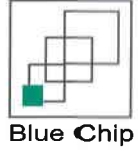




TEX INDUSTRIES LTD.



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

Date: 2nd September, 2020

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

Scrip Code: 506981

Dear Sir / Madam,

Sub: Submission of Notice convening 35th Annual General Meeting and Annual Report of Blue Chip Tex Industries Limited for the Financial Year 2019-20.

With reference to the captioned subject and in continuation to our letter dated 19th August, 2020, informing the date of the 35th Annual General Meeting, we are enclosing herewith the Notice convening 35th Annual General Meeting and Annual Report of the Company for the Financial Year 2019-20 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

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

Thanking you,

Yours faithfully,

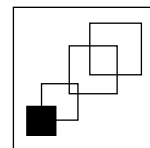
For Blue Chip Tex Industries Limited

Bhumit .M. Dharod

Bhumit .M. Dharod
Company Secretary
Membership No. A51555



Encl: as above



BLUE CHIP TEX INDUSTRIES LIMITED



35th Annual Report 2019-2020

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CORPORATE INFORMATION

BOARD OF DIRECTORS & KMP

Mr. Ashok .K. Khemani

Managing Director (till 31st August, 2020)
DIN: 00053623

Mr. Shahin .N. Khemani

Managing Director (w.e.f. 1st September, 2020)
DIN: 03296813

Mr. Rahul .A. Khemani

Chief Financial Officer & Executive Director
DIN: 03290468

Mr. Shatrughun .N. Jiwnani

Independent Director (w.e.f. 6th January, 2020)
DIN: 07247441

Ms. Shraddha .M. Teli

Independent Director
DIN: 06976334

Mr. Rohit .P. Bajaj

Independent Director (w.e.f. 6th January, 2020)
DIN: 08646838

Mr. Bhumit .M. Dharod

Company Secretary
Membership No. A51555

STATUTORY AUDITORS

D K P & Associates

SECRETARIAL AUDITORS

Pramod S. Shah & Associates

COST AUDITORS

NKJ & Associates

INTERNAL AUDITORS

Raju Gupta & Associates

BANKER

Axis Bank Limited

REGISTERED OFFICE

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

FACTORY

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

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

INVESTOR E-MAIL ID

bluechiptex@gmail.com

WEBSITE

www.bluechiptexindustrieslimited.com

CORPORATE IDENTITY NUMBER

L17100DN1985PLC005561

Blue Chip Tex Industries Limited

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NOTICE

NOTICE is hereby given that the 35th Annual General Meeting (AGM) of the Members of Blue Chip Tex Industries Limited will be held on Tuesday, 29th September, 2020 at 12 noon IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

- 2) To declare final dividend of ₹ 1.80 /- per equity share for the financial year ended 31st March, 2020 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT a dividend at the rate of ₹ 1.80 /- (One Rupee and Eighty Paise only) per equity share of ₹ 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March, 2020.”

- 3) To appoint a Director in place of Mr. Rahul .A. Khemani (DIN: 03290468), who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Rahul .A. Khemani (DIN: 03290468), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

Special Business:

- 4) Ratification of remuneration of Cost Auditors for the financial year 2020-21 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) , the remuneration payable during the year 2020-21 to M/s NKJ & Associates, Practising Cost Accountants, Navi Mumbai, (Firm Registration No.101893) who have been appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, amounting to ₹ 40,000/- exclusive of Goods and Service Tax and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the Audit be and is hereby ratified and confirmed;

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

Blue Chip Tex Industries Limited

- 5) To appoint Mr. Rohit .P. Bajaj (DIN: 08646838) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and 161 of the Companies Act, 2013 (the Act) read with Schedule IV and other applicable provisions of the Act, 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 Articles of Association of the Company, Mr. Rohit .P. Bajaj (DIN: 08646838), who was appointed as an Additional Director (Category: Non-Executive Independent Director) of the Company, with effect from 6th January, 2020, by the Board and who holds office up to the date of this Annual General Meeting, has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and whose candidature for the office of Director has been recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 (three) years, commencing from 6th January, 2020 up to 5th January, 2023 (both days inclusive);

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, incidental and/or ancillary thereto to give effect to the aforesaid resolution.”

- 6) To appoint Mr. Shatrughun .N. Jiwnani (DIN: 07247441) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and 161 of the Companies Act, 2013 (the Act) read with Schedule IV and other applicable provisions of the Act, 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 Articles of Association of the Company, Mr. Shatrughun .N. Jiwnani (DIN: 07247441), who was appointed as an Additional Director (Category: Non-Executive Independent Director) of the Company, with effect from 6th January, 2020, by the Board and who holds office up to the date of this Annual General Meeting, has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and whose candidature for the office of Director has been recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 4 (four) years, commencing from 6th January, 2020 up to 5th January, 2024 (both days inclusive);

RESOLVED FURTHER THAT the Board of Directors or Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, incidental and/or ancillary thereto to give effect to the aforesaid resolution.”

- 7) To re-designate and appoint Mr. Shahin .N. Khemani (DIN: 03296813) as the Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, consent of the Members of the Company be and is hereby accorded to re-designate and appoint

Mr. Shahin .N. Khemani (DIN: 03296813) as Managing Director of the Company for a period of 5 (five) years with effect from 1st September, 2020 to 31st August, 2025 (both days inclusive) not liable to retire by rotation on the following key terms and conditions including remuneration:

- Term: 1st September, 2020 to 31st August, 2025 (both days inclusive)
- Salary: ₹ 30,00,000/- p.a. (Rupees Thirty Lakhs per annum) up to a maximum of ₹ 36,00,000/- p.a. (Rupees Thirty Six Lakhs per annum). The annual increment which will be effective 1st April, each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee ('NRC'). The recommendation of NRC will be based on Company performance and individual performance.
- Other payments: Reimbursement of out of pocket expenses incurred in the course of business of the Company.

RESOLVED FURTHER THAT the aforesaid remuneration is subject to the condition that:

- a. the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of 5% (five percent) of the net profits of the Company as applicable to each of the Managing / Whole time Directors of the Company and / or 10% (ten percent) of the net profits of the Company for all Managing / Whole-time Directors in accordance with the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V including any statutory amendments, modifications or re-enactment thereof, as may be made thereto and for the time being in force or
- b. if the Remuneration exceeds the limits as prescribed in the provisions of Section 197 of the Companies Act, 2013, the remuneration payable shall be within the maximum permissible limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 without obtaining the approval of the Central Government in case of no profits/inadequate profits;

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, as mentioned above be paid as minimum remuneration to Mr. Shahin N. Khemani as the Managing Director of the Company;

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to relocate, re-allocate, re-designate, vary, alter, increase, enhance or widen the terms and conditions of appointment and the remuneration payable to the appointee, from time to time, as they may in their discretion deem fit within the limits and conditions mentioned in this resolution;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, deeds, applications, returns, letters and such other writings as may be considered necessary, proper, desirable or expedient."

- 8) To appoint Mr. Siddharth .A. Khemani (DIN:08842398) as Non-Executive, Non Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the

Blue Chip Tex Industries Limited

time being in force), Articles of Association of the Company and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Siddharth .A. Khemani (DIN: 08842398), be and is hereby appointed as a Non-Executive, Non Independent Director of the Company with effect from 1st October, 2020 liable to retire by rotation on the following key terms and conditions:

- Appointment effective from: 1st October, 2020
- Sitting Fees: ₹ 5,000/- per Board Meeting
- Other payments: Reimbursement of out of pocket expenses incurred in the course of business of the Company.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to relocate, re-allocate, re-designate, vary, alter, increase, enhance or widen the terms and conditions of appointment and the sitting fees payable to the appointee, from time to time, as they may in their discretion deem fit within the limits and conditions mentioned in this resolution;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, deeds, applications, returns, letters and such other writings as may be considered necessary, proper, desirable or expedient.”

