

Regd. & Adm. Office : 7 'Jasville', Opp. Liberty Cinema, 9, New Marine Lines, Mumbai – 400 020.
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 CIN: L17100MH1985PLC037514

Form A

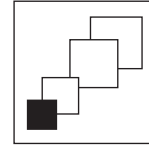
COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGE

1	NAME OF THE COMPANY	BLUE CHIP TEX INDUSTRIES LIMITED
2	ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED	31 ST MARCH, 2014
3	TYPE OF AUDIT OBSERVATION	UN-QUALIFIED
4	FREQUENCY OF OBSERVATION	Not Applicable
5	TO BE SIGNED BY- CEO/MANAGING DIRECTOR CFO AUDITORS OF THE COMPANY AUDIT COMMITTEE CHAIRMAN	<p>N. K. Ich...</p> <p>A. Akshay R. Shah</p> <p>For RAJENDRA & CO. <i>Akshay</i> PARTNER</p> <p>AKSHAY R. SHAH Membership No. 103316</p> <p>RAJENDRA & CO. CHARTERED ACCOUNTANTS 1311, DALAMAL TOWERS, 211, NARIMAN POINT, MUMBAI-400 021.</p> <p>26 MAY 2014</p>

For BLUE CHIP TEX INDUSTRIES LTD.

N. K. Ich...

y/Managing Director



BLUE CHIP TEX INDUSTRIES LTD.

29th
ANNUAL
REPORT
2013-2014

BLUE CHIP TEX INDUSTRIES LTD.

CONTENTS

Sr. No.	Particulars	Page No.
1.	Notice of the Annual General Meeting	4
2.	Directors Report	21
3.	Compliance Certificate	25
4.	Independent Auditor's Report	29
5.	Balance Sheet	33
6.	Statement of Profit Loss	34
7.	Cash Flow Statement	35
8.	Significant Account Policies	36
9.	Notes on Financial Statements	38
10.	Attendance Slip	52

29th ANNUAL REPORT 2013-14

- Board of Directors** : NAND K. KHEMANI Chairman and Managing Director
KUMAR S. NATHANI
ASHOK K. KHEMANI
ANIL MANDHANA
RAHUL A. KHEMANI
SHAHIN N. KHEMANI
- Auditors** : Rajendra & Co.
Chartered Accountant
- Bankers** : Axis Bank
Dena Bank
- Registered Office** : "Jasville", 2nd Floor,
Opp. Liberty Cinema,
9, New Marine Lines,
Mumbai 400 020.
Tel. : 022-4353 0400
Fax : 022-2200 6437
Email : bluechiptex@gmail.com
Website : bluechiptexindustrieslimited.com
- Factory** : Plot No. 63-B, Danudyog Sahakari Sangh Ltd
Village Piparia,
District Silvassa,
Union Territory of Dadra & Nagar Haveli
Pin - 396 230
- Wind Mill** : Thungavi Village, Udumalpet Taluka,
Coimbatore, Dist. Tamilnadu
- Registrar & Transfer Agent** : BIGSHARE SERVICES PVT. LTD.
E-2, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072.
Tel. : 022 - 2852 3474 / 2856 0652 / 53
Fax : 022 - 2852 5307
e-mail : bigshare@bom7.vsnl.net.in

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

BLUE CHIP TEX INDUSTRIES LTD.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF BLUE CHIP TEX INDUSTRIES LIMITED WILL BE HELD ON TUESDAY, 9th SEPTEMBER, 2014 AT 10:00 A.M. AT M. C. GHIA HALL, BHOGILAL HARGOVINDAS BUILDING, 18/20, K. DUBASH MARG, MUMBAI 400 023 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

- 1) To consider and adopt the audited Balance Sheet as at 31st March, 2014 and audited Profit & Loss Account for the year ended as on that date and the Reports of the Auditors and Directors thereon;
- 2) To declare final Dividend on Equity Shares for the year ended 31st March, 2014;
- 3) To appoint a Director in place of Mr. Shahin Khemani (DIN: 03296813), who retires by rotation at this annual general meeting and being eligible, offers himself for re-appointment;
- 4) To consider retirement of Mr. Anil Kumar Mandhana (DIN: 00571811) who retires by rotation and has conveyed his unwillingness to act as director and if thought fit, pass, with or without modification (s) the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Anil Kumar Mandhana, Director liable to retire by rotation at this Annual General Meeting does not seek re-appointment and hence will not be re-appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 5) Appointment of Auditors.

To consider and if thought fit pass, with or without modification(s), the following Resolution:

ORDINARY RESOLUTION:

“**RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013, M/s Rajendra & Co. Chartered Accountants, bearing registration number 108355W, being retiring Auditors of the Company, be and are hereby recommended for re-appointment as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Chairman in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which may be paid on existing terms or as may be agreed upon between the Auditors and the Chairman.

RESOLVED FURTHER THAT M/s Rajendra & Co., Chartered Accountants do not attract any disqualification pursuant to Section 141 of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Nand Khemani, Chairman & Managing Director or any other Director of the Company be and are hereby authorised, jointly and/or severally to take all steps as are necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to this resolution.”

SPECIAL BUSINESS:

- 6) To consider and if thought fit, pass the following resolution with or without modification(s) as a Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s)

29th ANNUAL REPORT 2013-14

or re-enactment thereof for the time being in force), in compliance with Article 160 of the Articles of Association of the Company and approval by the Board of Directors at a duly convened meeting, the consent of the members of the Company is hereby accorded for the re-appointment of Mr. Nand K. Khemani, as the Managing Director of the Company with effect from September 1, 2014 on terms and conditions including remuneration as set out in Clauses A to F below:

A. Period of Appointment : 01/09/2014 to 31/08/2015

B. Salary : NIL

C. Perquisites : NIL

D. Minimum Remuneration: Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Nand Khemani shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

E. Termination: The appointment is liable for termination by either party by giving 6 month's notice in writing to the other party.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Nand Khemani under the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Nand Khemani, Chairman & Managing Director in lump sum and that after the date of the approval, Mr. Nand Khemani be paid the remuneration as per the terms and conditions approved by the Central Government.

RESOLVED FURTHER THAT the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments made there under.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any duly constituted and authorised committee thereof, for the time being exercising the powers conferred by the Board through passing of the resolution) be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

- 7) To appoint Mr. Vijay Mishra (DIN 00461533) as an Independent Director of the Company and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as an **Ordinary Resolution:**

BLUE CHIP TEX INDUSTRIES LTD.

“**RESOLVED THAT** pursuant to provision of Section 149 and Section 152 of the Companies Act, 2013 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Vijay Mishra (DIN 00461533), who was appointed as an Additional Director pursuant to the provisions of the section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years for a term up to the conclusion of the 31st Annual General Meeting of the Company, and he shall not be liable to retire by rotation.”

- 8) To appoint Mr. Manmohan Anand (DIN 00334328) as an Independent Director and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provision of Section 149 and 152 of the Companies Act, 2013 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manmohan Anand (DIN 00334328) who was appointed as an Additional Director pursuant to the provisions of the section 161(1) of the Companies Act, 2013 and the Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 2 (two) consecutive years for a term up to the conclusion of the 31st Annual General Meeting of the Company and he shall not be liable to retire by rotation.”

- 9) To enter into a contract under Section 188 of the Companies Act, 2013 between Blue Chip Tex Industries Limited and M/s Beekaylon Synthetics Private Limited and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and such other applicable Rules, Regulations, if any and approval of the Board at its meeting held on May 26, 2014, the consent of the members of the Company is accorded to the Board of Directors to ratify the contract entered into between M/s Beekaylon Synthetics Private Limited and M/s Blue Chip Tex Industries Limited to the extent of exceeded limits prescribed from time to time pursuant to the said Contract from 1st July 2014.

RESOLVED FURTHER THAT the consent of the members of the Company is hereby accorded to the Board of Directors to enter into a Lease Agreement with M/s Beekaylon Synthetics Private Limited for taking machines on lease basis for a period of 5 years with effect from 1st September 2014. For the first three years, monthly rent of INR. 5,00,000/- (Rupees Five lakhs Only) will be payable, which will thereafter be increased annually by 10%.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to execute the aforementioned Agreement and other necessary documents in this regard on behalf of the Company and to do all such acts, matters, deeds and things as may be necessary to give effect to these resolutions including filing of all necessary e-forms with the Office of the Registrar of Companies, Mumbai.”

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

29th ANNUAL REPORT 2013-14

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any modifications or re-enactment thereof as amended from time to time and any other applicable provisions for the time being in force, and subject to such approvals, consents, sanctions as may be required, the consent of the Members of the Company is hereby accorded to borrow from time to time, any sum or sums of monies as the Board may deem fit for the purpose of the business of the Company and secured by extension of first hypothecation charge on entire movable fixed assets (present & future) of the Company, extension of equitable mortgage charge on the factory land and building including other immovable properties or any of the undertakings of the Company, present and future, notwithstanding that the moneys to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid-up capital of the Company and its free reserves, which together with the monies already borrowed by the Company may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), shall not at any time exceed the sum of Rs. 50 crores.

FURTHER RESOLVED THAT pursuant to Section 180(1)(a) the Company shall provide its immovable properties situated at Piparia Industrial Estate, Village Amla, Silvassa, U.T.of Dadra and Nagar Haveli and at Thungavi Village, Udumalpet, District Coimbatore, Tamilnadu, to Axis Bank, as detailed in its sanction letter bearing no. AXIS/SME/MUM-1/206/2014-15 dated June 28, 2014 and amendments thereto, to secure the repayment of the credit facilities granted to the Company by the said Bank.

