,389.76</b>
<b>Profit before taxes</b>		<b>414.29</b>	<b>741.60</b>
<b>Tax Expenses</b>			
Current Tax		86.90	201.50
Deferred Tax		64.62	21.75
MAT Credit Entitlement		(26.33)	-
Total Tax Expense		<b>125.19</b>	<b>223.25</b>
<b>Profit for the year</b>		<b>289.10</b>	<b>518.35</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gain / (loss) of defined benefit plans		2.15	1.50
(ii) Income tax relating to above		(0.45)	(0.50)
<b>Total Other Comprehensive Income</b>		<b>1.70</b>	<b>1.00</b>
<b>Total Comprehensive Income for the year</b>		<b>290.80</b>	<b>519.35</b>
Earning per equity share of face value of 10/- each			
(1) Basic (in ₹)		14.67	26.31
(2) Diluted (in ₹)		14.67	26.31
The accompanying significant accounting Policies and notes	1 to 41		
from an integral part of the financial statements			

As per our report of even date

For and on behalf of the Board

**For D K P & Associates**

Chartered Accountants  
Firm Registration No. 126305W

**Ashok K. Khemani**  
Managing Director

**Rahul A. Khemani**  
Director - Chief Financial Officer

**D. K. Doshi**

Partner  
Membership No. 037148

**Bhumit Dharod**  
Company Secretary

Place: Mumbai  
Dated: 27th May, 2019

Place: Mumbai  
Dated: 27th May, 2019

₹ in Lakhs

**STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2019**

A. Equity Share Capital	Financial Year 2017-18		Financial Year 2018-19	
	Changes in equity share capital during the year 2017-2018	Balance as at 31st March 2018	Changes in equity share capital during the year 2018-2019	Balance as at 31st March 2019
₹	₹	₹	₹	₹
	197.55	-	197.55	-
				197.55

B. Other Equity	Reserves and Surplus						Other Comprehensive Income	Total
	Capital reserve on account of subsidy by Central Government	Capital Reserve on account of shares forfeited	Security Premium	General Reserve	Retained Earnings			
	₹	₹	₹	₹	₹	₹	₹	
<b>As on 31st March 2018</b>								
Balance as at 1st April 2017	25.00	0.16	33.80	58.34	752.69	(1.81)	868.17	
Profit for the year	-	-	-	-	518.35	-	518.36	
Other comprehensive income for the year, net of income tax						1.00	1.00	
Dividend	-	-	-	-	(29.56)	-	(29.56)	
Tax on Dividend	-	-	-	-	(6.02)	-	(6.02)	
Balance as at 31st March 2018	25.00	0.16	33.80	58.34	1,235.46	(0.81)	1,351.95	
<b>As on 31st March 2019</b>								
Balance as at 1st April 2018	25.00	0.16	33.80	58.34	1,235.46	(0.81)	1,351.95	
Profit for the year	-	-	-	-	289.10	-	289.10	
other comprehensive income for the year, net of income tax						1.71	1.71	
Dividend	-	-	-	-	(35.47)	-	(35.47)	
Tax on Dividend	-	-	-	-	(7.29)	-	(7.29)	
Balance as at 31st March 2019	25.00	0.16	33.80	58.34	1,481.80	0.90	1,600.00	

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, 2019

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director  
**Bhumit Dharod**  
Company Secretary

**Rahul A. Khemani**  
Director - Chief Financial Officer

Place: Mumbai  
Dated: 27th May, 2019

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019**      ₹ In Lakhs

	2018-2019	2017-2018
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax as per Statement of Profit and Loss	414.29	741.60
Adjustment for:		
Depreciation	266.98	163.59
Provision for Gratuity and Leave encashment	9.66	5.21
Share of (Profit)/Loss from Partnership Firm	(0.32)	0.17
Loss/(Profit) on sale of property, plant and equipments	7.51	-
Interest Income	(18.13)	(21.48)
Interest to a Partnership firm	0.05	0.04
Interest Paid to banks and others - Finance Cost	252.75	166.44
Bad debts	0.35	-
Debit balances written off	0.12	2.21
Credit balances written back	(6.01)	(0.52)
<b>Operating Profit before Working Capital Changes</b>	<b>927.25</b>	<b>1,057.26</b>
Adjustment for:		
Inventories	(310.90)	(93.90)
Trade and other receivables	662.81	(853.58)
Trade and other payables	(310.92)	243.19
<b>Cash generated in Operations</b>	<b>968.24</b>	<b>352.97</b>
Income taxes paid	(106.33)	(170.39)
<b>Net Cash inflow from Operating Activities</b>	<b>(A) 861.91</b>	<b>182.58</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Investments	-	-
(Contribution to)/Withdrawals from a Firm - net	(0.01)	-
Proceeds from sale of property, plant and equipments	25.67	-
Purchase of property, plant and equipments	(624.99)	(1,490.35)
Interest Income	18.13	21.48
<b>Net Cash used in Investing Activities</b>	<b>(B) (581.20)</b>	<b>(1,468.87)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Long Term Borrowings	450.05	1,115.33
Repayment of Long Term Borrowings	(191.14)	(196.46)
Proceeds from Directors/Shareholders Borrowings	60.00	515.00
Repayment of Directors/Shareholders Borrowings	-	(50.00)
Dividend paid (Including tax on dividend)	(41.51)	(33.78)
Interest Paid to banks and others - Finance Cost	(252.75)	(166.44)

# **BLUE CHIP TEX INDUSTRIES LIMITED**

₹ In Lakhs

		2018-2019	2017-2018
<b>Net Cash inflow from Financing Activities</b>	<b>(C)</b>	<b>24.65</b>	<b>1,183.65</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>305.36</b>	<b>(102.64)</b>
Cash and cash equivalents at the beginning of the year		<b>(302.74)</b>	<b>(200.10)</b>
Cash and cash equivalents at the end of the year		<b>2.62</b>	<b>(302.74)</b>

## **Change in Liability arising from financing activities**

	1st April, 2018	Cash Flow	31st March, 2019
Borrowing - Non Current (Refer Note 12)	1,729.40	318.91	2,048.31
	<b>1,729.40</b>	<b>318.91</b>	<b>2,048.31</b>

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

## **NOTES TO CASH FLOW STATEMENT**

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

As per our report of even date

**For D K P & Associates**

Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**

Partner  
Membership No. 037148

Place: Mumbai  
Dated: 27th May, 2019

For and on behalf of the Board

**Ashok K. Khemani**  
Managing Director

**Bhumit Dharod**  
Company Secretary

Place: Mumbai  
Dated: 27th May, 2019

**Rahul A. Khemani**  
Director - Chief Financial Officer

**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, Union Territory of Dadra & Nagar Haveli – 396 230.

The Company is engaged mainly in manufacturing of polyester texturizing 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.