- 9) To increase the overall managerial remuneration and in this regard to consider and if though fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of sections 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, consent of the Members of the Company be and is hereby accorded to increase the overall limit of managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year from 11 % (Eleven Percent) to 20 % (Twenty Percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns, and such other writings as may be considered necessary, proper, desirable or expedient.”

- 10) To create charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such

approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after called “the Board” which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or create charge on all or any one or more of the movable/ immovable properties or such other assets of the Company, where so ever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the lenders to secure any fund based and/or non-fund based facilities not exceeding ₹ 100 crore (Rupees One Hundred Crore Only) together with interest thereon at the respective agreed rate(s), compound interest, additional interest, and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board;

RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/or for creating together aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution.”

- 11) Keeping registers, returns, etc. at a place other than Registered Office and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 94 of the Companies Act, 2013 (“the Act”) and all other applicable provisions of the Act read with the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and is hereby accorded to keep : (a) the Register of Members and other registers / records to be maintained under Section 88 of the Act and such other records and documents incidental / ancillary thereto at the office of the Company’s Registrar and Share Transfer Agent i.e. M/s. Bigshare Services Private Limited at 1st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri-East, Mumbai – 400059; and (b) the copies of Annual Returns filed under Section 92 of the Act and such other records and documents incidental / ancillary thereto and such other records / documents, as may be permissible under the Act or any other applicable law from time to time, at the Corporate Office of the Company at Office no. 15/16/17, 1st floor, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021;

RESOLVED FURTHER THAT any Director of the Company or Company Secretary be and are hereby severally authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.”

By order of the Board of Directors

Place: Mumbai
Date: 19th August, 2020

Bhumit .M. Dharod
Company Secretary
Membership No. ACS 51555

Registered Office:

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

Blue Chip Tex Industries Limited

Notes:

- 1) In view of the COVID-19 Pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular no. 20/ 2020 dated 5th May, 2020 has allowed the companies to conduct their Annual General Meeting (“AGM”), during the calendar year 2020, through Video Conferencing (“VC”) or any Other Audio Visual Means (“OAVM”) in a manner provided in General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 issued by MCA.

Accordingly, in compliance with the requirements of the aforesaid MCA General Circulars, the Company is convening its 35th AGM through VC/OAVM, without the physical presence of the Members at a common venue and it shall be deemed that the same is held at the registered office of the company. The Company has availed the facility of Central Depository Services (India) Limited (“CDSL”) for convening the 35th AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in Note number 27 of this Notice.

- 2) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting i.e. on Tuesday, 29th September, 2020 from 11:45 a.m. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the “Act”).
- 3) The aforesaid MCA General Circular dated 5th May, 2020 read with MCA General Circular dated 13th April, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 have granted relaxations to the companies, with respect to printing and dispatching physical copies of the Annual Reports and Notices to members. Accordingly, the Company will only be sending soft copy of the Annual Report 2019-20 and Notice convening 35th AGM via e-mail, to the members whose e-mail ids are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/ Depository as on the cut-off date Friday, 28th August, 2020.
- 4) For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday, 28th August, 2020, being the cut-off date for sending soft copy of the Notice of 35th AGM and Annual Report, may refer to the Notice of 35th AGM and Annual Report which is available on the Company’s website, on the websites of CDSL and BSE.
- 5) Members may also note that the Notice convening the 35th AGM and the Annual Report for the financial year 2019-20, in Portable Document Format (PDF), will also be available on the Company’s website www.bluechiptexindustrieslimited.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchange viz. www.bseindia.com. The relevant documents, if any, referred to in the Notice of 35th AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 35th AGM of the Company.
- 6) Generally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 7) Pursuant to the provisions of Sections 112 and 113 of the Act, members such as the President of India/ the Governor of a State/Body Corporate can authorize their representatives to attend the 35th AGM through VC/OAVM and cast their votes through e-voting. Provided a scan copy (PDF) of the Board

Resolution or governing body Resolution/Authorization etc., authorizing such representative to attend the AGM of the Company through VC/OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at pramodshah361@gmail.com with a copy marked to the Company at bluechiptex@gmail.com.

- 8) A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
- 9) The relevant details, pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- 10) The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, 22nd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive). The dividend of ₹ 1.80/- (Rupee One and Eighty Paise only) per share on the Equity Shares of the Company of ₹ 10/- (Rupees Ten) each, if declared by the Members at the AGM, will be paid subject to deduction of income tax at source ("TDS") on or after Monday, 5th October, 2020 as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Monday, 21st September, 2020.
 - b. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Monday, 21st September, 2020.
- 11) Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1st April, 2020 shall be taxable in the hands of the Shareholders. The Company shall, therefore, be required to deduct Tax at Source (TDS) at the time of making payment of Final Dividend, if declared by the Shareholders. In order to enable the Company to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
 - a. For Resident Shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 at rate in force (at present 7.5%) on the amount of Dividend declared and paid by the Company during Financial Year 2020-21, provided Permanent Account Number (PAN) is registered by the Shareholder. If PAN is not registered, TDS would be deducted at rate in force (at present 20%) as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by such resident individual during the Financial Year 2020-21 does not exceed ₹ 5,000/-. Please note that this includes future dividends, if any, which may be declared by the Company during the Financial Year 2020-21.

Separately, in cases where a Shareholder provides Form 15G (applicable to any resident person other than a company or a firm) / Form 15H (applicable to a resident individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

- b. For Mutual Fund Shareholders, TDS is exempt under Section 10(23D), provided Mutual Funds provide SEBI Registration / Central Board of Direct Taxes (CBDT) notification and a declaration that their income is exempt under Section 10(23D) of the Income Tax Act, 1961.
- c. For Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the Income Tax Act, 1961, at applicable rate, including surcharge and cess.

Blue Chip Tax Industries Limited

- d. For Other Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961, at the rates in force. However, as per Section 90 of the Income Tax Act, 1961, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the Shareholder, if they are more beneficial to them. For this purpose, i.e., to avail the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following:
- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Shareholder is resident;
 - Self-declaration in Form 10F;
 - Self-attested copy of the Permanent Account Number (PAN) Card allotted by the Indian Income Tax authorities;
 - Self-declaration, certifying the following points:
 - i. Member is and will continue to remain a tax resident of the country of its residence during the Financial Year 2020-21;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - v. Member does not have a taxable presence or a permanent establishment in India during the Financial Year 2020-21.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident Shareholder.

Shareholders may make an online submission of Form 15G / 15H and Form 10F, along with the requisite supporting documents as mentioned above, as applicable, on the website of Bigshare (at www.bigshareonline.com). The Shareholders may also download these forms from Bigshare's website and send physical copies of the duly filled forms/documents to Bigshare's Office at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059, Maharashtra. The aforesaid declarations and documents need to be submitted by the Shareholders on or before Monday, 21st September, 2020 by 11.59 p.m. (IST) to Bigshare. It may please be noted that Forms received after the said date and incomplete or incorrect forms shall not be considered and shall not be eligible for non-deduction or lower deduction of tax.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible.