FURTHER RESOLVED THAT Mr. Nand Kishinchand Khemani, Mr. Ashok Kishinchand Khemani, Mrs. Rachna Ashok Khemani, Mr. Rahul Ashok Khemani, Mr. Roop Kishinchand Khemani, Mr. Shahin Nand Khemani shall pledge their shares in the Company in favour of Axis Bank Ltd in order to offer guarantee. Also Mr. Nand Kishinchand Khemani and Mr. Ashok Kishinchand Khemani shall give personal guarantee to secure the repayment of the concerned credit facilities granted to the Company together with interest, cost, expenses and other charges thereon.

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

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

“RESOLVED THAT pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013, if any, in compliance with Article 161 of the Articles of Association of the Company, (including any Statutory modification(s) or re-enactment thereof for the time being in force, the consent of the members is hereby accorded to enhance remuneration of Mr. Rahul Khemani, Director of the Company from INR 20,000/- (Rupees Twenty Thousand only) per month to INR 1,20,000/- (Rupees One Lakh Twenty Thousand only) per month with effect from 01st April, 2014 on terms and conditions as set out in Clause A to D below:

- A. **Salary:** INR 1,20,000/- (Rupees One Lakh Twenty Thousand only)
- B. **Perquisite:** NIL
- C. **Commission** : NIL
- D. **Minimum Remuneration:** Where in any financial year during the currency of his tenure as a Director, the company has no profits or its profits are inadequate, Mr. Rahul Khemani shall be entitled to receive the above remuneration including perquisites, commission / performance pay, etc as minimum remuneration subject to the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be prescribed by Central Government from time to time.

BLUE CHIP TEX INDUSTRIES LTD.

RESOLVED FURTHER THAT wherein in any financial year during the currency of his tenure as a Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of remuneration, the maximum remuneration permissible for payment to Mr. Rahul Khemani under the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government the amount of remuneration on the terms as approved by the Central Government as reduced by such amount of the remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Rahul Khemani, in lump sum and that after the date of the approval, Mr. Rahul Khemani be paid the remuneration as per the terms and conditions approved by the Central Government.

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for the time being exercising the powers conferred by the Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time."

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

"RESOLVED THAT pursuant to the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 if any, in compliance with Article 161 of the Articles of Association of the Company (including any Statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members is hereby accorded to enhance remuneration of Mr. Shahin Khemani, Director of the Company from INR 45,000 (Rupees Forty-Five Thousand only) per month to INR 1,45,000/- (Rupees One Lakh Forty-Five Thousand only) per month with effect from 01st April, 2014 on terms and conditions as set out in Clause A to D below:

- A. **Salary:** INR 1,45,000/ - (One Lakh Forty- Five Thousand Rupees only)
- B. **Perquisite:** NIL
- C. **Commission :** NIL
- D. **Minimum Remuneration:** Where in any financial year during the currency of his tenure as a Director, the Company has no profits or its profits are inadequate, Mr. Shahin Khemani shall be entitled to receive above remuneration including perquisites, commission / performance pay, etc as minimum remuneration subject to the provision of Section 197 read with Schedule V to Companies Act, 2013 or as may be prescribed by the Central Government from time to time .

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure as a Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of remuneration, the maximum remuneration permissible for payment to Mr. Shahin Khemani under the provisions of sections 196 and 197 of the Companies

29th ANNUAL REPORT 2013-14

Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time , be paid till the receipt of the approval of the Central Government.

RESOLVED FURTHER THAT on receipt of the approval of the Central Government the amount of remuneration on the terms as approved by the Central Government as reduced by such amount of the remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Shahin Khemani in lump sum and that after the date of the approval, Mr. Shahin Khemani be paid the remuneration as per the terms and conditions approved by the Central Government.

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for the time being exercising the powers conferred by the Board by the resolution) be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time."

- 13) To appoint Mr. Kumar Nathani (DIN 00062321) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution** :

"**RESOLVED THAT** pursuant to provisions of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kumar Nathani (DIN 00062321), who was appointed as a Director in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for a term upto the conclusion of the 34th Annual General Meeting of the Company and he will not be liable to retire by rotation."

By order of the Board of Directors

sd/-

Nand K. Khemani
Managing Director

Date: July 30, 2014

Place: Mumbai

Registered Office:

"Jasville", 2nd floor,
9, New Marine Lines,
Mumbai 400020

BLUE CHIP TEX INDUSTRIES LTD.

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting;
- 2) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
- 3) Members/Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting;
- 4) 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;
- 5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote;
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from September 1, 2014 to September 09, 2014 (both days inclusive) for the purpose of Annual General Meeting and for payment of dividend, if declared at the Annual General Meeting;
- 7) Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company;
- 8) Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting;
- 9) A Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 10) Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance;
- 11) Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent;
- 12) Members are requested to bring their copy of the Annual Report to the Meeting;
- 13) All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 a.m. to 1.00 p.m. on all working days up to the date of the Meeting;
- 14) Members whose shareholding is in electronic mode are requested to direct change of address notifications and updation of savings bank account to their respective Depository Participants;
- 15) Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, M/s. Big Share Services Private Limited, "BigShare", E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072, India.
Tel No: 22-28470652 / 40430200
Fax No.: 22 28475207
Email: info@bigshareonline.com
- 16) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Nand Khemani, Managing Director, at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's

29th ANNUAL REPORT 2013-14

Unpaid Dividend Account, will thereafter be transferred to the Investor Education and Protection Fund as per Section 124 of the Companies Act, 2013;

- 17) As per the provisions of the Companies Act, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Share Transfer Agents of the Company;
- 18) Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting;
- 19) The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Central Government, which remain unpaid:

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	25.09.2008	2007-2008	24.10.2015
2	20.08.2009	2008-2009	19.09.2016
3	20.09.2010	2009-2010	19.10.2017
4	11.08.2011	2010-2011	10.09.2018
5	17.09.2012	2011-2012	17.10.2019
6	21.08.2013	2012-2013	20.09.2020

- 20) Particulars of the dividend transferred to the General Revenue Account of the Central Government, i.e. Investor Education & Protection Fund, during the Financial Year ended March 31, 2014 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund (₹)	Date of transfer to Investor Education & Protection Fund
Nil	Nil	Nil	Nil	Nil

- 21) The Shares of the Company are listed at the Bombay Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai 400 001. The Listing fee has been paid in time for the year ended 31st March, 2014.

22) **E- voting:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

Process for E –Voting –

Instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com;

BLUE CHIP TEX INDUSTRIES LTD.

- ii. Click on “Shareholders” tab;
- iii. Now, select the “BLUE CHIP TEX INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT”;
- 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 and voted on an earlier voting of any company, then your existing password is to be used;
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 last 8 digits of the demat account/folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field .

- viii. After entering these details appropriately, click on “SUBMIT” tab;
- ix. Members holding shares in physical form will then reach directly 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 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 Resolution details;

29th ANNUAL REPORT 2013-14

- 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 Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates;
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com;
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on;
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote;
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- 23) The voting period begins from 10.00 a.m. on Thursday, 4th September, 2014 and ends at 10.00 a.m. on Friday 5th September, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- 24) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- 25) Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;
- 26) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be published on the Company’s website www.bluechiptexindustrieslimited.com and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

By order of the Board,

Place: Mumbai
Date: 30th July, 2014

sd/-
Nand Khemani
Managing Director

BLUE CHIP TEX INDUSTRIES LTD.

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No 6

At the Meeting of the Board of Directors held on 30th July, 2014, the Directors of the Company approved the re-appointment of Mr. Nand Khemani as the Managing Director for the period from 1st September, 2014 to 31th August, 2015.

The principal terms of the revision are:

	Particulars	Proposed	Existing
	Chairman and Managing Director	Amount in Lakhs (Per Annum)	Amount in Lakhs (Per Annum)
A	Salary	Nil	Nil
B	Perquisites	Nil	Nil
C	Commission	Nil	Nil
D	Limits	The total remuneration including Salary, allowances, perquisites and Commission shall not exceed INR 42 lakhs subject to the approval of shareholders by special resolution (limit specified in Schedule V of the Companies Act, 2013)	The total remuneration including Salary, allowances, perquisites and Commission shall not exceed the limits approved by the Central Government.

The remuneration proposed to the members is in accordance with Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force) , Articles of Association of the Company and as approved by the Remuneration Committee and Board of Directors at a duly convened meeting and is presented in the meeting for the approval of Shareholders of the Company by way of a Special Resolution.

Pursuant to Section 197 of the Companies Act, 2013 which has come into effect from April 01, 2014, the re-appointment of Mr. Nand Khemani as Chairman & Managing Director, on the revised terms as set out in the body of the resolution in the Clause A to D of the respective resolution in the accompanying notice shall be paid subject to the approval of the shareholders at the General Meeting.

The Company is not required to take the approval of Central Government for payment of the remuneration to the Managing Director as the Company would pay the remuneration within the limits as specified under Section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II.

The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of re-appointment of Mr. Nand Khemani as the Managing Director of the Company.

The aforesaid revisions in the terms of re-appointment of Mr. Nand Khemani as Managing Director requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as a special resolution, set out as item no. 6 in the accompanying notice. Your approval is sought for the same.

Mr. Ashok Khemani and Mr. Shahin Khemani are interested in the resolution as it pertains to re- appointment of the Managing Director and remuneration thereof. Mr. Ashok Khemani (being brother of Mr. Nand Khemani) and Mr. Shahin Khemani (being son of Mr. Nand Khemani) are deemed to be concerned and interested in the resolution mentioned in item no. 6 of the accompanying notice. None of the Directors of the Company are in any way concerned or interested in this resolution, except of those as mentioned above.

Item No 7

It is proposed to appoint Mr. Vijay Mishra as an Independent Director under Section 149 of the Companies Act, 2013 (the Act) and Clause 49 of the Listing Agreement to hold office for 2 (two) consecutive years for a term up to the conclusion of the 31st Annual General Meeting of the Company and he shall not be liable to retire by rotation.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

Mr. Vijay Mishra is a Cost Accountant and has obtained his MBA degree in Finance from Newport University (USA) and is also a ERP Consultant (SAP).