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.

**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.

## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **c) Inventories:**

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

#### I. Packing Material and Oil :

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

#### II. Raw Materials:

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

#### III. Finished Goods (manufactured):

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

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

### **d) Employee Benefits:**

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

Unfunded 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.

**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.



## **BLUE CHIP TEX INDUSTRIES LIMITED**

### **j) Government Subsidy:**

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

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

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

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

### **m) Research and Development Expenditure:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the 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:

- 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.

# **BLUE CHIP TEX INDUSTRIES LIMITED**

## **II) Financial Liabilities**

### **1. Initial recognition and measurement**

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

### **2. Subsequent measurement**

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

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

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

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

## **IV) Offsetting 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 is revised if there are significant changes from previous estimates.

**2) Recoverability of Trade Receivable**

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

**3) Provisions**

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

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

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

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

**5) Impairment of Financial Assets**

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

**D. Changes in Accounting Standards and other recent accounting pronouncement**

On 30-Mar-2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 01-Apr-2019.

**1. Ind As 116 – Leases**

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

**2. Amendment to Existing issued Ind AS**

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

- (i) Ind AS 101- First time adoption of Indian Accounting Standards
- (ii) Ind AS 103 – Business Combinations
- (iii) Ind AS 109 - Financial Instruments

## **BLUE CHIP TEX INDUSTRIES LIMITED**

- (iv) Ind AS 111 – Joint Arrangements
- (v) Ind AS 12 – Income Taxes
- (vi) Ind AS 19 – Employee Benefits
- (vii) Ind AS 23 – Borrowing Costs
- (viii) Ind AS 28 - Investment in Associates and Joint Ventures

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

**Ind AS 116, Leases:** The Ministry of Corporate Affairs has notified the Ind AS 116, leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirement of Ind AS 116 on the financial statements.

**The Company is required to adopt Ind AS 116 from 1<sup>st</sup> April 2019.** The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

**Amendment to Ind AS 12 'Income Taxes:** on March 30, 2019, the Ministry of Corporate Affairs has notified limited amendment to Ind AS 12 'Income Taxes'. The amendments requires as entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. **The amendment will come into force for accounting periods beginning on or after April 1st 2019. The Company is evaluating the effect of the above in the financial statements.**

**Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rate determined by applying this appendix. **The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.**

**Amendment to Ind AS 19 'Employee Benefits:** On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments curtailments and settlements. The amendment requires an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment and settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. **The amendment will come in to force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in financial statements.**

## NOTE 1 - PROPERTY, PLANT AND EQUIPMENT (AT COST)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	ADDITIONS	DEDUCTIONS	AS AT	AS AT	ADDITIONS	DEDUCTIONS	AS AT	AS AT	AS AT
	01.04.2018			31.03.2019	01.04.2018			31.03.2019	31.03.2019	31.03.2018
<b>TANGIBLE ASSETS</b>										
FREE HOLD LAND (Refer note 1.1) #	44.18	-	-	44.18	-	-	-	-	44.18	44.18
LEASE HOLD LAND	158.89	-	-	158.89	2.22	* 2.64	-	4.86	154.03	156.67
BUILDINGS #	901.23	16.99	-	918.22	157.34	29.66	-	187.00	731.22	743.89
PLANT AND MACHINERY	2,242.83	443.42	30.03	2,656.22	541.61	207.39	2.34	746.66	1,909.56	1,701.22
FACTORY EQUIPMENT	9.32	2.73	-	12.05	4.67	0.66	-	5.33	6.72	4.65
ELECTRICAL INSTALLATIONS	258.10	2.00	-	260.10	84.32	23.43	-	107.75	152.35	173.78
COMPUTER	3.65	0.72	-	4.37	2.14	0.66	-	2.80	1.57	1.51
FURNITURE AND FIXTURES	13.99	0.75	-	14.74	8.13	1.61	-	9.74	5.00	5.86
VEHICLE	16.50	-	16.50	-	10.07	0.93	11.00	-	-	6.43
<b>TOTAL</b>	<b>3,648.69</b>	<b>466.61</b>	<b>46.53</b>	<b>4,068.77</b>	<b>810.50</b>	<b>266.98</b>	<b>13.34</b>	<b>1,064.14</b>	<b>3,004.63</b>	<b>2,838.19</b>
<b>PREVIOUS YEAR</b>	<b>1,994.30</b>	<b>1,654.40</b>	<b>-</b>	<b>3,648.69</b>	<b>645.78</b>	<b>164.72</b>	<b>-</b>	<b>810.50</b>	<b>2,838.19</b>	<b>-</b>
Capital Work in Progress										345.65

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, Piparia Factory in respect of ownership of Land, cost of which is included in "Land (Free hold)".

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

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

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Particulars	As at 31st March 2019	As at 31st March 2018
2	<b>NON CURRENT INVESTMENTS:</b>		
	<b>Investment measured at cost</b>		
	<b>(i) In Equity Shares (Fully Paid) (Unquoted)</b>		
	4,18,000 (4,18,000) Equity Shares of Beekaylon Synthetics Private Limited of ₹ 10 each	41.90	41.90
	<b>(ii) Investment in Capital of Partnership Firm</b>		
	Jay Gee Rayons (Refer Note No.32 and 34)	0.05	0.05
	<b>TOTAL</b>	<b>41.95</b>	<b>41.95</b>
	Aggregate amount of unquoted investments	41.95	41.95
	Aggregate provision for diminution in value of investments	-	-
2.2	<b>Category wise Non current Investment</b>		
	Financial assets measured at cost	41.95	41.95
	<b>Total non current investment</b>	<b>41.95</b>	<b>41.95</b>
3	<b>Loans (Unsecured and considered good)</b>		
	(i) Security Deposits	1.43	1.43
	<b>TOTAL</b>	<b>1.43</b>	<b>1.43</b>
4	<b>OTHER NON CURRENT FINANCIAL ASSETS:</b>		
	Bank Deposits with maturity for more than 12 months [Fixed Deposit Receipts pledged under bank's lein]	65.53	82.47
	<b>TOTAL</b>	<b>65.53</b>	<b>82.47</b>
5	<b>OTHER NON CURRENT ASSETS</b>		
	(i) Capital advances	-	6.54
	(ii) MAT Credit Entitlement	26.33	-
	<b>TOTAL</b>	<b>26.33</b>	<b>6.54</b>
	<b>Current Assets</b>		
6	<b>INVENTORIES (As valued, verified and certified by the management)</b>		
	(i) Raw materials	214.28	162.18
	(ii) Finished goods	486.78	230.97
	(iii) Packing materials and oil	34.43	31.44
	<b>TOTAL</b>	<b>735.49</b>	<b>424.59</b>