The Company shall arrange to e-mail the soft copy of TDS certificate to a Shareholder on its registered email ID in due course, post payment of the said Dividend.

- 12) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants ("DPs") with whom they are maintaining their demat accounts. Further, as per SEBI Circular dated 20th April,

2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

- 13) Members holding shares in electronic form may note that as per the circular issued by NSDL and CDSL, the Company is obliged to print on the dividend warrants, bank details of beneficiary owners/ Members as furnished by these Depositories while making payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Members are requested to advise such changes only to their DPs.
- 14) SEBI and the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment.

Members are advised to register/update their address, e-mail address and bank mandates (i.e. bank account number, name of the bank and the branch, 9 digit MICR Bank/Branch code, IFSC code and account type) to their DPs in case of shares held in electronic form and to the Company and/or its RTA in case of shares held in physical form for receiving dividend in their bank accounts and all communications, including Annual Report, Notices, Circulars etc. from the Company in the future.

For updating the email ids of the members, the Company had availed the facility of its RTA for sending messages through sms service to those members whose mobile number were available with us, requesting them to update their email id(s) with the Company/Registrar and Share Transfer Agent/ Depository Participant.

- 15) In case of remittance of dividend in future in electronic form, an intimation of the dividend payment would be sent to the members. In case of members who are not covered by NECS facility, the dividend amount will be remitted by means of dividend warrants/demand drafts which will be posted to their registered addresses, upon normalization of postal services and other activities.
- 16) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents ("RTA"), Bigshare Services Private Limited for assistance in this regard.
- 17) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.bluechiptexindustrieslimited.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
- 18) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 19) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 20) Members desiring any information on the annual financial statements or any other query related to the Annual Report are requested to write to the Company on or before Monday, 28th September, 2020 through email on bluechiptex@gmail.com. The same will be replied by the Company suitably.

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- 21) **Prevention of Frauds:** Members are advised to exercise due diligence and notify their Depository Participant (“DP”) of any change in address, stay abroad or demise of any shareholder as soon as possible. Do not leave your Demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified to prevent frauds/ misuse, if any.
- 22) **Confidentiality of Security Details:** Do not disclose Folio Nos. / DP ID/ Client ID to unknown persons. Do not hand over signed blank transfer deeds, delivery instruction slips to any unknown persons.
- 23) **IEPF INFORMATION:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

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

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

The details of unclaimed dividends and shares transferred to IEPF during financial year ended 31st March, 2020:

Date of Declaration of Dividend	Dividend for the Financial Year	Amount of unclaimed dividend transferred (In ₹)	No. of shares transferred	Date of Transfer of shares
17.09.2012	2011-2012	1,43,038	6308	14.11.2019

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

The details of unpaid and unclaimed dividends lying with the Company as on 31st March, 2019 are uploaded on the website of the Company and can be accessed through the link www.bluechiptexindustrieslimited.com/IEPF.html.

Due dates for transfer to IEPF, of the unclaimed/unpaid dividends for the financial year 2012-13 and thereafter, are as under:

Sr. No	Date of Declaration	Dividend for the year	Due date
1	21.08.2013	2012-2013	20.09.2020

Sr. No	Date of Declaration	Dividend for the year	Due date
2	09.09.2014	2013-2014	08.10.2021
3	23.07.2015	2014-2015	22.08.2022
4	16.07.2016	2015-2016	15.08.2023
5	29.08.2017	2016-2017	28.09.2024
6	11.09.2018	2017-2018	11.10.2025
7	21.09.2019	2018-2019	20.10.2026

It may be noted that the claimant of the Dividend shall be entitle to claim the amount of Dividend from Unpaid Equity Dividend Account in accordance with the procedure and submission of such documents as may be prescribed. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to RTA or to the corporate office of the Company at Office no. 15/16/17, 1st floor, Maker Chambers III, Jammalal Bajaj Road, Nariman Point, Mumbai – 400 021 for revalidation and encashed them before the due date for transfer to the Central Government.

- 24) Since the ensuing AGM will be convened through VC/OAVM, members can opt for one mode of voting i.e. either by remote e-voting or through e-voting at the time of AGM. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their vote on resolutions through remote e-voting or are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.
- 25) However, in case Members cast their vote both by remote e-voting and e-voting at the time of AGM, then voting done through remote e-voting shall prevail and voting done by e-voting at the time of AGM will be treated as invalid. **The voting right of all shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, 22nd September, 2020.**
- 26) **PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
- a. For Physical members- please provide necessary details like Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email at the Company's email id i.e. bluechiptex@gmail.com / RTA's email id i.e. investor@bigshareonline.com.
 - b. For members holding shares in Demat mode - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email at the Company's email id i.e. bluechiptex@gmail.com / RTA's email id i.e. investor@bigshareonline.com.
 - c. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned members.
- 27) **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
- a. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholders/members login where the EVSN of the Company will be displayed.

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- b. Members are encouraged to join the Meeting through Laptops/IPads for better experience.
- c. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at bluechiptex@gmail.com on or before Monday, 28th September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

28) VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be considered at the 35th AGM by electronic means and the business may be transacted through remote e-Voting Services. The facility of casting votes by the members using an electronic voting system on a day other than the day of AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

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

A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- a. The voting period begins on Saturday, 26th September, 2020 at 9:00 a.m. and ends on Monday, 28th September, 2020 at 5:00 p.m. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- b. Members who have already voted prior to the meeting date would not be entitled to vote on the day of AGM through e-voting.
- c. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- d. The members should log on to the e-voting website www.evotingindia.com.
- e. Click on "Shareholders/Members" module.
- f. Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- iii. members holding shares in Physical Form should enter Folio Number registered with the Company.
- g. Next enter the Image Verification as displayed and Click on Login.
- h. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- i. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is provided in the email body in 'PAN/ Sequence Number' field. • Members whose email id and PAN are not registered with the Company can avail the 'Sequence Number' by raising a request to the Company's RTA viz. Bigshare Services Private Limited at investor@bigshareonline.com. Members are requested to mention their details like Folio Number/ DP ID/Client ID and name of the Company, in their request.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (f).

- j. After entering these details appropriately, click on "SUBMIT" tab.
- k. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account 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.**
- l. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- m. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- n. 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.
- o. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
- p. 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.

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- q. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- r. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- s. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- t. Members can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

B. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- c. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.
- d. Members who have voted through remote e-voting will be eligible to attend the AGM, however, they will not be eligible to vote at the AGM.

C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:

- a. Non-Individual members (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- f. Alternatively Non-Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address i.e. pramodshah361@gmail.com and to the Company at the email address i.e. bluechiptex@gmail.com, if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding remote e-voting or e-voting at the time of AGM, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Alternatively, Members can contact Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, by writing to him at A Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013 or call on 022-23058542/43.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e. www.bluechiptexindustrieslimited.com and website of CDSL i.e. www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the equity shares of the Company are listed.

- 29) The requirement to place the matter relating to ratification of appointment of Statutory Auditors by Members at every Annual General Meeting is done away with as per Point no. 40 of Companies (Amendment) Act, 2017 vide notification dated 7th May, 2018 issued by Ministry of Corporate Affairs. Accordingly, no resolution was proposed for ratification of appointment of M/s. D K P & Associates, Chartered Accountants, who are the Statutory Auditors of the Company and were appointed at the 32nd Annual General Meeting held on 29th August, 2017. Further, they have confirmed that they are eligible in terms of Section 141 of Act to continue as Statutory Auditors of the Company. The details of remuneration paid to Auditors is provided in the Annual Accounts for the year ended 31st March, 2020.
- 30) Since the 35th AGM will be held through VC/OAVM, the Route Map to the venue of AGM as per the requirements of Secretarial Standards – 2 is not annexed to this Notice.