He was associated with Best Deal Capital, Member NSE, and Partner CEO.

He is currently associated with Best Deal Shares & Securities P. Ltd., Member MCX-SX, Director and Best Deal Commodity Brokers P. Ltd., Member MCX, Director

He has been successfully running the Broking Business in Equities / Commodities and Currency Markets having taken membership of MCX and MCX-SX.

He was associated with M/s Supertex Industries Ltd. from June 1990 to May 2010. Supertex is a publicly listed company established in 1987 involved in the manufacture/ processing of Polyester Texturized Yarns, Draw Warped Jumbo Yarn Beams and Sized Yarn products.

Mr. Vijay Mishra is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Vijay Mishra for the office of an Independent Director of the Company.

The Company has also received declaration from Mr. Vijay Mishra that he meets with the criteria of independency as prescribed under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors of the Company, Mr. Vijay Mishra fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement.

Mr. Vijay Mishra is independent and not related to the Management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Vijay Mishra as an Independent Director is now being placed before the members at the general meeting for approval.

The terms and conditions of appointment of Mr. Vijay Mishra as an Independent Director shall be open for inspection by the members at the Company's Registered office during normal business hours on any working day.

Item No 8

It is proposed to appoint Mr. Manmohan Anand as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 2 (two) consecutive years for a term upto the conclusion of the 31st Annual General Meeting of the Company, and he shall not be liable to retire by rotation.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of an Independent Director by a Listed Company.

Mr. Manmohan Anand is a B.com graduate, having vast experience in the field of Engineering Industries (Manufacturers of Precision Sheet Metal Components, Measuring Instruments, Textile machinery),

BLUE CHIP TEX INDUSTRIES LTD.

Texturising Industries, Information Technology Training, Resort Development, and General Export - Import of miscellaneous commodities respectively.

He was associated with Indo-Japan Chamber of Commerce, Osaka and was the Chairman of Indo-Japan Chamber of Commerce from 1964 to 1966.

He was also associated with the India Club, Kobe – Japan and was the Chairman of India Club, Kobe-Japan from 1964 to 1966.

He was also associated with Indo Japanese Association, Kobe and was the Chairman of Indo Japanese Association, Kobe from 1964 to 1966.

He is the Chairman of All India Crimpers Association.

Mr. Manmohan Anand is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company.

The Company has received notice in writing from a member of the Company along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr. Manmohan Anand for the office of an Independent Director of the Company.

The Company has also received declaration from Mr. Manmohan Anand that he meets with criteria of independency as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors of the Company, Mr. Manmohan Anand fulfills the conditions for appointment as an Independent Director as specified in the Act and the listing Agreement. Mr. Manmohan Anand is independent and not related to the Management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Manmohan Anand as Independent Director is now being placed before the Members in the general meeting for their approval.

The terms and conditions for appointment of Mr. Manmohan Anand as an Independent Director shall be open for inspection by the Members at the Company's Registered office during normal business hours on any working day.

Item No 9

The Board of Directors, in its Meetings held on 26th May, 2014 & 30th July, 2014 approved the contracts entered between related parties and M/s. Blue Chip Tex Industries Limited for entering into the following transactions:

Name of the Related Party	Nature of Transaction	Amounts (In INR. Per annum)
M/s Beekaylon Synthetics Private Limited	Rent Received for Factory Building	5,40,000
M/s Beekaylon Synthetics Private Limited	Rent Paid for Machines on Hire	39,32,600
Indo Leather Works	Rent Paid for Mumbai Office	6,00,000
M/s Beekaylon Synthetics Private Limited	Insurance Charges paid	3,50,000
M/s Beekaylon Synthetics Private Limited	Security Charges paid	3,50,000
M/s Beekaylon Synthetics Private Limited	Purchase: Yarn (Excl. VAT) Job work	1,25,00,00,000 5,00,000

29th ANNUAL REPORT 2013-14

M/s D.N.H. Spinners Private Limited	Purchase: Yarn	10,00,00,000
M/s Beekaylon Synthetics Private Limited	Sales: Yarn (Excl. VAT) Job work	15,00,00,000 2,00,00,000
M/s Beekaylon Synthetics Private Limited	Sale of Machinery	1,50,000
M/s Beekaylon Synthetics Private Limited	Interest Paid	75,00,000
M/s Beekaylon Synthetics Private Limited	Interest Received	10,00,000

Out of the aforementioned transactions, the related party transaction entered into by the Company with M/s Beekaylon Synthetics Private Limited requires ratification by the members of the Company by passing of a Special Resolution pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014. Since the contract entered into between both the parties from July, 2014 onwards exceeds the limits specified under (Meetings of Board and its Powers) Rules, 2014, hence ratification of the same by passing of a special resolution is proposed at the meeting.

The Company intends to obtain Texturising Machines on lease basis from M/s Beekaylon Synthetics Private Limited with a view to enhance the Company's productivity and improve the quality of the products. Since the type of machines required for manufacturing and processing the products are available with M/s Beekaylon Synthetics Private Limited, the Board of Directors of the Company have passed a resolution in its Meeting held on 30th July, 2014 to obtain on lease texturising machines from M/s. Beekaylon Synthetics Private Limited w.e.f. 1st September, 2014, at a monthly rent of INR. 5,00,000/- (Rupees Five lakhs only) for the first three years, which will be increased annually by 10% of the previous amount of rent.

As the agreed amount of contract to be entered into between both the Companies is exceeding the limits as prescribed under Section 188 of the Companies Act, 2013 read with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the members of the Company is required by passing of a special resolution in the meeting.

Information as per the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014:

- a) Name of the related party:
Beekaylon Synthetics Private Limited
- b) Name of the director or key managerial personnel who is related, if any:
Mr. Nand Khemani is ma common Managing Director in both the Companies.
- c) Nature of relationship:
Mr. Ashok Khemani, Mr. Shahin Khemani and Mr. Rahul Khemani are Common Directors in both the Companies.
- d) Nature, material terms, monetary value and particulars of the contract or arrangement:
Transaction of purchases of Raw Materials, especially Dope POY Yarn from Beekaylon Synthetics Pvt. Ltd. have an assurance of continued supply and will help the Company to produce a special yarn resulting in better realisation and profitability. Payments shall be made as per the normal system followed in the Yarn market. The value of the transactions to be entered into is estimated to be at INR 1,43,43,22,600.

Item No 10

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the

BLUE CHIP TEX INDUSTRIES LTD.

Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies up to such higher limits. In order to finance the growth in the business of the Company, it is proposed to enhance the power of Board of Directors to borrow money in the form of Loan / Letter of Credit and any other forms of financial assistance from various banks, Financial Institutions up to a sum not exceeding INR 50 Crores. For securing the loan borrowed, the Company has, pursuant to Section 180(1)(a), offered its immovable properties situated at Piparia Industrial Estate, Village Amlil Silvassa, UT of Dadra and Nagar Haveli and at Thungavi Village, Udumalpet, District Coimbatore, Tamilnadu, as security towards credit facilities and financial assistance obtained from the Bank.

The approval of the Members of the Company is therefore sought on item no.10 of this Notice by way of a Special Resolution.

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

Item No 11

At the Meeting of the Board of Directors held on 30th July, 2014, the Directors of the Company approved the remuneration of Mr. Rahul Khemani, Director for the period commencing from 1st April, 2014.

The principal terms of the revision are:

	Particulars	Proposed	Existing
		Amount (in INR per Annum)	Amount (in INR per Annum)
A	Salary	1,20,000	20,000
B	Perquisites	Nil	Nil
C	Commission	Nil	Nil
D	Limits	The total remuneration including salary, allowances, perquisites and Commission shall not exceed INR 42 lakhs subject to the approval of shareholders by special resolution (limit specified in Schedule V of the Companies Act, 2013)	The total remuneration including salary, allowances, perquisites and Commission shall not exceed the limits approved by the Central Government.

The remuneration proposed is in accordance with Sections 196 and 197 of the Companies Act, 2013 read with Schedule V 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 Articles of Association of the Company and consent of the Board of Directors of the Company at its meeting, approval of the members of the Company is required by passing of a special resolution in the meeting.

Pursuant to Section 197 of the Companies Act, 2013 which have come into effect from April 01, 2014, the remuneration of Mr. Rahul Khemani, Director, the revised terms as set out in the body of the resolution in the Clause A to D of the respective resolution in the accompanying notice shall be paid subject to the approval of the shareholders in the Meeting.

The Company is not required to take the approval of the Central Government for payment of the remuneration to Mr. Rahul Khemani, Director, as the Company would pay the remuneration within the limits as specified under Section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II to the Companies Act, 2013.

The aforesaid revisions in the terms of remuneration of Mr. Rahul Khemani, Director, requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The

29th ANNUAL REPORT 2013-14

Board accordingly recommends passing of the resolutions as a special resolution, as set out in item no. 11 of the accompanying notice. The approval of the members is sought for the same.

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

Item No. 12

At the Meeting of the Board of Directors held on 30th July, 2014, the Directors of the Company approved the remuneration of Mr. Shahin Khemani, Director for the period commencing from 1st April, 2014.

The principal terms of the revision are:

	Particulars	Proposed	Existing
		Amount (In INR per Annum)	Amount (In INR per Annum)
A	Salary	1,45,000	45,000
B	Perquisites	Nil	Nil
C	Commission	Nil	Nil
D	Limits	The total remuneration including salary, allowances, perquisites and Commission shall not exceed INR 42 lakhs subject to the approval of shareholders by special resolution (limit specified in Schedule V of the Companies Act, 2013)	The total remuneration including salary, allowances, perquisites and Commission shall not exceed the limits approved by the Central Government.

The remuneration proposed is in accordance with Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Board of Directors and subject to the approval of Shareholders of the Company by way of a Special Resolution.