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE	Particulars	As at 31st March 2019	As at 31st March 2018
7	<b>TRADE RECEIVABLES:</b> (Unsecured and Considered Good)		
	Trade receivables #	1,468.70	1,732.49
	<b>TOTAL</b>	<b>1,468.70</b>	<b>1,732.49</b>
	#Includes ₹ 7.39 Lakhs (FY 2017-18 ₹ 14.71 Lakhs) from related party- Beekaylon Synthetics Private Limited. [Refer Note No. 32]		
8a	<b>Cash and Cash Equivalents</b>		
	(i) Cash on hand	0.42	0.46
	(ii) Balances with banks - current accounts	294.11	94.61
	<b>SUB - TOTAL</b>	<b>294.53</b>	<b>95.07</b>
8a.1	<b>Cash and Cash Equivalents as per Cash Flow Statement</b>		
	Cash on hand	0.42	0.46
	Balances with banks - current accounts	294.11	94.61
	<b>working capital from banks</b>		
	(i) Unsecured Loan from Bank	(50.00)	-
	(ii) Secured Loan from banks - Overdraft	(241.91)	(397.83)
	<b>Cash and Cash Equivalents at the year end</b>	<b>2.62</b>	<b>(302.74)</b>
8b	<b>Bank Balances other than cash and cash equivalents</b>		
	Earmarked balances with Bank - unclaimed dividend accounts	16.12	14.88
	Deposits with original maturity for more than 12 months	65.53	82.47
	Deposits with original maturity for more than 3 months but less than 12 months	9.24	5.05
	Less: amount disclosed under other non-current financial assets [Note no.4]	(65.53)	(82.47)
	<b>SUB - TOTAL</b>	<b>25.36</b>	<b>19.93</b>
	[Fixed Deposit Receipts pledged under bank's lein]		
	<b>TOTAL (8a + 8b)</b>	<b>319.89</b>	<b>115.00</b>
8c	<b>OTHER FINANCIAL ASSETS</b>		
	Interest Accrued on Deposit with banks	1.04	9.51
	<b>TOTAL</b>	<b>1.04</b>	<b>9.51</b>



# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	As at 31st March 2019	As at 31st March 2018
9	<b>OTHER CURRENT ASSETS</b>		
	Prepaid Expenses	5.26	2.97
	Advance to Suppliers	3.19	0.73
	Others #	125.57	509.83
	# Includes mainly VAT / GST Refund Receivable		
	<b>TOTAL</b>	<b>134.02</b>	<b>513.53</b>
10	<b>EQUITY SHARE CAPITAL</b>		
10.1	<b>Authorised Share Capital</b>		
	25,00,000 (Previous Year - 25,00,000) Equity Shares of ₹ 10 each	250.00	250.00
		<u>250.00</u>	<u>250.00</u>
10.2	<b>Issued, Subscribed and Paid up</b>		
	19,70,500 (Previous Year - 19,70,500) Equity Shares of ₹ 10 each fully paid up	197.05	197.05
	Add: Forfeited Shares	0.50	0.50
	<b>TOTAL</b>	<b>197.55</b>	<b>197.55</b>
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:		
	<b>Sr. Name of the Shareholder No.</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
1	Beekalon Synthetics Private Limited		
	Number of Shares	4,86,188	4,86,188
	%	24.67	24.67
2	Indotex Export House Private Limited		
	Number of Shares	2,08,300	2,08,300
	%	10.57	10.57
3	Sangam Syntwist Textile Private Limited		
	No. of Shares	1,62,100	1,62,100
	%	8.23	8.23
4	Roop K. Khemani		
	No. of Shares	1,05,700	35,800
	%	5.36	1.82

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE	Particulars	As at 31st March 2019	As at 31st March 2018
10.5	Reconciliation of the number of shares outstanding;		
	Number of shares at the beginning of the year	19,70,500	19,70,500
	Shares issued during the year	-	-
	Number of shares at the end of the year.	19,70,500	19,70,500
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	<b>Other Equity</b>		
	<b>1. Capital Reserve No.1</b>		
	(Central Government Investment subsidy for unit in Backward Area)		
	As per last Balance sheet	25.00	25.00
	<b>2. Capital Reserve No.2</b>		
	(Amount forfeited on equity shares warrants)		
	As per last Balance sheet	0.16	0.16
	<b>3. Securities Premium</b>		
	(Amount received on issue of equity shares at premium)		
	As per last Balance sheet	33.80	33.80
	<b>4. General Reserve</b>		
	(Amount accumulated as General Reserve from Retained Earnings)		
	As per last Balance sheet	58.34	58.34
	<b>5. Retained Earnings</b>		
	As per last Balance sheet	1,235.46	752.69
	Add : Profit for the year	289.10	518.35
		<u>1,524.56</u>	<u>1,271.04</u>
	<b>Less: Appropriations</b>		
	Dividend on Equity Shares	35.47	29.56
	[Dividend per share ₹ 1.80 (Previous year ₹ 1.50)]		
	Tax on Dividend	7.29	6.02
		<u>1,481.80</u>	<u>1,235.46</u>
	<b>6. Other Comprehensive Income (OCI)</b>		
	As per Last Balance sheet - Actuarial valuation	(0.81)	(1.81)
	Add Movement in OCI (Net) during the year	1.71	1.00
		<u>0.90</u>	<u>(0.81)</u>
	<b>TOTAL</b>	<u><b>1,600.00</b></u>	<u><b>1,351.95</b></u>