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

Item No. 4 (Ratification of remuneration of Cost Auditors for the financial year 2020-21)

The Company is required under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of M/s NKJ & Associates, Practising Cost Accountant, Navi Mumbai, (Firm Registration No.101893) as the Cost Auditor of the Company for the Financial Year 2020-21.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending 31st March, 2021.

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

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

Item No. 5 (To appoint Mr. Rohit .P. Bajaj (DIN: 08646838) as an Independent Director)

On the recommendation of the Nomination and Remuneration Committee and pursuant to Section 149 & 161(1) of the Companies Act, 2013 and Article 140 of the Articles of Association of the Company, the Board of Directors, appointed Mr. Rohit .P. Bajaj (DIN: 08646838) as an Additional Director (Category: Non-Executive Independent Director) of the Company with effect from 6th January, 2020 for a term of 3 (three) consecutive years to hold office from 6th January, 2020 till 5th January, 2023. His appointment is subject to the approval of the members. The Company has received a notice from a member proposing Mr. Rohit P. Bajaj as a candidate for the office of Director of the Company.

Mr. Rohit .P. Bajaj aged 29 (Twenty Nine) years holds Bachelor's degree in Commerce from Mumbai University and Master's degree in Business Administration from New York University Stern School of Business. He is currently working as an Investment Analyst in Acuitas Capital Advisors. He has over 4 (four) years of experience in Finance.

The other details of Mr. Rohit .P. Bajaj in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. Rohit P. Bajaj is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Rohit .P. Bajaj fulfils the conditions specified in the Act for his appointment as an Non-Executive Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Rohit .P. Bajaj's vast knowledge and experience in Finance will be of great value to the Company.

Mr. Rohit .P. Bajaj has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received:-

- (i) the consent in writing to act as Director;
- (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013;

- (iii) a declaration that he has complied with sub rule 1 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014
- (iii) a disclosure as per the provisions of Regulation 7 (1) (b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

A letter of appointment setting out the terms & conditions of appointment was issued to Mr. Rohit .P. Bajaj when he was appointed as Additional Director (In category of 'Non-Executive Independent Director') of the Company on 6th January, 2020. If he gets appointed in the ensuing Annual General Meeting as Non-Executive Independent Director, Company will issue addendum to the letter of appointment setting out the additional information of his appointment. A copy of letter of appointment and a copy of the draft addendum to the letter of appointment of Mr. Rohit .P. Bajaj as Non-Executive Independent Director would be available for inspection without any fee by the members.

The Board recommends the said resolution proposed vide Item No. 5 to be passed as Ordinary Resolution by the members.

Except, Mr. Rohit .P. Bajaj, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of the Notice.

Item No. 6 (To appoint Mr. Shatrughun .N. Jiwnani (DIN: 07247441) as an Independent Director)

On the recommendation of the Nomination and Remuneration Committee and pursuant to Section 149 & 161(1) of the Companies Act, 2013 and Article 140 of the Articles of Association of the Company, the Board of Directors, appointed Mr. Shatrughun .N. Jiwnani (DIN: 07247441) as an Additional Director (Category: Non-Executive Independent Director) of the Company with effect from 6th January, 2020 for a term of 4 (four) consecutive years to hold office from 6th January, 2020 till 5th January, 2024. His appointment is subject to the approval of the members. The Company has received a notice from a member proposing Mr. Shatrughun .N. Jiwnani as a candidate for the office of Director of the Company.

Mr. Shatrughun .N. Jiwnani aged 71 years holds Bachelor's degree in Arts from Mumbai University. He has 15 (Fifteen) years of experience in Textile Industry and 15 (Fifteen) years of experience as Public Relations & Media Officer.

The other details of Mr. Shatrughun .N. Jiwnani in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. Mr. Shatrughun .N. Jiwnani is not related to any Director of the Company.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Shatrughun .N. Jiwnani fulfils the conditions specified in the Act for his appointment as an Non-Executive Independent Director. After taking into consideration the recommendation of the Nomination & Remuneration Committee, the Board is of the opinion that Mr. Shatrughun .N. Jiwnani's vast knowledge and varied experience will be of great value to the Company.

Mr. Shatrughun .N. Jiwnani has given a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received:-

- (i) the consent in writing to act as Director;
- (ii) intimation that he is not disqualified under section 164(2) of the Companies Act, 2013;
- (iii) a declaration that he has complied with sub rule 1 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014
- (iii) a disclosure as per the provisions of Regulation 7 (1) (b) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

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A letter of appointment setting out the terms & conditions of appointment was issued to Mr. Shatrughun .N. Jiwani when he was appointed as Additional Director (In category of 'Non-Executive Independent Director') of the Company on 6th January, 2020. If he gets appointed in the ensuing Annual General Meeting as Non-Executive Independent Director, Company will issue addendum to the letter of appointment setting out the additional information of his appointment. A copy of letter of appointment and a copy of the draft addendum to the letter of appointment of Mr. Shatrughun .N. Jiwani as Non-Executive Independent Director would be available for inspection without any fee by the members.

The Board recommends the said resolution proposed vide Item No. 6 to be passed as Ordinary Resolution by the members.

Except, Mr. Shatrughun .N. Jiwani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 6 of the Notice.

Item No. 7 (To re-designate and appoint Mr. Shahin .N. Khemani (DIN: 03296813) as the Managing Director of the Company)

The Board has, based on the recommendation of the Nomination and Remuneration Committee and considering the increased activities, responsibilities and contribution of Mr. Shahin .N. Khemani in development and growth of the Company appointed Mr. Shahin .N. Khemani as the Managing Director of the Company for period of 5 (five) years w.e.f. 1st September, 2020 to 31st August, 2025, subject to the members approval at this Annual General Meeting on the key terms and conditions as set out in the Resolution and as enumerated in the Letter of Appointment dated 19th August, 2020 entered into between the Company and Mr. Shahin .N. Khemani.

Mr. Shahin .N. Khemani aged 35 years has done his Bachelor of Management Studies from Mumbai University and holds Master's Degree in Technology Entrepreneurship from University of London, U.K.

Mr. Shahin .N. Khemani was appointed as Director of the Company by the members at the 26th Annual General Meeting of the Company held on 11th August, 2011. He has been associated with the Company as Director for over a decade and has over 11 years of experience in Textile Industry. He is well-versed in understanding Textile Industry and is equally excellent in ensuring growth by improving productivity, cost control and consistently improving quality. He had been actively involved in business strategy, business development and research and development functions in the Company. With his support the Company has consistently delivered value to its customers and all stakeholders.

Mr. Shahin .N. Khemani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Managing Director of the Company. Mr. Shahin .N. Khemani satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for his appointment.

Mr. Shahin .N. Khemani is also one of the Promoter of the Company and holds 28600 equity shares (1.45% of total no. of shares) of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Letter of Appointment dated 19th August, 2020 entered into between the Company and Mr. Shahin .N. Khemani is available for inspection.

The Board recommends the said resolution proposed vide Item No. 7 to be passed as Special Resolution by the members.

Except, Mr. Shahin .N. Khemani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 7 of the Notice.