As per Section 197 of the Companies Act, 2013 which has come into effect from April 01, 2014, the remuneration of Mr. Shahin Khemani, Director, on the revised terms as set out in the body of resolution in the Clause A to D of the respective resolutions in the accompanying Notice shall be paid with the approval of the shareholders in the General Meeting.

The Company is not required to take the approval of the Central Government for payment of the remuneration to Mr. Shahin Khemani, Director, as the Company would pay the remuneration as per section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II to the Act.

The aforesaid revisions in terms of remuneration of Mr. Shahin Khemani, Director, require the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends passing of the resolutions as a special resolution as set out in item no. 12 of the accompanying notice. The approval of the members of the Company is sought for the same.

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

Item No. 13

It is proposed to appoint Mr. Kumar Nathani as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company; not liable to retire by rotation."

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

BLUE CHIP TEX INDUSTRIES LTD.

Mr. Kumar Nathani is an Arts Graduate from the Mumbai University.

He has been associated with the Textile industry, mainly of weaving and readymade garments exports for the past 25 years and has acquired a wide range of knowledge in this sector.

He is associated as a Director or Partner in Companies and Firms mainly in the Textiles business and has been a Director of our Company since 16th August 1993.

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

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nathani for the office of Director of the Company.

The Company has also received declarations from Mr. Nathani that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Nathani fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mr. Kumar Nathani is independent and not related to the Management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kumar Nathani as Independent Director is now being placed before the Members in the general meeting for their approval.

By order of the Board

Place: Mumbai
Date: 30th July, 2014

sd/-
Nand Khemani
Managing Director

DIRECTORS' REPORT

To,
The Members
Blue Chip Tex Industries Limited.

Your Directors have the pleasure of presenting their 29th Annual Report and Audited Annual Accounts for the Financial Year ended 31st March, 2014 together with the Audited Statement of Accounts and Auditor's Report thereon.

1. FINANCIAL RESULTS:

	In terms of ₹	
	2013-2014	2012-2013
Profit before depreciation	2,90,70,476	1,74,92,747
Less: depreciation	1,15,02,737	1,10,07,914
Profit before Tax	1,75,67,739	64,84,833
Less: Provision for taxation		
Current tax	37,60,000	13,00,000
Deferred tax	22,49,304	19,07,970
Fringe Benefit tax	—	—
Profit After Tax	1,15,58,435	32,76,863
Add: Taxation for earlier year	—	—
Total	1,15,58,435	32,76,863
Balance in Profit and Loss Account	1,36,61,772	1,24,59,757
Surplus available for appropriation	2,52,20,207	1,57,36,620
Transfer to General Reserve	11,56,000	—
Proposed Dividend	23,64,600	17,73,450
Tax on Proposed Dividend	4,01,864	3,01,398
Balance carried to Balance Sheet	2,12,97,743	1,36,61,772

2. DIVIDEND:

The Board of Directors recommends a final dividend of ₹ 1.20 per equity share (last year: Re. 0.90 per share) of ₹ 10/- for the Financial Year ended 31st March, 2014.

3. FUTURE PROSPECTS:

Your Company has planned for investment of ₹ 6.15 crores in the Current Financial Year for installing 1 Draw Texturising Machine and 3 Air Texturising Machines which will increase production capacities by 100 MT and 110 MT per month, respectively. Towards this end, an application has been made to a Bank for necessary finance of ₹ 4.15 crore. In the month of April 2014, a Draw Texturising Machine was installed as planned and we expect commencement of production from the remaining Air Texturising Machines in the 3rd quarter of the current financial year.

BLUE CHIP TEX INDUSTRIES LTD.

4. FIXED DEPOSITS:

The Company has not accepted any deposits from the Public under the provisions of Section 58A of the Companies Act, 1956 during the Financial Year ended 31st March 2014.

5. INSURANCE:

All properties of the Company, including buildings, plant and machinery, stores and spares, stock of raw materials and finished goods, etc. have been adequately insured.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a) that in the preparation of the Annual Accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2014 and of the profit of the Company for the said year.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2014, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the Annual Accounts for the year ended 31st March, 2014 on a going concern basis.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (Section 217(1)(e) of the Companies Act, 1956):

(A) CONSERVATION OF ENERGY

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as follows:-

- (i) Energy conservation measures taken:
Appropriate measures have been initiated to conserve energy. The Company has always been conscious about the need for conservation of energy.
- (ii) Additional investments and proposals, if any, being implemented for reduction of energy consumption:
The efforts for conservation of energy are on an ongoing basis throughout the year.
- (iii) The impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods:
The measures taken have resulted in savings in the cost of production.
Total energy consumption and energy consumption per unit of production:

a. Power and Fuel Consumption:

	Current Year (in ₹)	Previous Year (in ₹)
1. Electricity:		
(a) Purchased Units (KWH)	48,85,040	50,52,151
Total Amount (₹)	2,06,11,115	2,03,00,145
Cost/Unit (₹)	4.22	4.02

29th ANNUAL REPORT 2013-14

(b) Own Generation:	—	—
i) Through Diesel Generator	—	—
Units (in Lacs)	—	—
Unit per litre of diesel	—	—
Cost/Unit (₹)	—	—
ii) Through Steam	—	—
2. Coal/ Furnace oil:	—	—
b. Consumption per Ton of production of Polyester Texturised/Twisted yarn (KWH)	760.30	785.47

(B) 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.

8. FOREIGN EXCHANGE EARNING AND OUT GO:

Foreign Exchange Earnings : ₹ NIL (Previous Year: ₹ NIL)

Foreign Exchange outgo : ₹ NIL (Previous Year: ₹ NIL)

9. PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. G.S.R 289 (E) dated March 31, 2011 require the disclosure of the names and particulars of the employees who are in receipt of remuneration for the financial year under review which, in the aggregate, was not less than ₹ 60,00,000/- per annum or who were in receipt of remuneration for any part of the financial year under review, at a rate which, in the aggregate, was not less than ₹ 5,00,000/- per month. The disclosure under the said Section is not given as there are no such employees.

10. DIRECTORS:

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013, Mr. Shahin Khemani and Mr. Anil Kumar Mandhana will retire by rotation at the ensuing Annual General Meeting. Mr. Shahin Nand Khemani, being eligible, offers himself for re-appointment.

Mr. Anil Kumar Mandhana does not offer himself for re-appointment due to his busy schedule and will discontinue as a Director of the Company with effect from 9th September 2014. Your Directors recommend the re-appointment of Mr. Shahin Nand Khemani.

11. STATUTORY AUDITORS:

You are requested to appoint Auditors at the ensuing Annual General Meeting and fix their remuneration. The Auditors of the Company, M/s. Rajendra & Co. Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a certificate from them under Section 139 of the Companies Act, 2013. As per Section 139(1) of the Companies Act, 2013, an Auditor shall hold office from the conclusion of the meeting in which appointment is made till the conclusion of the sixth annual general meeting thereafter, subject to ratification by members at every AGM. Therefore, the Auditor cannot be appointed for less

BLUE CHIP TEX INDUSTRIES LTD.

than a term of five consecutive years.

In case of Audit firm, appointment can be made for a maximum of two terms of 5 consecutive years and further re-appointment can be made after a cooling period of 5 years.

The existing Statutory Auditors of the Company have already completed the term of 7 years. As per the provisions of the new Act they can be appointed for a further period of 3 years, subject to ratification by shareholders at every AGM.

12. COMPLIANCE CERTIFICATE:

As per Section 383A of the Companies Act, 1956 read with Notification No. G.S.R. 11 (E), Dated 5-1-2010 issued by the Ministry of Corporate Affairs, a Company having Paid up Share Capital of ₹ 10 Lacs or more but less than ₹ 5 Crores must obtain a Compliance Certificate from a Company Secretary in whole time practice and such Certificate must be annexed to the Report. A Compliance Certificate obtained from M/s. Pramod S. Shah & Associates – Practicing Company Secretaries is annexed as a part of the Directors' Report.

13. COST AUDIT:

Cost Audit under Section 233B of the Companies Act, 1956 is applicable to the Company for the Financial Year 2013-14 and accordingly Mr. NKJ & Associates, Cost Accountant, Navi Mumbai, was appointed as the Cost Auditor, for the said year.

14. COMPANIES ACT, 2013:

The Companies Act, 2013 (the Act) is in force as on 1st April, 2014 (in the manner, to the extent notified by the Ministry of Corporate Affairs). The Act has replaced the Companies Act, 1956 and has brought a new set of compliances for companies. The New Legislation will facilitate greater transparency, more disclosures and enhanced corporate governance. The Company is taking necessary steps for implementation of the provisions of the Act.

15. ACKNOWLEDGMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all the shareholders, customers, suppliers, bankers, Government authorities and all other business associates and for their confidence in the management. Your Directors also wish to place on record their appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 26th, May 2014

Sd/-
(Nand K. Khemani)
Managing Director

Sd/-
(Ashok Khemani)
Director

Pramod Shah & Associates

COMPLIANCE CERTIFICATE

**U/S 383A of the Companies Act, 1956 & Rule 3 of the companies
(Compliance Certificate) Rules, 2001**

To,
The Members,
BLUE CHIP TEX INDUSTRIES LIMITED

Nominal Capital: INR 25,000,000
Registration No. : 037514
(31/03/2014)

I have examined the registers, records, books and papers of **BLUE CHIP TEX INDUSTRIES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2014**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, comments are not required.
4. The Board of Directors duly met **4** times on **27.05.2013, 29.07.2013, 29.10.2013, 28.01.2014**, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company closed its Register of Members from **14.08.2013** to **21.08.2013** and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31.03.2013** was held on **21.08.2013** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. **No** Extra Ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with provisions of section 297 of the Act in the respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has:
 - i. delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.