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	As at 31st March 2019	As at 31st March 2018
12	<b>BORROWINGS:</b>		
	<b>Secured - At ammortised Cost</b>		
	Term Loans from Bank	1,523.31	1,264.40
	Less : Short Term Maturities of Term Loans	(284.28)	(190.53)
		<u>1,239.03</u>	<u>1,073.87</u>
	<b>Unsecured</b>		
	Loan from Director	148.00	100.00
	Loan from Others	377.00	365.00
	(Refer Note No.32)		
	<b>TOTAL</b>	<u><b>1,764.03</b></u>	<u><b>1,538.87</b></u>

- 12.1 Term loan from Bank Aggregating to ₹ 15.23 Lakhs (FY 2017-18 - ₹ 12.64 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 1474.5 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 Amlī, 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 appro 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:**

Loan No.	Floating Rate of Interest	2019-20 Rs.	2020-21 Rs.	2021-25 Rs.
1	10.30%	59.28	48.17	-
2	10.80%*	225.25	225.00	984.13
3	10% **	-	-	525.00

\* including ₹ 18.27 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.

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE	Particulars	As at 31st March 2019	As at 31st March 2018
13	<b>PROVISIONS:</b>		
	Provision for Leave Encashment	8.42	4.34
	Provision for Gratuity (Refer Note No.24.1A)	21.61	18.19
	<b>TOTAL</b>	<b>30.03</b>	<b>22.53</b>
14	<b>Deferred Tax Liabilities (Net)</b>		
	At the start of the year	156.30	134.55
	Charge / (Credit) to statement of profit and loss	-	-
	Related to Property Plant and Equipment	65.46	22.70
	Related to Disallowances under the Income Tax Act, 1961	(0.84)	(0.95)
	<b>At the end of year</b>	<b>220.92</b>	<b>156.30</b>
15	<b>BORROWINGS:</b>		
	<b>Working Capital Loan at ammortised cost</b>		
	(i) Secured - Bank Overdraft	241.91	397.82
	(ii) Unsecured - Loan from Bank	50.00	-
	<b>TOTAL</b>	<b>291.91</b>	<b>397.82</b>

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 1474.5 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.

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	As at 31st March 2019	As at 31st March 2018
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## 16 TRADE PAYABLES:

a)	Dues of micro enterprises and small enterprises *	2.49	2.06
b)	Dues of other than micro enterprises and small enterprises #	1,126.54	1,509.48
<b>TOTAL</b>		<b>1,129.03</b>	<b>1,511.54</b>

\* 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	2.35	2.06
(ii)	Interest due and payable to Micro and Small Enterprises	0.14	-

# Includes ₹ 692.69 Lakhs (Previous Year - ₹ 960.80 Lakhs) payable to a related party - Beekalon Synthetics Private Limited (Refer Note No.32)

## 17 OTHER CURRENT FINANCIAL LIABILITIES:

	As at 31st March 2019	As at 31st March 2018
Current Maturities of Long Term Loans (Secured) (Refer Note No.12)	284.28	190.53
Creditors for Capital Goods	4.53	515.11
Unclaimed dividend *	16.12	14.87
Due to a firm wherein the Company is a Partner (Refer Note No. 32 and 34)	0.64	0.91
Interest accrued and due on borrowing-bank	13.58	10.69
Other Payables #	213.90	151.20
<b>TOTAL</b>	<b>533.05</b>	<b>883.31</b>

\* 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:

Provision for Leave Encashment	1.23	0.83
Provision for Gratuity (Refer Note No.24.1A)	0.53	0.93
<b>TOTAL</b>	<b>1.76</b>	<b>1.76</b>

## 19 CURRENT TAX LIABILITIES[NET]

Provision for tax (Net of Advance Tax paid)	30.73	49.72
<b>TOTAL</b>	<b>30.73</b>	<b>49.72</b>

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE Particulars	As at 31st March 2019	As at 31st March 2018
19.1 Provision for tax (Net of Advance Tax paid)		
At the start of the year	49.72	18.11
Charge for the year	86.89	201.51
Others	0.45	0.49
Tax paid during the year	<u>(106.33)</u>	<u>(170.39)</u>
At the End of year	<u>30.73</u>	<u>49.72</u>
<b>19.2 Taxation</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
Income tax recognised in statement of Profit and loss		
Current tax	86.90	201.51
Deferred Tax	64.62	21.75
MAT Credit Entitlement	(26.33)	-
Income tax expenses recognised in Statement of profit and loss	125.19	223.26
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	414.29	741.60
Applicable tax rate	27.82%	33.06%
Computed Tax expense	115.26	245.20
Tax effect of :		
Expenses Disallowed / (Allowed) (net)	(28.36)	(43.69)
Current tax provision (A)	86.90	201.51
Incremental Deferred Tax liability on account of Property Plant and Equipment	65.47	22.70
Incremental Deferred Tax Asset on account of Other items	(0.84)	(0.95)
Deferred Tax provision (B)	64.62	21.75
MAT Credit Entitlement (C)	(26.33)	-
Total Income tax expenses recognised in statement of Profit and loss (A + B + C)	125.19	223.26
Effective Tax rate	30.22%	30.10%

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	2018-19	2017-18
20	<b>REVENUE FROM OPERATIONS:</b>		
	(a) Sale of Products		
	Texturised and Twisted Yarn	25,707.79	17,925.59
	(b) Sale of Services		
	Job Work Income	47.42	186.06
	<b>TOTAL</b>	<b>25,755.21</b>	<b>18,111.65</b>
21	<b>OTHER INCOME:</b>		
	Interest Income	5.74	5.84
	Profit from Partnership Firm	0.32	-
	Sundry Income - (Inclusive of Scrap sale)	13.72	13.35
	Sundry Balances written back	6.01	0.52
	<b>TOTAL</b>	<b>25.79</b>	<b>19.71</b>
22	<b>COST OF MATERIAL CONSUMED POY - YARN:</b>		
	Opening Stock	162.18	130.99
	Add: Purchases during the year	21,721.24	14,610.60
	Less: Transitional Credit of GST (on Opening Stock)	-	54.34
	Less: Closing Stock	214.28	162.18
	<b>TOTAL</b>	<b>21,669.14</b>	<b>14,525.07</b>
23	<b>CHANGES IN INVESTORIES OF FINISHED GOODS:</b>		
	<b>Inventories - at close</b>		
	Finished Goods	486.78	230.97
	<b>Inventories - at commencement</b>		
	Finished Goods	230.97	182.10
	<b>TOTAL</b>	<b>(255.81)</b>	<b>(48.87)</b>
24	<b>EMPLOYEE BENEFITS EXPENSE:</b>		
	(a) Salaries and Wages	448.31	341.53
	(Rs.60.00 Lakhs (Previous Year ₹ 60.00 Lakhs) paid as directors remuneration)		
	(b) Contribution to Provident Fund	16.59	14.26
	(c) Staff Welfare Expenses	4.25	4.47
	<b>TOTAL</b>	<b>469.15</b>	<b>360.26</b>