Item No. 8 (To appoint Mr. Siddharth .A. Khemani (DIN: 08842398) as Non-Executive, Non Independent Director of the Company)

Mr. Siddharth .A. Khemani aged 29 (Twenty Nine) years has done his graduation from Mumbai University and has over 4 (four) years of experience in Textiles.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 19th August, 2020 recommended the appointment of Mr. Siddharth .A. Khemani as Non-Executive, Non Independent Director of the Company w.e.f. 1st October, 2020 liable to retire by rotation on the key terms and conditions set out in the Resolution and as enumerated in the Draft Letter of Appointment to be entered into between the Company and Mr. Siddharth .A. Khemani, if he is appointed at the Annual General Meeting.

Mr. Siddharth .A. Khemani is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company.

Mr. Siddharth .A. Khemani is also one of the Promoter of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board recommends the said resolution proposed vide Item No. 8 to be passed as Ordinary Resolution by the members.

Except, Mr. Rahul .A. Khemani who is the brother of Mr. Siddharth .A. Khemani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 8 of the Notice.

Item No. 9 (To increase the overall managerial remuneration)

As per section 197 of the Companies Act, 2013 as amended from time to time, the total managerial remuneration payable by the Company to its directors, including managing director and whole time director and its manager in respect of any financial year may exceed 11% (Eleven Percent) of the net profits of the Company calculated as per section 198 of the Companies Act, 2013, provided that the same has been approved by the shareholders of the Company by way of Special Resolution.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 19th August, 2020 recommended to increase the overall limit of managerial remuneration payable by the Company to its directors, including managing director and whole time director and its manager in respect of any financial year from 11% to 20% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013.

The Board recommends the said resolution proposed vide Item No. 9 to be passed as Special Resolution by the members.

Except, Mr. Rahul .A. Khemani and Mr. Shahin .N. Khemani, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 9 of the Notice.

Item No. 10 (To create charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013)

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution.

In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets,

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properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

The Board recommends the said resolution proposed vide Item No. 10 to be passed as Special Resolution by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 10 of the Notice.

Item No. 11 (Keeping registers, returns, etc. at a place other than Registered Office)

As required under the provisions of Section 94 of the Companies Act, 2013, certain documents such as the Register of Members, Index of Members, copies of annual returns under section 92 of the Companies Act, 2013 and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought to keep the registers as required under section 88 of the Act at the office of the Company's Registrar and Share Transfer Agent i.e. M/s. Bigshare Services Private Limited at 1st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri-East, Mumbai – 400059 and annual returns filed under section 92 and such other documents as may be permissible under the Act or any other applicable law from time to time at the Corporate Office of the Company at Office no. 15/16/17, 1st floor, Maker Chamber III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021.

The Board recommends the said resolution proposed vide Item No. 11 to be passed as Special Resolution by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 11 of the Notice.

By order of the Board of Directors

Bhumit .M. Dharod

Company Secretary

Membership No. ACS 51555

Place: Mumbai

Date: 19th August, 2020

Registered Office:

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

ANNEXURE TO ITEM NO. 3 AND ITEM NOS. 5 TO 8 OF THE NOTICE

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

ITEM NO. 3:

Name of the Director	:	Mr. Rahul .A. Khemani (DIN: 03290468)
Date of Birth	:	30/01/1985
Nationality	:	Indian
Date of Appointment on the Board	:	01/11/2010
Qualifications	:	B.Com from Mumbai University and Masters in Technology entrepreneurship from University of London, U.K.
Expertise in specific functional area	:	Over 11 (Eleven) years of experience in Textile Industry.
Number of Equity shares held in the Company	:	25,300 (1.28% of total no. of shares)
List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Companies other than listed companies	:	Beekaylon Synthetics Private Limited
Number of Board Meetings attended during the year 2019-20	:	3 (Three) out of 4 (Four)
Chairman/Member in the Committees of the board of the Company	:	Member of Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee w.e.f. 1 st September, 2020
Chairman/Member in the Committees of the board of other listed companies in which he is director	:	NIL
Chairman/Member in the Committees of the board of Companies other than listed companies in which he is director	:	Member of Corporate Social Responsibility Committee of Beekaylon Synthetics Private Limited.
Relationship between Directors inter-se	:	Mr. Rahul .A. Khemani is the son of Mr. Ashok .K. Khemani the Managing Director (Will hold office as Managing Director till 31 st August, 2020) of the Company.
Remuneration details	:	₹ 30,00,000/- (Rupees Thirty Lakhs per annum)

ITEM NO. 5:

Name of the Director	:	Mr. Rohit .P. Bajaj (08646838)
Date of Birth	:	30/09/1990
Nationality	:	Indian
Date of Appointment on the Board	:	06/01/2020
Qualifications	:	Bachelor's degree in Commerce from Mumbai University and Master's degree in Business Administration from New York University.
Expertise in specific functional area	:	Over 4 (Four) years of experience in Finance.
Number of shares held in the Company	:	NIL

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List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Companies other than listed companies	:	NIL
Number of Board Meetings attended during the year 2019-20	:	1 (One) out of 4 (Four)
Chairman/Member in the Committees of the board of the Company	:	Member of Audit Committee and Nomination and Remuneration Committee.
Chairman/Member in the Committees of the board of other listed companies in which he is director	:	NIL
Chairman/Member in the Committees of the boards of Companies other than listed companies in which he is director	:	NIL
Relationship between Directors inter-se	:	None
Remuneration details	:	Sitting Fees of ₹ 5,000/- per Board Meeting

ITEM NO. 6:

Name of the Director	:	Mr. Shatrughun .N. Jiwnani (DIN: 07247441)
Date of Birth	:	17/04/1949
Nationality	:	Indian
Date of Appointment on the Board	:	06/01/2020
Qualifications	:	Bachelor's degree in Arts from Mumbai University
Expertise in specific functional area	:	15 years of experience in Textile and 15 years of experience as Public Relations & Media Officer
Number of shares held in the Company	:	NIL
List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Companies other than listed companies	:	Terra Firma International Private Limited
Number of Board Meetings attended during the year 2019-20	:	1 (One) out of 4 (Four)
Chairman/Member in the Committees of the board of the Company	:	Chairman and Member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.
Chairman/Member in the Committees of the board of other listed companies in which he is director	:	NIL
Chairman/Member in the Committees of the board of Companies other than listed companies in which he is director	:	NIL
Relationship between Directors inter-se	:	None
Remuneration details	:	Sitting Fees of ₹ 5,000/- per Board Meeting

ITEM NO. 7:

Name of the Director	:	Mr. Shahin .N. Khemani (DIN: 03296813)
Date of Birth	:	03/03/1985
Nationality	:	Indian
Date of Appointment on the Board	:	01/11/2010
Qualifications	:	Bachelor of Management Studies from Mumbai University and Master's in Technology Entrepreneurship from University of London, U.K
Expertise in specific functional area	:	Over 11 (Eleven) years of experience in Textile Industry.
Number of shares held in the Company	:	28600 (1.45% of total no. of shares)
List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Companies other than listed companies	:	Beekaylon Synthetics Private Limited Indotex Export House Private Limited
Number of Board Meetings attended during the year 2019-20	:	4 (Four) out of 4 (Four)
Chairman/Member in the Committees of the board of the Company	:	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee.
Chairman/Member in the Committees of the board of other listed companies in which he is director	:	NIL
Chairman/Member in the Committees of the board of Companies other than listed companies in which he is director	:	Member of Corporate Social Responsibility Committee of Beekaylon Synthetics Private Limited.
Relationship between Directors inter-se	:	None
Remuneration details	:	₹ 30,00,000/- (Rupees Thirty Lakhs per annum)