BLUE CHIP TEX INDUSTRIES LTD.

- ii. deposited the amount of dividend in a separate Bank Account on 23rd August, 2013 which is within five days from the date of declaration.
 - iii. paid/post warrants for dividends to all members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend account of the Company with HDFC Bank on 26th September, 2013.
 - iv. transferred the amounts in to unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education & Protection Fund.
 - v. the Company has duly-complied with the requirements of section 217 of the Act.
- 14. The Board of Directors of the Company is duly constituted and the appointments of Directors have been duly made.
 - 15. The Company has not appointed any Managing Director/ Whole time Director /Manager during the financial year.
 - 16. The Company has not appointed any sole-selling agents during the financial year.
 - 17. The Company has obtained the approval of Central Government u/s 233B (2) of the Companies Act, 1956 by filing Form 23C for appointment of Cost auditor with the Registrar of Companies. The Company was not required to obtain any other approval from authorities such as Regional Director, Company Law Board, Registrar and/ or such authorities prescribed under the various provisions of the Act during the financial year.
 - 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 - 19. The Company has not issued any Shares/debentures/other securities during the financial year.
 - 20. The Company has not bought back any shares during the financial year.
 - 21. There was no redemption of preference shares or debentures during the financial year.
 - 22. There were no transactions, which required the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 - 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 - 24. The amount borrowed by the Company from the directors, members, public, financial institutions, banks and others during the financial year 31st March, 2014 is within the borrowing limits of the Company and hence the Board resolution as per Section 293(1)(d) was not required.
 - 25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 - 26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year.
 - 27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year.

29th ANNUAL REPORT 2013-14

28. The Company has not altered the provisions of the memorandum with respect to name of the company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment imposed on the company during the year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Mumbai
Date: 26/05/2014

Signature : Sd/-
Name of Company Secretary : Pramod S. Shah - Partner
C. P. No. : 3804
Pramod Shah & Associates

BLUE CHIP TEX INDUSTRIES LTD.

Annexure A

The Company has been maintaining the statutory records such as:

- 1) Minutes Book (Board Meeting)
- 2) Minutes Book (AGM & EGM)
- 3) Register of Member.
- 4) Register of Director.
- 5) Register of Director's shareholding.
- 6) Register of Contracts.
- 7) Register of Investment.
- 8) Register of Charges.

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

Sr. No.	Form No.	Filed u/s	For	Filed on	Whether filed on time	If delay in filing whether requisite add. fees paid
1	Form 23B	224(1A)	Information by Auditor to Registrar of his appointment for the year 2013-2014	27/08/2013	Yes	N.A.
2	Form 23C	233B(2)	Application to the Central Government for appointment of cost auditor	29/06/2013	Yes	N.A.
3	Form 5INV	Pursuant to rule 3 of the Investor Education and Protection Fund Rules, 2012	Statement of unclaimed and unpaid amounts for the Financial Year ended 31/03/2013	30/12/2013	Yes	N.A.
4	Secretarial Compliance Report Form 66	383A	Compliance Certificate as on 31/03/2013	16/09/2013	Yes	N.A.
5	Form 20B	159	Annual Return	19/10/2013	Yes	N.A.
6	Form 23AC, ACA, XBRL	220	Annual Report for the financial year ended 31/03/2013	19/09/2013	Yes	N.A.

INDEPENDENT AUDITORS' REPORT

To the Members of BLUE CHIP TEX INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Blue Chip Tex Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

BLUE CHIP TEX INDUSTRIES LTD.

2. As required by Section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Rajendra & Co.**
Chartered Accountants
(Registration No. 108355W)

Sd/-
Akshay R. Shah
Partner

Membership No.: 103316

Mumbai
Dated : 26th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the Management during the year, 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) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The discrepancies noticed on physical verification of stock as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or any other parties covered in the register maintained under section 301 of the Act. Hence, clause (iii) of para 4 of the aforesaid Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, have been so entered.
 - (b) In respect of transactions for purchase and sale of goods and job work charges made in pursuance of contracts or arrangements entered in the register maintained under section 301, of the Companies Act, 1956, in excess of ₹ 5 Lakhs, we have been informed that the same have been made at prices which are reasonable having regard to the prevailing market conditions.
6. The Company has not accepted any deposits from the public.
7. The Company did not have an internal audit system during the year but its internal control procedures ensure reasonable internal checking for its financial and other records.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed 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.
9. In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax,

BLUE CHIP TEX INDUSTRIES LTD.

Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable:

- (b) According to the information and explanations given to us, there are no disputed statutory dues pending as on 31st March, 2014 except for disputed income tax liability of ₹ 4,38,920/- related to Assessment Year 2009-2010, ₹ 3,71,690/- related to Assessment Year 2010-2011 and ₹ 2,82,270/- related to Assessment Year 2011-12, which are pending before the Income Tax Officer for rectification.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
 11. In our opinion and according to the Information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. There are no borrowings from Financial Institutions or by way of Debentures.
 12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
 14. The Company is not dealing or trading in Shares, Securities or other investments. The investments made by the company are held in its own name.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
 16. According to the information and explanations given to us, the term loans raised by the Company during the year were utilized for the purpose for which the same were taken.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not used funds raised on short-term basis for long-term investment.
 18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money by way of public issue during the year.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **Rajendra & Co.**
Chartered Accountants
(Registration No. 108355W)

Sd/-
Akshay R. Shah
Partner

Mumbai
Dated : 26th May, 2014

Membership No.: 103316

29th ANNUAL REPORT 2013-14

BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTE No.	As at		As at	
		31 st March 2014		31 st March 2013	
		₹	₹	₹	₹
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1	1,97,55,450		1,97,55,450	
(b) Reserves and Surplus	2	3,13,07,535	5,10,62,985	2,25,15,564	4,22,71,014
Non-Current Liabilities					
(a) Long Term Borrowings	3	3,38,94,384		4,37,02,095	
(b) Deferred Tax Liability (Net)	4	83,14,473		60,65,169	
(c) Long-term Provisions	5	85,161	4,22,94,018	53,002	4,98,20,266
Current Liabilities					
(a) Short Term Borrowings	6	1,61,94,454		1,53,51,221	
(b) Trade Payables	7	3,01,33,052		62,86,634	
(c) Other Current Liabilities	8	4,31,77,462		6,73,20,199	
(d) Short-term Provisions	9	47,34,929	9,42,39,897	20,93,534	9,10,51,588
TOTAL			18,75,96,900		18,31,42,868
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	11,66,72,239		12,85,36,334	
(ii) Capital Work-in-progress	10	1,07,87,036		—	
(b) Non-Current Investments	11	4,500		4,500	
(c) Long Term Loans and Advances	12	1,34,35,137	14,08,98,912	88,97,663	13,74,38,497
Current Assets					
Inventories	13	1,45,26,890		1,47,27,030	
Trade Receivables	14	2,03,35,948		2,05,92,134	
Cash and Cash Equivalents	15	1,01,84,350		91,98,564	
Short Term Loans and Advances	16	1,6,50,800		11,86,643	
			4,66,97,988		4,57,04,371
TOTAL			18,75,96,900		18,31,42,868

Significant Accounting Policies

Notes on Financial Statements **1 to 30**

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**
Registration No. 108355W
Chartered Accountants

sd/-
Nand Khemani
Managing Director

sd/-
Akshay R. Shah
Partner
Membership No. 103316
Place: Mumbai
Dated: 26th May, 2014

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 26th May, 2014

BLUE CHIP TEX INDUSTRIES LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE NO.	2013-14 ₹	2012-13 ₹
INCOME			
Revenue from Operations	17	71,44,75,984	55,00,82,227
Other Income	18	22,16,751	18,97,419
Total Revenue		71,66,92,735	55,19,79,646
EXPENDITURE			
Cost of Materials Consumed	19	60,54,78,633	44,39,44,012
Changes in Inventories of Finished Goods,	20	(5,06,714)	20,10,548
Employee Benefits Expense	21	56,17,600	41,90,138
Finance Costs	22	1,10,85,957	1,39,13,065
Depreciation and Amortisation Expense		1,15,02,737	1,10,07,914
Other Expenses	23	6,59,46,783	7,04,29,136
Total Expenses		69,91,24,996	54,54,94,813
Profit before taxes		1,75,67,739	64,84,833
Tax Expenses			
Current Tax - for the current year		37,60,000	13,00,000
Deferred Tax		22,49,304	19,07,970
Profit after tax		1,15,58,435	32,76,863
Earnings per equity share of face value of ₹10 each			
Basic and Diluted	26	5.87	1.66
Significant Accounting Policies			
Notes on Financial Statements			

As per our report of even date

For **Rajendra & Co.**
Registration No. 108355W
Chartered Accountants

sd/-
Akshay R. Shah
Partner
Membership No. 103316
Place: Mumbai
Dated: 26th May, 2014