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE Particulars	2018-19	2017-18
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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	5.60	5.19
Employer’s Contribution to Family Pension Fund	10.48	9.07

**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	2018-19	2017-18
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of Discounting	7.87%	7.87%
Rate of Salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate After Employment	NA	NA

**Change in the Present Value of Projected Benefit Obligation**

Present Value of Benefit Obligation at the Beginning of the year	19.11	16.09
Interest Cost	1.50	1.22
Current service cost	5.97	3.74
Benefit Paid Directly by the Employer	(2.30)	(0.45)
Actuarial (Gains)/losses on Obligation - Due to change in financial assumptions	0.24	(0.65)
Actuarial (Gains)/losses on Obligation - Due to experience	(2.39)	(0.84)
Present Value of Benefit Obligation at the End of the period	22.14	19.11

**Amount Recognized in the Balance Sheet**

Present Value of Benefit Obligation at the end of the Period	(22.14)	(19.11)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status [Surplus/(Deficit)]	(22.14)	(19.11)
Net (Liability)/Asset Recognized in the Balance Sheet	(22.14)	(19.11)

**Expenses recognized in the Statement of Profit / loss**

Current Service Cost	5.97	3.74
Net Interest Cost	1.50	1.22
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments and Settlements	-	-
Net effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	7.47	4.96



# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	2018-19	2017-18
	<b>Assumptions</b>		
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	<b>Expenses recognition in-Other Comprehensive Income.</b>		
	Acturial (Gain)/Loss recognised for the period	(2.15)	(1.49)
	Return on Plan Assets, excluding interest income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense for the Period Recognized in OCI	(2.15)	(1.49)
	Remeasurement - Acturial loss /[gain]	-	-
	<b>Sensitivity Analysis</b>		
	Projected Benefit Obligations on Current Assumptions	22.14	19.11
	Delta Effcet of +1% change in Rate of Discounting	(2.45)	(1.93)
	Delta Effcet of -1% change in Rate of Discounting	2.96	2.31
	Delta Effcet of +1% change in Rate of Salary Increase	3.01	2.36
	Delta Effcet of -1% change in Rate of Salary Increase	(2.53)	(2.00)
	Delta Effcet of +1% change in Rate of Employee Turnover	0.65	0.53
	Delta Effcet of -1% change in Rate of Employee Turnover	(0.80)	(0.63)
<b>B</b>	<b>Long Term Compensated Absences Actuarial Assumptions</b>		
	Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
	Rate of Discounting	7.87%	7.57%
	Future Salary increase	5.00%	5.00%
	Attrition Rate	2.00%	2.00%

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

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

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

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

**Notes on Financial Statements for the year ended 31st March 2019**

₹ In Lakhs

NOTE	Particulars	2018-19	2017-18
25	<b>FINANCE COST:</b>		
	Interest Expenses #	240.36	174.58
	Exchange differences regarded as an adjustment to borrowing costs	25.98	-
	Other Borrowing Costs	5.05	1.03
		<u>271.39</u>	<u>175.61</u>
	Less: Finance Cost Capitalised	-	23.78
	<b>TOTAL</b>	<b><u>271.39</u></b>	<b><u>151.83</u></b>
	# Net off interest received ₹ 12.39 Lakhs (Previous Year ₹ 15.64 Lakhs)		
26	<b>OTHER EXPENSES:</b>	<b>2018-19</b>	<b>2017-18</b>
(a)	<b>Manufacturing expenses</b>		
	Packing materials	756.01	622.78
	Stores, Spares and Oil consumed	502.03	358.38
	Power and fuel	1,057.26	692.94
	Contract labour charges	119.61	86.42
	Job work charges	-	4.09
	Repairs to Building	10.14	1.18
	Repairs to Plant and Machinery	30.42	12.26
	Repairs to Others	16.93	17.92
	Rent - Office	0.55	6.10
	Machine Hire Charges [Refer Note No.32]	70.70	66.14
	Rates and taxes	0.15	0.29
	Insurance	6.04	5.09
		<u>2,569.84</u>	<u>1,873.59</u>
(b)	<b>Establishment Expenses</b>		
	Payment to Auditors [Refer Note No.28]	3.59	0.70
	Directors sitting fees	0.55	0.72
	Share of Loss from a Partnership Firm	-	0.17
	Corporate Social Responsibility	9.38	-
	Donation	-	0.35
	Loss on sale of Assets	7.51	-
	Miscellaneous expenses	112.37	82.27
		<u>133.40</u>	<u>84.21</u>
(c)	<b>Selling and Distribution Expenses</b>		
	Brokerage and Commission	214.86	244.77
	Bad Debts	0.35	-
	Discount Allowed	9.42	21.31
	Freight Charges	17.99	14.00
		<u>242.62</u>	<u>280.08</u>
	<b>TOTAL</b>	<b><u>2,945.86</u></b>	<b><u>2,237.88</u></b>

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	2018-19	2017-18
27	<b>VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:</b>		
		₹	%
		₹	%
	Imported	-	-
	Indigenous	1,258.04	100%
	<b>TOTAL</b>	<b>1,258.04</b>	<b>100%</b>
28	<b>PAYMENT TO AUDITORS AS:</b>		
	(a) Auditor		
	Statutory Audit Fees	2.25	-
	Tax Audit Fees	0.50	-
	Certification Fees	0.14	0.30
	Limited Review of Quarterly Result	0.30	0.40
	(b) Cost Audit Fees	0.40	-
	<b>TOTAL</b>	<b>3.59</b>	<b>0.70</b>
29	<b>EARNING PER SHARE:</b>		
	a. Net Profit after tax		
	Profit attributable to Equity Shareholders (₹ In Lakhs)	289.10	518.35
	b. Weighted average number of Equity Shares	19,70,500	19,70,500
	c. Nominal value of Equity Shares	10	10
	d. Earning per Share (Basic and diluted) in ₹	14.67	26.31
30	<b>CIF Value of Import</b>		
	Capital Goods	-	42.29
	Capital Goods - WIP	-	320.07
31	<b>Unhedged Foreign Currency Exposure</b>		
		Trade Payables	Trade Payables
	Exposure in foreign currency - JPY	-	463.50
	Exposure in ₹	-	285.08