ITEM NO. 8:

Name of the Director	:	Mr. Siddharth .A. Khemani (DIN: 08842398)
Date of Birth	:	27/12/1990
Nationality	:	Indian
Date of Appointment on the Board	:	Not applicable
Qualifications	:	B.Com from Mumbai University
Expertise in specific functional area	:	Over 4 (Four) years of experience in Textile Industry.
Number of shares held in the Company	:	NIL
List of the directorships held in other listed Companies	:	NIL
List of the directorships held in Companies other than listed companies	:	NIL
Number of Board Meetings attended during the year 2019-20	:	NIL
Chairman/Member in the Committees of the board of the Company	:	NIL

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Chairman/Member in the Committees of the board of other listed companies in which he is director	:	NIL
Chairman/Member in the Committees of the board of Companies other than listed companies in which he is director	:	NIL
Relationship between Directors inter-se	:	Mr. Siddharth .A. Khemani is the brother of Mr. Rahul .A. Khemani the CFO & Executive Director of the Company and son of Mr. Ashok .K. Khemani the Managing Director (Will hold office as Managing Director till 31 st August, 2020) of the Company.
Remuneration details	:	Sitting Fees of ₹ 5,000/- per Board Meeting

By order of the Board of Directors

Place: Mumbai
Date: 19th August, 2020

Bhumit .M. Dharod
Company Secretary
Membership No. ACS 51555

Registered Office:

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

DIRECTORS' REPORT

Dear Members,

It is our pleasure to present to you the 35th Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2020.

1. KEY FINANCIAL HIGHLIGHTS:

Particulars	In terms of ₹ in Lakhs	
	Financial Year 2019-20	Financial Year 2018-19
Revenue from Operations	22,146.53	25,755.21
Other Income	27.47	25.79
Total Income	22,174.00	25,781.00
Expenses		
Expenses except Depreciation & amortization expense	21,135.51	25,099.73
Depreciation & amortization expense	277.03	266.98
Total Expenses	21,412.54	25,366.71
Profit before depreciation	1,038.49	681.27
Less: Depreciation	277.03	266.98
Profit before Tax	761.46	414.29
Less: Provision for taxation		
Current tax	173.09	86.89
Deferred tax	(19.50)	64.62
MAT Credit Entitlement	26.33	(26.33)
Profit after tax	581.54	289.10
Other Comprehensive income	(1.90)	1.70
Total income for the year	579.64	290.80
Earnings per share (in ₹) (Basic and Diluted)	29.51	14.67
Amount transferred to Retained Earnings	581.54	289.10
Transfer to General Reserve	-	-

2. DIVIDEND:

Your Directors are pleased to recommend a final dividend of ₹ 1.80/- per equity share of ₹ 10/- each for the Financial Year ended 31st March, 2020.

3. TRANSFER TO RESERVES:

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

4. PERFORMANCE HIGHLIGHTS:

The revenue from operations for financial year 2019-20 was ₹ 22,146.53 lakhs lower by 14.01% over the previous year's revenue from operations of ₹ 25,755.21 lakhs in financial year 2018-19. The Profit after tax for financial year 2019-20 was ₹ 581.53 lakhs as compared to ₹ 289.10 lakhs in financial year 2018-19.

The above mentioned financial performance highlights are an abstract of the Financial Statements of your Company for the Financial Year 2019-20. The detailed Financial Statements of your Company forms part of this Annual Report and are also uploaded on the website of your Company i.e. [www. bluechiptexindustrieslimited.com](http://www.bluechiptexindustrieslimited.com).

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

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

A. Conservation of Energy:

(i) Energy conservation measures taken:

Constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings going forward.

Your Company has taken appropriate measures to conserve energy. The Company has installed solar plant for energy conservation. Also Company has installed LED lights in place of existing lighting system.

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

The Company has installed solar plant for energy conservation. Also Company has installed LED lights in place of existing lighting system.

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

Better Efficiency, Reduction in Energy Bill and Higher Productivity, etc. These measures will also help to create a better environment.

Power Consumption:

1. Electricity:	Financial Year ended 31 st March, 2020	Financial Year ended 31 st March, 2019
Purchased Units (KWH)	2,29,23,820	2,29,73,236
Total Amount (₹ in Lakhs)	1,188.28	1,057.26
Cost/Unit (₹)	5.18	4.60
Consumption per ton polyester Texturized Yarn Production (units in KWH)	1,172.41	1,092.82

B. Technology absorption:

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

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

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

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

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

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

C. Foreign exchange earnings and Outgo:

There are NIL Foreign Exchange earned and ₹ 0.58 lakhs Foreign Exchange outgo during the year in terms of actual inflows & actual outflows respectively.

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

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On 24th March, 2020, the Government of India under Prime Minister Narendra Modi ordered a nationwide lockdown for 21 days as a preventive measure against the COVID-19 pandemic in India. Again on 14th April, 2020, Prime Minister Narendra Modi extended the nationwide lockdown until 3rd May, 2020, with a conditional relaxations after 20th April, 2020 for the regions where the spread had been contained or was minimal. On 1st May, 2020, the Government of India extended the nationwide lockdown further by two weeks until 17th May, 2020. The Government divided all the districts into three zones based on the spread of the virus—green, red and orange—with relaxations applied accordingly. On 17th May, 2020, the lockdown was further extended till 31st May, 2020 by the National Disaster Management Authority. On 30th May, 2020, it was announced that lockdown restrictions were to be lifted from then onwards, while the ongoing lockdown would be further extended till 30th June, 2020 for only the containment zones. Services would be resumed in a phased manner starting from 8th June, 2020. It was termed as “Unlock 1.0”. Prime Minister Narendra Modi later clarified that the lockdown phase in the country was over and that ‘unlock’ had already begun. The second phase of unlock, Unlock 2.0, was announced for the period of 1st to 31st July, 2020, with more ease in restrictions.

Due to estimation uncertainty relating to the global COVID-19 pandemic for assessing the recoverability of receivables including current assets and certain investments, the Company has considered internal and external information up to the date of approval of these financial results. The Company has evaluated various scenarios with certain assumptions along with current indicators of future economic condition. Basis this, the Company expects to recover the carrying amount of the assets and investments. The Company also believes that it will continue to operate in its present business while recovering the carrying cost of all its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material changes in the future economic conditions and impact on business.

7. COVID-19 RESPONSE FOR EMPLOYEE SAFETY:

With the onset of COVID-19 pandemic, we laid strong focus on the safety of our people at factory and in the corporate offices. Safety guidelines were briefed to every employee of the Company. After the Company opened its factory post relaxation of lockdown, we ensured maintaining social distancing.

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8. DETAILS OF NEW SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

There are no New Subsidiary / Joint ventures / Associate Companies in our Company.

9. DETAILS OF THE COMPANY WHO CEASED TO BE ITS SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES: Not Applicable

10. STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF ASSOCIATE COMPANY:

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

11. CHANGE IN THE NATURE OF BUSINESS:

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

12. DISCLOSURE OF ACCOUNTING TREATMENT:

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

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

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

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans or investments made or guarantees given or security provided in accordance with Section 186 of the Companies Act, 2013 as on 31st March, 2020 are as follows:

Amount outstanding as at 31st March, 2020:

Particulars	Amount (₹ in Lakhs)
Loans given	-
Guarantee given	-
Security Provided	-
Investments made	41.90

Please refer note no. 2 in the notes forming part of the financial statements for the detailed information.

15. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return as prescribed under Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 is annexed to this report as "Annexure I".

16. DEPOSITS:

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

17. BOARD MEETINGS:

During the year under review, total 4 (four) Meetings of Board of Directors (herein after called as “the Board”) were held, the details of which are mentioned below:

Sr. no	Date of Meeting	Venue and time of the meeting	Directors Present	Directors who were absent with / without leave of absence
1	27 th May, 2019	Venue: Office no. 15 / 16 / 17, 1 st floor, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 Time: 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N. Khemani 4. Mr. Kumar S. Nathani 5. Ms. Shraddha M. Teli 6. Mr. Maulin S. Gandhi	None
2	6 th August, 2019	Venue: Office no. 15 / 16 / 17, 1 st floor, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 Time: 3.00 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N. Khemani 4. Mr. Kumar S. Nathani 5. Ms. Shraddha M. Teli 6. Mr. Maulin S. Gandhi	None
3	12 th November, 2019	Venue: Office no. 15 / 16 / 17, 1 st floor, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 Time: 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Rahul A. Khemani 3. Mr. Shahin N. Khemani 4. Mr. Kumar S. Nathani	1. Ms. Shraddha M. Teli 2. Mr. Maulin S. Gandhi
4	13 th February, 2020	Venue: Office no. 15 / 16 / 17, 1 st floor, Maker Chambers III, Jamnalal Bajaj Road, Nariman Point, Mumbai – 400 021 Time: 3.30 p.m.	1. Mr. Ashok K. Khemani 2. Mr. Shahin N. Khemani 3. Mr. Kumar S. Nathani 4. Ms. Shraddha M. Teli 5. Mr. Shatrughun N. Jiwani 6. Mr. Rohit P. Bajaj	1. Mr. Rahul A. Khemani

18. CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. no	Name of the Director/ Key managerial personnel	Appointment / Resignation	Date of Appointment/ Resignation/ Change in Designation
1	Mr. Shatrughun N. Jiwani	Appointed as “Additional Director” (In category of “Non-Executive Independent Director”)	6 th January, 2020
2	Mr. Rohit P. Bajaj	Appointed as “Additional Director” (In category of “Non-Executive Independent Director”)	6 th January, 2020
3	Mr. Maulin S. Gandhi	Resigned from the position of “Non-Executive Independent Director”	15 th January, 2020
4	Mr. Kumar S. Nathani	Resigned from the position of “Non-Executive Independent Director”	25 th February, 2020

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19. QUALIFICATION GIVEN BY THE STATUTORY AUDITORS:

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

20. STATUTORY AUDITORS:

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

In view of the amendment in the Companies Act, 2013 which were notified with effect from 7th May, 2018 by the Ministry of Corporate Affairs, the requirement of ratification of Auditors at every year has been removed and accordingly, there is no requirement of ratification of appointment of Auditors.

The Company has received a written confirmation from the Statutory Auditors that their continued appointment shall be in accordance with the criteria as provided under Section 141 of the Companies Act, 2013.

21. SECRETARIAL AUDITOR:

As required under provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, M/s Pramod S. Shah and Associates, Practising Company Secretaries was appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2019-20 is annexed herewith as “**Annexure II**”. The said Secretarial Audit Report doesn't contain any qualifications, reservations or adverse remarks.

22. COST AUDITORS AND THEIR REPORT:

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, as amended, the Board of Directors of your Company on recommendation of the Audit Committee have re-appointed M/s. NKJ & Associates, Practising Cost Accountants, Mumbai (Registration No. 101893) as the Cost Auditors to carry out the cost audit for the financial year 2020-21. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee and the requisite resolution for ratification of remuneration of Cost Auditors by the members has been set out in the Notice convening the 35th Annual General Meeting of your Company.

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

The Cost Audit Report for the financial year ended 31st March, 2019, issued by M/s. NKJ & Associates, Practising Cost Accountants, in respect of the various products prescribed under Cost Audit Rules does not contained any qualification(s), reservation(s) or adverse remark(s) and the same was filed with the Ministry of Corporate Affairs on 28th August, 2019. The Cost Audit Report for the financial year ended 31st March, 2020 will be filed with the Ministry of Corporate Affairs within the prescribed statutory time limit.

23. CONTRACT OR ARRANGEMENT WITH RELATED PARTIES:

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

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

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

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

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

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

26. CHANGE IN CAPITAL STRUCTURE:

There has been no change in the capital structure of the Company during the year ended 31st March, 2020.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

The Company has duly constituted CSR Committee, the details of which is mentioned in point no. 34-IV. The CSR Policy of the Company is available on its website at: www.bluechiptexindustrieslimited.com.

During the year, the Company has spent ₹ 0.41 lakhs on CSR activities. The Disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as “Annexure IV”.

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

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

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

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the top 500 listed entities needs to adopt Risk Management Policy. Therefore, the Company is not required to adopt Risk Management Policy.

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

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

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

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

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

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

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

In view of the above, your Company has duly complied with the provision and following are the independent directors as on 31st March, 2020:

Sr. no.	Name of the Independent Director	Date of appointment / Reappointment	Date of passing of special resolution / Board Resolution (if any)
1.	Ms. Shraddha M. Teli	29 th August, 2017	29 th August, 2017
2.	Mr. Shatrughun N. Jiwnani	6 th January, 2020	6 th January, 2020
3.	Mr. Rohit P. Bajaj	6 th January, 2020	6 th January, 2020

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

Further all the Independent Directors of your Company have complied with the provisions of sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 by registering themselves under data bank of Independent Director for one year.

33. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

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

Accordingly, 6,308 shares of 48 members of your Company were transferred to Demat Account of IEPF Authority on 14th November, 2019. Your Company had sent individual notice to all the aforesaid 48 members and has also published the notice in the leading English and Gujarati newspapers. The details of the aforesaid 48 members are available on website of your Company i.e. www.bluechiptexindustrieslimited.com.

Transfer of Unpaid/Unclaimed Dividend: Further, pursuant to the provisions of Section 124(5) of the Act, the dividend which remained unclaimed/ unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

As a result, the unclaimed/ unpaid dividend for the year 2011-12 which remained unpaid and unclaimed for a period of 7 years has been already transferred by your Company to the IEPF.

Your Company has uploaded the details of unclaimed/ unpaid dividend for the financial year 2011-12 onwards on its website viz., www.bluechiptexindustrieslimited.com and on website of the Ministry of Corporate Affairs viz., www.mca.gov.in and the same gets revised / updated from time to time.

Further, the unpaid dividend amount pertaining to the financial year 2012-13 will be transferred to IEPF during the Financial Year 2020-21.

34. COMMITTEES OF BOARD:

I. Nomination and Remuneration Committee:

The 'Nomination and Remuneration Committee' consists of three non-executive Directors who are independent directors as well and the said constitution is in accordance with the provisions of Companies Act, 2013. The Committee acts in accordance with the terms of reference as approved and adopted by the Board.