For and on behalf of the Board

sd/-
Nand Khemani
Managing Director

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 26th May, 2014

29th ANNUAL REPORT 2013-14

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013 - 2014	2012 - 2013
	₹	₹
A. Cash flow from Operating Activities		
Profit before Tax	1,75,67,739	64,84,833
Adjustment for:		
Depreciation	1,15,02,737	1,10,07,914
Provision for Gratuity and Leave encashment	79,320	57,667
Share of Loss from Partnership Firm	1,16,304	1,43,719
Loss on sale of Long term investments	—	2,95,766
Loss on fixed assets discarded	2,22,950	—
Interest Received	(8,58,949)	(8,84,154)
Interest Paid to a Partnership firm	25,07,534	23,87,344
Interest Paid to banks and others	84,79,522	1,14,16,962
Bad debts	32,872	—
Debit balances written off	60,984	11,512
Credit balances written back	(9,857)	—
Dividend Received	(3)	(48,828)
Operating Profit before Working Capital Changes	3,97,01,153	3,08,72,735
Adjustment for:		
Inventories	2,00,140	48,90,220
Trade and other receivables	(48,39,301)	82,97,429
Trade and other payables	2,63,75,713	(3,57,03,985)
Cash generated in Operations	6,14,37,705	83,56,399
Income taxes paid	(18,57,382)	(19,57,930)
Net Cash inflow from Operating Activities (A)	5,95,80,323	63,98,469
B. Cash flow from Investing Activities		
Proceeds from Long Term investments	—	41,04,234
Withdrawals from (Contributions to) a Firm - net	(3,75,50,000)	3,32,75,000
Proceeds from Sale of fixed assets	2,05,000	—
Purchase of fixed assets	(27,94,061)	(1,22,91,389)
Interest received	8,58,949	8,84,154
Dividend received	3	48,828
Net Cash used in Investing Activities (B)	(3,92,80,109)	2,60,20,827
C. Cash flow from Financing Activities		
Proceeds from secured loans	8,43,233	12,80,000
Repayment of secured loans	(97,82,613)	(2,11,98,637)
Dividend paid (Including tax on dividend)	(18,95,526)	(15,71,173)
Interest paid to banks and others	(84,79,522)	(1,14,16,962)
Net Cash inflow from Financing Activities (C)	(1,93,14,428)	(3,29,06,772)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	9,85,786	(4,87,476)
Cash and cash equivalents at the beginning of the year	91,98,564	96,86,040
Cash and cash equivalents at the end of the year	1,01,84,350	91,98,564

NOTES TO CASH FLOW STATEMENT

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

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**
Registration No. 108355W
Chartered Accountants

sd/-
Nand Khemani
Managing Director

sd/-
Akshay R. Shah
Partner
Membership No. 103316
Place: Mumbai
Dated: 26th May, 2014

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 26th May, 2014

BLUE CHIP TEX INDUSTRIES LTD.

SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts:

The Financial Statements have been prepared on accrual basis and on historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. All costs including cost of financing till commencement of commercial production are capitalised.

d) Depreciation:

Depreciation on furniture is provided on written down value basis and on all other assets on straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

e) Investments:

Investments classified as Long-Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

f) Inventories:

Items of Inventories are valued as under:

I. Packing Material and Oil :

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

II. Raw Materials:

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

III. Finished Goods (manufactured):

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

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

g) Employee Benefits :

Short term Employee Benefits are recognised as an Expense at the undiscounted amount in the Profit & Loss Account of the year in which related service is rendered. Post employment and other

long term employee benefits are recognised as expense in the Profit & Loss Account for the year in which the Employees have rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques.

h) Income taxes:

Income taxes are accounted for in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, (AS 22) issued by The Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured at relevant enacted or substantially enacted tax rates. At each Balance sheet date, the company reassesses unrealised deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

i) Revenue Recognition:

- Revenue on sale of products is recognised when the products are despatched to the customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. The sales are stated net of returns.
- Revenue from sale of power produced on generation of electrical energy is accounted when electricity is delivered at the metering point in terms of power purchase agreement with the customer.
- Revenue in respect of insurance or other claims, quantity discount on purchase, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

j) Provisions, Contingent liabilities and Contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

k) Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

l) Borrowing costs:

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

BLUE CHIP TEX INDUSTRIES LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note No.

1 SHARE CAPITAL:

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
Authorised Share Capital				
25,00,000 (25,00,000) Equity Shares of ₹10 each		2,50,00,000		2,50,00,000
		2,50,00,000		2,50,00,000
Issued, Subscribed and Paid up				
19,70,500 (19,70,500) Equity Shares of ₹10 each fully paid up	1,97,05,000		1,97,05,000	
Add: Forfeited Shares	50,450		50,450	
		1,97,55,450		1,97,55,450
TOTAL		1,97,55,450		1,97,55,450

1.1 All the equity shares carry equal rights and obligations including for dividend and with respect to voting.

1.2 The details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	% held	No. of Shares	% held
1 Beekaylon Synthetics Private Limited	4,88,988	24.82	4,88,988	24.82
2 Indotex Export House Private Limited	2,08,300	10.57	2,08,300	10.57
3 Sangam Syntwist Textile Private Limited	1,62,100	8.23	1,62,100	8.23

2 RESERVES AND SURPLUS:

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
Capital Reserve No.1				
(Central Government Investment subsidy for unit in Backward Area)				
As per last Balance sheet		25,00,000		25,00,000
Capital Reserve No.2				
(Amount forfeited on equity shares warrants)				
As per last Balance sheet		15,600		15,600

29th ANNUAL REPORT 2013-14

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
Securities Premium				
As per last Balance sheet		33,80,363		33,80,363
General Reserve				
As per last Balance sheet	29,57,829			29,57,829
Add: Transferred from surplus in statement of profit and loss	11,56,000	41,13,829		
Profit and Loss Account				
As per last Balance sheet	1,36,61,772		1,24,59,757	
Add : Profit for the year	1,15,58,435		32,76,863	
	2,52,20,207		1,57,36,620	
Less: Appropriations				
Transferred to General Reserve	11,56,000		—	
Proposed Dividend on Equity Shares [Dividend per share ₹ 1.20 (Previous year Re.0.90)]	23,64,600		17,73,450	
Tax on Dividend	4,01,864	2,12,97,743	3,01,398	1,36,61,772
TOTAL		3,13,07,535		2,25,15,564

3 LONG TERM BORROWINGS:

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
Secured				
Term Loans - From Banks		4,29,68,658		5,23,43,658
Less : Short Term Maturities of Term Loans	(93,75,000)	3,35,93,658	(93,75,000)	4,29,68,658
Secured Vehicle Loans	7,33,437		11,41,050	
Less : Short Term Maturities of Vehicle Loans	(4,32,711)	3,00,726	(4,07,613)	7,33,437
TOTAL		3,38,94,384		4,37,02,095

3.1 Term Loans from Axis Bank Ltd.

Term Loans from Axis Bank Ltd. aggregating to ₹4,29,68,658/- (Previous Year ₹ 5,23,43,658/-) is secured by Primary Security: Extension of first charge on entire current assets of the company, both present and future.

Collateral Security : Extension of first charge of the entire fixed assets of the company including equitable mortgage of land, building & including other immovable assets of the factory unit at Plot No.63-B (Approx.2000 sq.mtr. out of total plot area of 6822.50 sq.mtrs. On which the company is constructing factory building). Exclusive first charge over the entire movable/immovable assets of the wind power project at Thungavi.

BLUE CHIP TEX INDUSTRIES LTD.

- 3.2 Personal guarantee of the two directors of the company.
 3.3 Pledge of promoters equity shares at 30% of the total shareholding.
 3.4 Repayment Schedule and Rate of interest of Term Loans from Axis Bank Ltd. as set out below :

Repayment Schedule				
Year	2014-15	2015-16	2016-17	2017-18
₹	93,75,000	96,35,417	1,25,00,004	1,14,58,237
Rate of Interest	13.50%	13.50%	13.50%	13.50%

- 3.5 Vehicle Loan is secured by charge on the Specific Vehicle.
 3.6 Repayment Schedule and Rate of interest of Term Loan for Vehicles as set out below :

Repayment Schedule		
Year	2014-15	2015-16
Rs.	4,32,711	3,00,726
Rate of Interest	5.99%	5.99%

4 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Deferred Tax Liabilities		
Related to fixed assets	84,39,684	78,09,188
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961 and unabsorbed loss	1,25,211	17,44,019
TOTAL	83,14,473	60,65,169

5 LONG TERM PROVISIONS:

Provision for Gratuity	85,161	53,002
TOTAL	85,161	53,002

6 SHORT TERM BORROWINGS:

Secured #		
Bank Overdraft - Working capital loans	1,61,94,454	1,53,51,221
TOTAL	1,61,94,454	1,53,51,221

Primary Security: Extension of first charge on entire current assets of the company, both present and future.

Collateral Security : Extension of first charge of the entire fixed assets of the company including equitable mortgage of land, building & including other immovable assets of the factory unit at Plot No.63-B (Approx.2000 sq.mtr. out of total plot area of 6822.50 sq.mtrs. On which the company is constructing factory building). Exclusive first charge over the entire movable/immovable assets of the wind power project at Thungavi.

Personal guarantee of the two directors of the company.

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

29th ANNUAL REPORT 2013-14

	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
7 TRADE PAYABLES:		
Micro, Small and Medium enterprises *	—	—
Others #	<u>3,01,33,052</u>	<u>62,86,634</u>
TOTAL	<u>3,01,33,052</u>	<u>62,86,634</u>

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

Includes ₹ 2,40,67,076/- (Previous year ₹ 14,76,688/- payable to a related party - Beekaylon Synthetics Private Limited. [Refer Note No.27]

8 OTHER CURRENT LIABILITIES:		
Current Maturities of Long Term Loans (Secured) (Refer Note No.3)	93,75,000	93,75,000
Current Maturities of Vehicle Loan (Secured) (Refer Note No.3)	4,32,711	4,07,613
Creditors for Capital Goods	80,59,567	—
Unclaimed dividend *	8,61,826	6,82,504
Due to a firm wherein the Company is a Partner (Refer Note No. 27 and 29)	1,54,37,009	5,03,63,171
Other Payables **, #	90,11,349	64,91,911
TOTAL	<u>4,31,77,462</u>	<u>6,73,20,199</u>

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

** Includes Rs.5,00,000/- (Previous Year Rs.5,00,000/-) due to related party (Refer Note No.27)

Includes mainly statutory dues, security deposits and advances from customers

9 SHORT TERM PROVISIONS:		
Provision for Leave Encashment	62,111	14,950
Proposed dividend	23,64,600	17,73,450
Tax on dividend	4,01,864	3,01,398
Provision for tax (Net of Advance Tax paid)	19,06,354	3,736
TOTAL	<u>47,34,929</u>	<u>20,93,534</u>

BLUE CHIP TEX INDUSTRIES LTD.