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

NOTE	Paticulars	2018-19	2017-18
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## 32 RELATED PARTY DISCLOSURES:

a) Names of related parties and description of relationship:

## i. Key Management Personnel :

Name	Designation
Mr. Ashok K. Khemani	Chairman & Managing Director
Mr. Rahul A. Khemani	Executive Director & CFO
Mr. Shahin N. Khemani	Executive Director
Mr. Kumar Nathani	Independent director
Mrs. Shraddha Teli	Independent director
Mr. Manmohan Anand (Upto 29.08.2017)	Independent director
Mr. Maulin Gandhi	Independent director
Mr. Nand K. Khemani (Upto 05.12.2017)	Director
Ms. Sonal Shukla (Upto 02.05.2017)	Company Secretary
Mr. Hitesh Manoj Kavediya (Upto 31.08.2018)	Company Secretary
Mr. Bhumit Dharod (Wef 11.02.2019)	Company Secretary

## ii. Others

Beekaylon Synthetics Private Limited	}	Entities in which Key Management Personnel have control or significant influence
Indo Leather Works		
Jay Gee Rayons		
Mr. Roop K. Khemani		Relative of Managing director

b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
1	Rent Paid			
	Kumar Nathani	Nil (Nil)	0.16 (Nil)	0.16 (Nil)
	Roop K. Khemani	0.16 (Nil)	Nil (Nil)	0.16 (Nil)
	Indo Leather Works	Nil (6.00)	Nil (Nil)	Nil (6.00)
2	Machine Hire Charges Paid	82.42	Nil	82.42
	Beekaylon Synthetics Private Limited	(74.48)	(Nil)	(74.48)
3	Insurance Premium (Reimbursed)	6.35	Nil	6.35
	Beekaylon Synthetics Private Limited	(4.74)	(Nil)	(4.74)

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
4	Purchase of raw materials and goods Beekaylon Synthetics Private Limited	21,623.67 (14,807.01)	Nil (Nil)	21,623.67 (14,807.01)
5	Job Work Charges Beekaylon Synthetics Private Limited	Nil (4.09)	Nil (Nil)	Nil (4.09)
6	OIL Beekaylon Synthetics Private Limited	0.30 (Nil)	Nil (Nil)	0.30 (Nil)
7	Staff Welfare Expenses Beekaylon Synthetics Private Limited	0.84 (Nil)	Nil (Nil)	0.84 (Nil)
8	Packing Material Beekaylon Synthetics Private Limited	4.19 (Nil)	Nil (Nil)	4.19 (Nil)
9	Repairs of Machinery Beekaylon Synthetics Private Limited	1.96 (Nil)	Nil (Nil)	1.96 (Nil)
10	Purchase of Fixed Assets - Plant and Machinery Beekaylon Synthetics Private Limited	20.17 (4.62)	Nil (Nil)	20.17 (4.62)
11	Sale of goods Beekaylon Synthetics Private Limited	2,495.89 (1,018.04)	Nil (Nil)	2,495.89 (1,018.04)
12	Job Work (Income) Beekaylon Synthetics Private Limited	25.99 (193.25)	Nil (Nil)	25.99 (193.25)
13	Sale of Scrap Beekaylon Synthetics Private Limited	2.37 (0.45)	Nil (Nil)	2.37 (0.45)
14	Sale of Fixed Assets - Plant and Machinery, Vehicle Beekaylon Synthetics Private Limited	28.14 (Nil)	Nil (Nil)	28.14 (Nil)
15	Remuneration to Director Rahul A. Khemani Shahin N. Khemani	Nil (Nil) Nil (Nil)	30.00 (30.00) 30.00 (30.00)	30.00 (30.00) 30.00 (30.00)
16	Remuneration to Company Secretary Sonal Shukla Hitesh Manoj Kavediya Bhumit Mahendra Dharod	Nil (Nil) Nil (Nil) Nil (Nil)	Nil (0.15) 0.75 (1.50) 1.02 (Nil)	Nil (0.15) 0.75 (1.50) 1.02 (Nil)

<b>Sr. No.</b>	<b>Nature of Transactions</b>	<b>Others</b>	<b>Key Management Personnel and Relatives</b>	<b>Total</b>
17	Director Sitting Fees			
	Kumar Nathani	Nil (Nil)	0.20 (0.26)	0.20 (0.26)
	Manmohan Anand	Nil (Nil)	Nil (0.16)	Nil (0.16)
	Maulin Gandhi	Nil (Nil)	0.20 (0.15)	0.20 (0.15)
	Shraddha Teli	Nil (Nil)	0.15 (0.15)	0.15 (0.15)
18	Interest Paid on late payment Beekaylon Synthetics Private Limited	18.66 (101.15)	Nil (Nil)	18.66 (101.15)
19	Interest on unsecured loan taken			
	Ashok K. Khemani	Nil (Nil)	10.00 (3.70)	10.00 (Nil)
	Nand K. Khemani	Nil (Nil)	Nil (3.67)	Nil (3.67)
	Shahin N. Khemani	Nil (Nil)	4.29 (Nil)	4.29 (Nil)
	Jay Gee Rayons	37.58 (15.98)	Nil (Nil)	37.58 (15.98)
20	Interest paid to Partnership Firm Jay Gee Rayons	0.05 (0.04)	Nil (Nil)	0.05 (0.04)
21	Share of Profit/(Loss) from Partnership Firm Jay Gee Rayons	0.32 (-0.17)	Nil (Nil)	0.32 (-0.17)
22	Loan Taken			
	Ashok K. Khemani	Nil (Nil)	Nil (100.00)	Nil (100.00)
	Nand K. Khemani	Nil (Nil)	Nil (50.00)	Nil (50.00)
	Shahin N. Khemani	Nil (Nil)	48.00 (Nil)	48.00 (Nil)
	Jay Gee Rayons	12.00 (365.00)	Nil (Nil)	12.00 (365.00)
23	Loan Re-Paid Nand K Khemani	Nil (Nil)	Nil (50.00)	Nil (50.00)