Notes No. 10

FIXED ASSETS (AT COST)

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 01.04.2013	ADDITIONS	DEDUCTIONS	AS ON 31.03.2014	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
TANGIBLE ASSETS									
FREE HOLD LAND	45,22,633	—	—	45,22,633	—	—	—	45,22,633	45,22,633
BUILDINGS	5,57,71,907	—	—	5,57,71,907	18,29,125	—	75,30,169	4,82,41,738	5,00,70,863
PLANT AND MACHINERY	7,84,77,959	37,717	5,20,200	7,79,95,476	80,59,227	92,250	2,56,86,843	5,23,08,633	6,07,58,093
FACTORY EQUIPMENT	4,75,655	—	—	4,75,655	—	—	4,51,873	23,782	23,782
ELECTRICAL INSTALLATIONS	1,23,70,723	—	—	1,23,70,723	11,83,654	—	37,30,963	86,39,760	98,23,414
COMPUTER	1,39,500	28,875	—	1,68,375	24,012	—	71,862	96,513	91,650
FURNITURE AND FIXTURES	7,81,877	—	—	7,81,877	68,283	—	4,72,913	3,08,964	3,77,247
VEHICLE	35,62,483	—	—	35,62,483	3,38,436	—	10,32,267	25,30,216	28,68,652
TOTAL	15,61,02,737	66,592	5,20,200	15,56,49,129	1,15,02,737	92,250	3,89,76,890	11,66,72,239	12,85,36,334
PREVIOUS YEAR	14,19,56,258	1,41,46,479	—	15,61,02,737	1,10,07,914	—	2,75,66,403	12,85,36,334	—
Capital Work in Progress								1,07,87,036	—

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

10.2 Plant and Machinery includes Windmill.

29th ANNUAL REPORT 2013-14

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
11 NON CURRENT INVESTMENTS: (Long Term Investments)				
(i) Trade Investments (Unquoted)				
Investment in Partnership Firm				
Jay Gee Rayons (Refer Note 27 and 29)		4,500		4,500
TOTAL		4,500		4,500
12 LONG TERM LOANS AND ADVANCES:				
(i) Security Deposits		1,42,500		1,42,500
(ii) Other Loans and Advances #		1,32,92,637		87,55,163
TOTAL		1,34,35,137		88,97,663
# Includes mainly VAT Refund Receivable.				
13 INVENTORIES (As valued, verified and certified by the management)				
(i) Raw materials		48,34,669		51,64,422
(ii) Finished goods		87,52,240		82,45,526
(iii) Packing materials and oil		9,39,981		13,17,082
TOTAL		1,45,26,890		1,47,27,030
14 TRADE RECEIVABLES: (Unsecured and Considered Good)				
Over six months		3,33,771		2,83,019
Other debts #		2,00,02,177		2,03,09,115
TOTAL		2,03,35,948		2,05,92,134
# Includes ₹13,17,382/- (Previous year ₹9,80,929/-) from related party - Beekaylon Synthetics Private Limited. [Refer Note No.27]				
15 CASH AND CASH EQUIVALENTS:				
(i) Balances with banks				
(a) Current accounts - unclaimed dividend accounts		8,61,826		6,82,504
(b) Current accounts		39,71,218		35,40,474
(c) Fixed deposits accounts @ #		53,23,000	1,01,56,044	49,55,000
(ii) Cash on hand		28,306		20,586
TOTAL		1,01,84,350		91,98,564

@ Fixed deposit receipt of ₹ 16,98,000 (Previous year ₹13,30,000) of Dena Bank Ltd. pledged as margin money under bank's lien for guarantee given by the bank on behalf of the Company and Fixed deposit receipt of ₹36,25,000 (Previous year ₹36,25,000) of Axis Bank Ltd. pledged towards DSR money under bank's lien for term loan given by bank to the company.

Fixed Deposits with Bank includes ₹16,73,000 (Previous Year ₹15,05,000) with maturity of more than 12 months.

BLUE CHIP TEX INDUSTRIES LTD.

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
16 SHORT TERM LOANS AND ADVANCES:				
Others #		16,50,800		11,86,643
		<u>16,50,800</u>		<u>11,86,643</u>
# Includes mainly Prepaid expenses and Advances to Suppliers				
17 REVENUE FROM OPERATIONS:				
(a) Sale of Products				
Texturised and Twisted Yarn [Refer Note No.27]	70,61,70,564		54,19,13,795	
Power	<u>9,45,467</u>	<u>70,71,16,031</u>	<u>11,63,489</u>	54,30,77,284
(b) Sale of Services				
Job Work Income [Refer Note No.27]		<u>73,59,953</u>		<u>70,04,943</u>
		<u>71,44,75,984</u>		<u>55,00,82,227</u>
TOTAL		<u>71,44,75,984</u>		<u>55,00,82,227</u>
18 OTHER INCOME:				
Interest Income		8,58,949		8,84,154
Dividend Income - (On Long Term Investments)		3		48,828
Loss on sale of Long Term Investments (Net)		—		(2,95,766)
Sundry Income - (Inclusive Scrap sale)		51,942		32,927
Rent Income [Refer Note No.27]		12,96,000		12,25,500
Sundry Balances written back		<u>9,857</u>		<u>1,776</u>
TOTAL		<u>22,16,751</u>		<u>18,97,419</u>
19 COST OF MATERIAL CONSUMED (Indigenous):				
Yarn				
Opening Stock		51,64,422		70,82,097
Add: Purchases during the year [Refer Note No.27]		60,51,48,880		44,20,26,337
Less: Closing Stock		<u>48,34,669</u>		<u>51,64,422</u>
TOTAL		<u>60,54,78,633</u>		<u>44,39,44,012</u>
20 CHANGES IN INVESTORIES OF FINISHED GOODS:				
Inventories - at close				
Finished Goods		87,52,240		82,45,526
Inventories - at commencement				
Finished Goods		<u>82,45,526</u>		<u>1,02,56,074</u>
TOTAL		<u>(5,06,714)</u>		<u>20,10,548</u>

29th ANNUAL REPORT 2013-14

	As at 31 st March, 2014		As at 31 st March, 2013	
	₹	₹	₹	₹
21 EMPLOYEE BENEFITS EXPENSE:				
(a) Salaries and Wages (Refer Note No.27 ₹7,80,000 (Previous Year ₹7,80,000) paid to directors)		55,00,768		40,87,848
(b) Contribution to Provident Fund (Refer Note No.27.1)		97,111		86,795
(c) Staff Welfare Expenses		19,721		15,495
TOTAL		56,17,600		41,90,138
21.1 As per Accounting standard – 15 “Employees Benefits” the disclosure of Employees benefits as defined in the Accounting Standard are given below:				
Defined Contribution Plan :				
Employers contribution to Provident Fund ₹97,111 (Previous Year ₹ 86,795) charged to Profit & Loss account.				
Defined benefits Plan (Non funded) :				
The liability in respect of Gratuity has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹53,002 (Previous Year ₹9,628). Current Service Cost is ₹ 32,159 (Previous Year ₹43,374) and liability at the end of the year is ₹ 85,161 (Previous Year ₹53,002). The same have been provided for by way of charge to Profit & Loss account.				
The liability in respect of Leave Encashment has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹14,950 (Previous Year ₹657). Current Service Cost is ₹ 47,161 (Previous Year ₹14,293) and liability at the end of the year is ₹ 62,111 (Previous Year ₹14,950). The same have been provided for by way of charge to Profit & Loss account.				
22 FINANCE COST:				
Interest Expenses		1,09,87,056		1,38,04,306
Other Borrowing Costs		98,901		1,08,759
TOTAL		1,10,85,957		1,39,13,065
22.1 Interest expenses includes ₹25,07,534 (Previous year ₹46,54,262) to a related party - [Refer Note No.27]				
23 OTHER EXPENSES:				
(a) Manufacturing expenses				
Packing materials [Refer Note No.27]	1,51,13,228		1,58,93,815	
Stores, Spares and Oil consumed	1,59,40,392		1,72,34,773	
Power and fuel	2,06,11,115		2,03,00,145	
Contract labour charges	26,60,945		39,39,272	
Job work charges [Refer Note No.27]	6,22,827		11,34,732	
Repairs to Building	1,14,253		16,73,894	
Repairs to Plant and Machinery	18,20,944		27,88,394	
Rent [Refer Note No.27]	6,00,000		54,000	
Rates and taxes	13,849		14,263	
Insurance [Refer Note No.27]	1,31,965	5,76,29,518	1,00,194	6,31,33,482

BLUE CHIP TEX INDUSTRIES LTD.

	As at		As at	
	31 st March, 2014		31 st March, 2013	
	₹	₹	₹	₹
(b) Establishment Expenses				
Payment to Auditors [Refer Note No.25]	2,70,220		1,89,158	
Directors sitting fees [Refer Note No.27]	6,744		5,492	
Share of Loss from a Partnership Firm [Refer Note No.27 and 29]	1,16,304		1,43,719	
Donation	13,000		—	
Loss on sale of Assets	2,22,950		—	
Miscellaneous expenses	19,26,090	25,55,308	20,03,020	23,41,389
[Refer Note No.27 for security charges paid to related party]				
(c) Selling and Distribution Expenses				
Brokerage and Commission	55,30,413		47,64,327	
Bad Debts	32,872		—	
Freight Charges	1,98,672	57,61,957	1,89,938	49,54,265
TOTAL		6,59,46,783		7,04,29,136
24 VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:				
	As at		As at	
	31 st March, 2014		31 st March, 2013	
	₹	%	₹	%
Imported	—	—	—	—
Indigenous	3,10,53,620	100%	3,31,28,588	100%
TOTAL	3,10,53,620	100%	3,31,28,588	100%
25 PAYMENT TO AUDITORS AS:				
	F.Y.2013-14		F.Y.2012-13	
(a) Auditor				
Statutory Audit Fees	1,57,304		1,40,450	
Tax Audit Fees	39,326		33,708	
Certification Fees - Transfer Price	28,090		—	
Out of Pocket Expenses	556		—	
(b) Cost Audit Fees	44,944		15,000	
TOTAL	2,70,220		1,89,158	
26 EARNING PER SHARE:				
	F.Y.2013-14		F.Y.2012-13	
a. Net Profit after tax				
Profit attributable to Equity Shareholders	1,15,58,435		32,76,863	
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)	5.87		1.66	

29th ANNUAL REPORT 2013-14

27 RELATED PARTY DISCLOSURES:

a) Names of related parties and description of relationship:

- i. Key Management Personnel : Mr. Nand K. Khemani
Mr. Ashok K. Khemani
Mr. Kumar Nathani
Mr. Anil Mandhana
Mr. Rahul A. Khemani
Mr. Shahin N. Khemani
- ii. Others (Entities in which Key Management Personnel have control or significant influence)
Beekaylon Synthetics Private Limited
Indo Leather Works
Jay Gee Rayons

b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others ₹	Key Management Personnel and Relatives ₹	Total ₹
1	Security Deposit Received Balance as at 31st March, 2014 Beekaylon Synthetics Pvt. Ltd.	5,00,000 (5,00,000)	Nil (Nil)	5,00,000 (5,00,000)
2	Rent Received on Factory Building Beekaylon Synthetics Pvt. Ltd.	12,96,000 (12,25,500)	Nil (Nil)	12,96,000 (12,25,500)
3	Rent Paid Indo Leather Works	6,00,000 (54,000)	Nil (Nil)	6,00,000 (54,000)
4	Insurance Premium (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	1,85,402 (154,651)	Nil (Nil)	1,85,402 (1,54,651)
5	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.	55,58,52,027 (34,20,34,668)	Nil (Nil)	55,58,52,027 (34,20,34,668)
6	Job Work Charges Beekaylon Synthetics Pvt. Ltd.	6,22,827 (10,81,995)	Nil (Nil)	6,22,827 (10,81,995)
7	Packing Material (Purchased) Beekaylon Synthetics Pvt. Ltd.	Nil (12,32,930)	Nil (Nil)	Nil (12,32,930)
8	Security Charges (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	5,94,128 (5,98,304)	Nil (Nil)	5,94,128 (5,98,304)
9	Packing Material (Sales) Beekaylon Synthetics Pvt. Ltd.	Nil (12,89,637)	Nil (Nil)	Nil (12,89,637)

BLUE CHIP TEX INDUSTRIES LTD.

Sr. No.	Nature of Transactions	Others	Key Management Personnel and Relatives	Total
		(₹)	(₹)	(₹)
10	Sale of goods Beekaylon Synthetics Pvt. Ltd.	2,90,44,957 (1,93,62,523)	Nil (Nil)	2,90,44,957 (1,93,62,523)
11	Job Work (Income) Beekaylon Synthetics Pvt. Ltd.	73,59,953 (70,04,943)	Nil (Nil)	73,59,953 (70,04,943)
12	Remuneration to Director Rahul A. Khemani	Nil (Nil)	2,40,000 (2,40,000)	2,40,000 (2,40,000)
	Shahin N. Khemani	Nil (Nil)	5,40,000 (5,40,000)	5,40,000 (5,40,000)
13	Sitting Fees Anil Mandhana	Nil (Nil)	3,372 (1,124)	3,372 (1,124)
	Kumar Nathani	Nil (Nil)	3,372 (4,368)	3,372 (4,368)
14	Interest Paid Beekaylon Synthetics Pvt. Ltd.	Nil (22,66,918)	Nil (Nil)	Nil (22,66,918)
15	Interest to Partnership Firm Jay Gee Rayons	25,07,534 (23,87,344)	Nil (Nil)	25,07,534 (23,87,344)
16	Share of Loss from Partnership Firm Jay Gee Rayons	1,16,304 (1,43,719)	Nil (Nil)	1,16,304 (1,43,719)
17	Balance Recoverable /Receivable Beekaylon Synthetics Pvt. Ltd.	13,17,382 (9,80,929)	Nil (Nil)	13,17,382 (9,80,929)
18	Balance Payable Beekaylon Synthetics Pvt. Ltd.	2,40,67,076 (14,76,688)	Nil (Nil)	2,40,67,076 (14,76,688)
19	Investment in Partnership Firm Jay Gee Rayons	4,500 (4,500)	Nil (Nil)	4,500 (4,500)
20	Withdrawals during the year Jay Gee Rayons	64,50,000 (3,32,75,000)	Nil (Nil)	64,50,000 (3,32,75,000)
21	Contribution during the year Jay Gee Rayons	4,40,00,000 (Nil)	Nil (Nil)	4,40,00,000 (Nil)
22	Balance as at 31 st March, 2014 Jay Gee Rayons Payable	1,54,37,009 (5,03,63,170)	Nil (Nil)	1,54,37,009 (5,03,63,170)

29th ANNUAL REPORT 2013-14

- 27.1 Related party relationship is as identified by the management and relied upon by the Auditors.
 27.2 Previous year figures are given in brackets.
 27.3 Amount includes service tax paid under Reverse Charge Mechanism during the year 2013-14.

28 CONTINGENT LIABILITIES AND COMITMENTS:

(To the extent not provided for)

(i) In respect of Disputed Income Tax Liabilities/Demand :

	F.Y.2013-14	F.Y.2012-13
Disputed Income Tax liability of assessment year 2009-10	4,38,920	4,38,920
Disputed Income Tax liability of assessment year 2010-11	3,71,690	3,71,690
Disputed Income Tax liability of assessment year 2011-12	2,82,270	2,82,270
(ii) Custom Duty in respect of future export obligation in accordance with EXIM Policy	1,14,51,974	86,57,406
(iii) Bank Guarantee Outstanding as at 31.03.2014	16,73,000	13,05,000

29 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:

Name of the Firm - Jay Gee Rayons

Name of the Partners	As at 31.03.2014			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	39,16,115	39,21,115	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(1,54,37,009)	(1,54,32,509)	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	51,20,798	51,25,298	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	1,91,35,065	1,91,39,565	9%
Mr. Roop K.Khemani	4,500	20,349	24,849	9%
Mr. Nand K. Khemani	4,500	20,352	24,852	9%
Mr. Ashok K. Khemani	4,500	20,404	24,904	9%
Mr. Rahul A. Khemani	4,500	20,407	24,907	9%
Mr. Ramesh R. Khemani	4,500	20,407	24,907	9%
Mr. Shahin N. Khemani	4,500	20,407	24,907	9%
Mr. Siddharth A. Khemani	4,500	20,407	24,907	9%
Total	50,000	1,28,77,702	1,29,27,702	

BLUE CHIP TEX INDUSTRIES LTD.

Name of the Partners	As at 31.03.2013			Share of Profit/Loss of each Partner
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	4,82,41,769	4,82,46,769	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(5,03,63,171)	(5,03,58,671)	9%
M/s.Indotex Export House Pvt. Ltd.	4,500	44,90,965	44,95,465	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	1,08,41,986	1,08,46,486	9%
Mr. Roop K.Khemani	4,500	(1,07,125)	(1,02,625)	9%
Mr. Nand K. Khemani	4,500	(1,07,125)	(1,02,625)	9%
Mr. Ashok K. Khemani	4,500	(1,07,070)	(1,02,570)	9%
Mr. Rahul A. Khemani	4,500	(1,07,070)	(1,02,570)	9%
Mr. Ramesh R. Khemani	4,500	(1,07,070)	(1,02,570)	9%
Mr. Shahin N. Khemani	4,500	(1,07,070)	(1,02,570)	9%
Mr. Siddharth A. Khemani	4,500	(1,07,070)	(1,02,570)	9%
Total	50,000	1,24,61,949	1,25,11,949	

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

30.2 The Company's main business segment is manufacturing of polyester yarn. Hence there are no separate reportable segments as per Accounting Standard 17 "Segment Reporting"- AS17.

As per our report of even date

For and on behalf of the Board

For **Rajendra & Co.**
Registration No. 108355W
Chartered Accountants

sd/-
Nand Khemani
Managing Director

sd/-
Akshay R. Shah
Partner
Membership No. 103316

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 26th May, 2014

Place: Mumbai
Dated: 26th May, 2014

29th ANNUAL REPORT 2013-14

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

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

CIN: L17100MH1985PLC037514

BLUE CHIP TEX INDUSTRIES LIMITED

Registered office: Jas Ville 2nd Floor, 9, New Marine Lines, Mumbai - 400 020

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature:..... or failing him

2. Name:

Address:

E-mail Id:

Signature:..... or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual general meeting of the company, to be held on Tuesday, 9th day of September, 2014 at 10 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai- 400 023 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

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

Signed this..... day of..... 2014

**Affix
Revenue
Stamp**

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BLUE CHIP TEX INDUSTRIES LTD.

ATTENDANCE SLIP

BLUE CHIP TEX INDUSTRIES LIMITED

Registered Office: Jas Vile 2nd Floor, 9, New Marine Lines, Mumbai 400020
CIN : L17100MH1985PLC037514

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the Member :	
Registered Folio No.:	No. of Shares held:
Client ID No.:	DP ID No.:

(Please write your name in BLOCK Letters)

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company scheduled to be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 023 on Tuesday, 9th September 2014 at 10 A.M.

Members/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTES :

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

BOOK-POST

If Undelivered, please return to :
BLUE CHIP TEX INDUSTRIES LTD
Jasville, 2nd Floor,
Opp. Liberty Cinema,
9, New Marine Lines,
Mumbai 400 020.

aplus99@gmail.com