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
24	Investment in Partnership Firm at year end Jay Gee Rayons	0.05 (0.05)	Nil (Nil)	0.05 (0.05)
25	Balance Recoverable/Receivable at year end Beekaylon Synthetics Private Limited	7.39 (14.71)	Nil (Nil)	7.39 (14.71)
26	Balance Payable at year end Beekaylon Synthetics Private Limited	692.69 (960.80)	Nil (Nil)	692.69 (960.80)
27	Balance Payable at year end Jay Gee Rayons Payable	0.63 (0.91)	Nil (Nil)	0.63 (0.91)
28	Loan from Director and Others- Payable at year end			
	Ashok K. Khemani	Nil (Nil)	100.00 (100.00)	100.00 (Nil)
	Shahin N. Khemani	Nil (Nil)	48.00 (Nil)	48.00 (Nil)
	Jay Gee Rayons # # Firm wherein Partners are the shareholders of the Company	377.00 (365.00)	Nil (Nil)	377.00 (365.00)

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 COMITMENTS:

₹ In Lakhs

(To the extent not provided for)

	31st March 2019	31st March 2018
(i) Disputed Income Tax Liabilities/Demand :	23.78	23.87
(ii) Outstanding Bank Guarantee	116.09	99.89

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

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

Name of the Partners	As at 31.03.2019			
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	Share of Profit/ Loss of each Partner
M/s. Beekaylon Synthetics Private Limited	0.050	180.93	180.98	10%
M/s. Bluechip Tex Industries Ltd.	0.045	(0.63)	(0.59)	9%
M/s. Indotex Export House Private Limited	0.045	85.00	85.05	9%
M/s. Sangam Syntwist Textile Private Limited	0.045	183.16	183.21	9%
Mr. Nand K. Khemani	0.045	(0.63)	(0.59)	9%
Mr. Ashok K. Khemani	0.045	19.10	19.15	9%
Mr. Rahul A. Khemani	0.045	(0.64)	(0.60)	9%
Mr. Siddharth A. Khemani	0.045	50.67	50.72	9%
Mr. Shahin N. Khemani	0.045	(0.64)	(0.60)	9%
Mrs. Nitika S. Khemani	0.045	(0.63)	(0.59)	9%
Mrs. Rishma R. Khemani	0.045	(0.63)	(0.59)	9%
<b>Total</b>	<b>0.50</b>	<b>515.06</b>	<b>515.56</b>	
Name of the Partners	As at 31.03.2018			
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	Share of Profit/ Loss of each Partner
M/s. Beekaylon Synthetics Private Limited	0.050	330.55	330.60	10%
M/s. Bluechip Tex Industries Ltd.	0.045	(0.91)	(0.87)	9%
M/s. Indotex Export House Private Limited	0.045	1.12	1.17	9%
M/s. Sangam Syntwist Textile Private Limited	0.045	33.47	33.52	9%
Mr. Nand K. Khemani	0.045	(0.90)	(0.86)	9%
Mr. Ashok K. Khemani	0.045	11.71	11.76	9%
Mr. Rahul A. Khemani	0.045	(0.91)	(0.87)	9%
Mr. Siddharth A. Khemani	0.045	125.18	125.23	9%
Mr. Shahin N. Khemani	0.045	(0.91)	(0.87)	9%
Mrs. Nitika S. Khemani	0.045	(0.90)	(0.86)	9%
Mrs. Rishma R. Khemani	0.045	(0.90)	(0.86)	9%
<b>Total</b>	<b>0.50</b>	<b>496.60</b>	<b>497.10</b>	



# BLUE CHIP TEX INDUSTRIES LIMITED

## Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

- 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	As at 31st March 2019	As at 31st March 2018
Gross Debt	2,340.22	2,127.22
Cash and Cash Equivalent	319.89	115.00
Net Debt (A)	2,020.33	2,012.22
Total Equity (as per Balance Sheet) (B)	1,797.55	1,549.50
Net Gearing (A/B)	1.12	1.30

### 38 Leases

2018-19

2017-18

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

(a) Not later than 1 year	30.25	69.85
(b) Later than 1 year but not later than 5 years	-	30.25
(c) Later than 5 years	-	-

### 39 Corporate Social Responsibility

2018-19

2017-18

a) Gross amount required to be spent by the company during the year.	9.52	-
b) Amount Spent during the year		
i) Construction / acquisition of asset	-	-
ii) on Purpose other (i) above	-	-
- on field of education *	9.38	-
Amount unspent during the year	0.14	-

\* "of this amount of ₹ 1.15 Lakh has been booked as contractual liability and will be paid as per terms with vendor"

**40 Financial instruments**

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

Particulars	As at 31st March 2019			As at 31st March 2018		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
<u>Financial Assets</u>						
<b>At Amortised Cost</b>						
Investment*	-	-	-	-	-	-
Trade receivable	1,468.70	-	-	1,732.49	-	-
Cash and Bank Balances	319.89	-	-	114.99	-	-
Loans	1.43	-	-	1.43	-	-
Other financial Assets	66.58	-	-	91.98	-	-
<u>Financials Liabilities</u>						
<b>At amortised cost</b>						
Borrowing	2,340.22	-	-	2,127.22	-	-
Trade payables	1,129.03	-	-	1,511.54	-	-
Other financial liabilities	248.77	-	-	692.79	-	-
* Excludes Financial assets measured at cost (Refer note 2.2)						

**Foreign currency Risk**

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

Particulars	As at 31st March 2019	As at 31st March 2018
Creditors for Capital Goods	-	463.50
	<u>-</u>	<u>463.50</u>

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

**1% Depreciation In INR**

Impact on Equity	-	-
Impact on P&L	-	(2.85)
Total	<u>-</u>	<u>(2.85)</u>

**1% Aprreciation in INR**

Impact on Equity	-	-
Impact on P&L	-	2.85
Total	<u>-</u>	<u>2.85</u>

# BLUE CHIP TEX INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March 2019

₹ In Lakhs

## Interest Rate Risk

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

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Loans</b>		
Long term Floating Loan	1,523.31	1,264.40
Long term Fixed Loan	525.00	465.00
Short term loan	291.91	397.82
Total	<u>2,340.22</u>	<u>2,127.22</u>

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Up Move	Down Move	Up Move	Down Move
impact on equity	-	-	-	-
Impact on P&L	14.11	(14.11)	(12.27)	12.27

## Financial Risk Management

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

### i) Credit Risk

Credit risk is the risk of financial loss to the group if a customer or counter party to a financial instruments fails to meet 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, 2019 the carrying amount of financial assets exposure to credit risk was ₹ 1855.16 Lakhs (₹ 1939.46 as at 31st March 2018), 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 :

	Amount in Lakhs	
	As at March 31st 2019	As at March 31st 2018
Trade Receivables	Gross	Gross
Less than 6 months	1436.00	1705.22
More than 6 months	32.70	27.27
Total	1468.70	1732.49

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. Following are the contractual maturities of loans obtained :

Maturity profile of loans as on 31st March 2019

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
<u>Secured</u>							
Long Term Loans*	71.07	71.07	142.14	498.17	431.73	309.13	1,523.31
Short Term Loans	-	-	241.91	-	-	-	241.91
<u>Unsecured</u>							
Loan From Bank	50.00	-	-	-	-	-	50.00
Loan From Others	-	-	-	-	525.00	-	525.00
<b>Total</b>	<b>121.07</b>	<b>71.07</b>	<b>384.05</b>	<b>498.17</b>	<b>956.73</b>	<b>309.13</b>	<b>2,340.22</b>
* Including ₹ 18,26,806/- as prepaid finance charges							
Maturity profile of loans as on 31st March 2018							
	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Long Term Loans*	14.82	33.57	142.14	562.39	450.00	84.08	1,287.00
Short Term Loans	-	-	397.82	-	-	-	397.82
<u>Unsecured</u>							
Loan From Others	-	-	-	-	-	465.00	465.00
<b>Total</b>	<b>14.82</b>	<b>33.57</b>	<b>539.96</b>	<b>562.39</b>	<b>450.00</b>	<b>549.08</b>	<b>2,149.82</b>
* Including ₹ 22,59,695/- 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.

**41 Approval of Financial Statement**

The Financial Statements were approved for issue by the Board of Directors on May 27, 2019.

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**

**Ashok K. Khemani**      **Rahul A. Khemani**  
 Managing Director      Director - Chief Financial Officer

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

**Bhumit Dharod**  
 Company Secretary

Place: Mumbai  
 Dated: 27th May, 2019

Place: Mumbai  
 Dated: 27th May, 2019

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**BLUE CHIP TEX INDUSTRIES LIMITED**

**Registered office:** Plot no. 63-B, Danudyog Sahakari Sangh Ltd, Village Piparia, Silvassa, Union Territory of Dadra & Nagar Haveli- 396 230; **CIN:** L17100DN1985PLC005561; Tel No.: +91 22 4353 0400 / +91 99244 22247;

**Website:** www.bluechiptexindustrieslimited.com; Email ID: bluechiptex@gmail.com

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

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

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

Registered address: .....

Email Id: .....

Folio No / Client Id: ..... DP Id: .....

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

1. Name: ..... Address: .....  
Email ID: ..... Signature: ..... Or failing him/her;
2. Name: ..... Address: .....  
Email ID: ..... Signature: ..... Or failing him/her;
3. Name: ..... Address: .....  
Email ID: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting ("AGM") of the company, to be held on Saturday, 21st September, 2019 at 12.00 noon at Yatri Niwas, Pruthviraj Chauhan Road (Naroli Road), Silvassa, Dadra & Nagar Haveli – 396 230 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. no	Resolutions	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	To Receive, Consider and adopt Audited Financial Statement of the Company for the Financial year ended 31st March, 2019 together with the Reports of the Board of Directors and Statutory Auditors thereon		
2.	To declare final dividend of ₹ 1.80/- per equity share for the financial year ended 31st March, 2019		
3.	To appoint a Director in place of Mr. Rahul A. Khemani (DIN:03290468) who retires by rotation and being eligible, offers himself for re-appointment		
<b>Special Business</b>			
4.	Ratification of remuneration of Cost Auditors for the financial year 2019-20		
5.	Re-appointment of Mr. Kumar Satur Nathani (DIN:00062321) as Independent Director of the Company		
6.	Re-appointment of Mr. Maulin Samir Gandhi (DIN:00073064) as Independent Director of the Company		

Signed this ..... day of ....., 2019

Signature of Proxy Holder(s)

Affix  
Revenue  
Stamp

Signature of member(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office (i.e. Office no. 17, 1st floor, Maker Chambers-III, Jammalal Bajaj Road, Nariman Point, Mumbai – 400 021) of the Company, not less than 48 hours before the commencement of the Meeting. A proxy need not be a member of the Company.
- \*2. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

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## BLUE CHIP TEX INDUSTRIES LIMITED

**Registered office:** Plot no. 63-B, Danudyog Sahakari Sangh Ltd, Village Piparia, Silvassa, Union Territory of Dadra & Nagar Haveli- 396 230; **CIN:** L17100DN1985PLC005561; Tel No.: +91 22 4353 0400 / +91 99244 22247;

**Website:** www.bluechiptexindustrieslimited.com; Email ID: bluechiptex@gmail.com

### ATTENDANCE SLIP

Name & Address of the member:	
Joint Holder(s):	
Name of the Proxy/Authorised Representative:	
Regd. Folio / DPID No. & Client ID No.	
No. of Equity Shares held:	

I/We hereby record my/our presence at the 34th annual general meeting of the company, held on Saturday, 21st September, 2019 at 12.00 noon at Yatri Niwas, Pruthviraj Chauhan Road (Naroli Road), Silvassa, Dadra & Nagar Haveli – 396 230.

\_\_\_\_\_  
Signature of Members / Joint Member(s)/  
Proxy / Authorized Representative  
(To be signed at the time of handing over this slip)

#### NOTES:

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



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## BOOK-POST

If Undelivered, please return to :

**BLUE CHIP TEX INDUSTRIES LIMITED**

Office No. 17, Maker Chambers-III,

Jamnalal Bajaj Road,

Nariman Point,

Mumbai - 400 021