The Composition of the Committee is as under:

Sr. no.	Name of the Member	Designation
1	Mr. Shatrughun .N. Jiwnani	Chairman
2	Mr. Rohit .P. Bajaj	Member
3	Ms. Shraddha .M. Teli	Member

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

II. Audit Committee:

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

The Composition of the Committee is as under:

Sr. no.	Name of the Member	Designation
1	Mr. Shatrughun .N. Jiwnani	Chairman
2	Mr. Rohit .P. Bajaj	Member
3	Mr. Ashok .K. Khemani	Member - only till 31 st August, 2020
4	Mr. Rahul .A. Khemani	Member – w.e.f. 1 st September, 2020

Important terms of reference of the Audit Committee are stated as under:

- a. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c. Examination of the financial statement and limited review / auditors' report thereon;
- d. Approval or any subsequent modification of transactions of the company with related parties;
- e. Scrutiny of inter-corporate loans and investments;
- f. Valuation of undertakings or assets of the company, wherever it is necessary;

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- g. Evaluation of internal financial controls and risk management systems;
- h. Discussion with Internal Auditors of any significant findings and follow up there on;
- i. Review the functioning of the Whistle Blower mechanism or Vigil mechanism;
- j. Monitoring the end use of funds raised through public offers and related matters, etc.

III. Stakeholders Relationship Committee / Shareholders Grievance Committee:

The Stakeholders' Relationship Committee inter-alia monitors and reviews investors' grievances and is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of services.

The Composition of the Committee is as under:

Sr. no.	Name of the Member	Designation
1	Mr. Shatrughun N. Jiwnani	Chairman
2	Mr. Shahin N. Khemani	Member
3	Mr. Ashok .K. Khemani	Member - only till 31 st August, 2020
4	Mr. Rahul .A. Khemani	Member – w.e.f. 1 st September, 2020

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

- a. Transfer / Transmission of shares;
- b. Issue of duplicate share certificates;
- c. Review of shares dematerialized and all other related matters;
- d. Monitors expeditious redressal of investors' grievances;
- e. Non receipt of Annual Report; etc

IV. Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee was constituted pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 comprising of three directors consisting of one Independent director and two executive directors with the Chairman being Independent director.

The Composition of the Committee is as under:

Sr. no.	Name of the Member	Designation
1	Mr. Shatrughun .N. Jiwnani	Chairman
2	Mr. Shahin .N. Khemani	Member
3	Mr. Ashok .K. Khemani	Member - only till 31 st August, 2020
4	Mr. Rahul .A. Khemani	Member – w.e.f. 1 st September, 2020

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

- a. Formulate and recommend the Corporate Social Responsibility (CSR) Policy and any amendments therein to the Board of Directors of the Company;
- b. Develop and approve various CSR projects, programs and activities to be undertaken from time

to time either directly by the Company or through other entities;

- c. Determine modalities of execution of such CSR projects, programs and activities;
- d. Undertake all necessary steps to implement the CSR activities;
- e. Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors;
- f. Monitor the CSR activities in such manner as it deems fit;
- g. Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company;
- h. To perform such functions as may be entrusted by the Board of Directors from time to time.

V. THE VIGIL MECHANISM:

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

35. PARTICULARS OF REMUNERATION TO DIRECTORS AND EMPLOYEES:

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

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

36. PERFORMANCE EVALUATION:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on code of conduct for Independent directors, the Company has a policy for performance evaluation of the Board, Committees, Key Managerial Personnel's and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors.

In accordance with the manner specified by the Nomination and Remuneration Committee, the Board carried out annual performance evaluation of the Board, its Committees, Key Managerial Personnel's and Individual Directors. Such evaluation exercise has been carried out:

- a. of Board as a whole by Board of Directors, by Independent Directors and by Nomination & Remuneration Committee;
- b. of every Individual Director by Nomination & Remuneration Committee;
- c. of Managing Director & Non-Independent Director's by Independent Directors;
- d. of every Independent Director by Board of Director's;

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- e. of each Committee by every Individual Director;
- f. of every Individual Director by other Director;
- g. of Chief Financial Officer by every Individual Director and
- h. of Company Secretary by every Individual Director.

All the above evaluation was carried out at Board of Director's meeting, Independent Director's meeting and Nomination and Remuneration Committee meeting held on 13th February, 2020.

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

The criteria's for the evaluation of the Independent Directors are:

- a. Prior preparation and detailed study of the matters to be discussed at the meetings of Board and members;
- b. Participation in deliberations and bringing relevant experience to the board table at its various meetings;
- c. Devotion of sufficient time and attention to his responsibilities;
- d. Awareness of Company's Code of Conduct or ethics policy and its compliance in true spirit;
- e. Proper assistance is provided by him/her in protecting the legitimate interest of the Company, Shareholder and Employees;
- f. Contribution made by him/her in important decisions making, in planning the strategies formulated by the management for progress of the Company and promoting the objects of the Company for the benefit of the Company's stakeholders;
- g. Assistance provided by him/her to the Board of Directors in implementing the best Corporate Governance Practices;
- h. Abidance with the fiduciary duties and the accompanying liabilities that had come by reason of their appointment;
- i. Attendance and/or assistance provided in organizing special events on behalf of the Board and
- j. Specific contributions made during the year under review and if such contributions have made a positive effect on the Governance of the Company.

37. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. In the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed and there are no material departures from the same;
- b. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

38. MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Information:

India is the world's second largest producer of textiles and garments. The textiles and apparel industry can be broadly divided into two segments - yarn and fibre and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19 and has grown at a CAGR of 10 per cent since FY06. The size of India's textile market is expected to touch US\$ 223 billion by 2021, growing at a CAGR of 10.23 per cent over 2016. Growth in demand is expected to continue at 12 per cent CAGR to reach US\$ 220 billion by 2025. The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country. India's textile and apparel export stood at US\$ 38.70 billion in FY19 and is expected to increase to US\$ 82.00 billion by 2021 from US\$ 22.95 billion in FY20 (till November 2019). Cloth production in FY19 stood at 70.04 billion square meters and 63.34 billion square meters in FY20 (till January 2020).

(Source: India Brand Equity Foundation)

Cotton production in India reached 36.04 million bales in FY20. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 1.60 MT in FY20 (till January 2020), while that for yarn, the production stood at 4,762 million kgs during same period. Cotton yarn, a major segment in FY20 (till January 2020), accounted for more than 54 per cent share in yarn production.

(Source: India Brand Equity Foundation)

Rising Government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investment through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). In Union Budget 2020-21, the Government has allocated ₹ 761.90 crore (US\$ 109.01 million) for Amended Technology Upgradation Fund Scheme (A-TUFS). The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'. The Government announced a special package to boost export by US\$ 31 billion, create one crore job opportunities and attract investment worth ₹ 80,000 crore (US\$ 11.93 billion) during 2018-2020. 100 per cent FDI (Foreign Direct Investment) is permitted in the sector. Cumulative FDI inflow in the textiles sector stood at over US\$ 3.44 billion between April, 2000 to March, 2020.

(Source: India Brand Equity Foundation)

In Union Budget 2020-21, the Government of India has allocated around ₹ 3,515 crore (US\$ 502.93 million) to the Ministry of Textiles and ₹ 80 crore (US\$ 11.45 million) for the scheme on Integrated Textile Parks. The Ministry of Textiles has announced ₹ 690 crore (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernization of Indian textile sector. National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of ₹ 1,480 crore (US\$ 211.76 million).

(Source: India Brand Equity Foundation)

Strength and Opportunities:

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies

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from 10-nation bloc to invest in India.

- 100% FDI (automatic route) is allowed in the Indian Textile Sector.
- Robust Demand:
Rise in income levels is expected to drive demand in textile industry.
- Competitive Advantage:
India has abundant availability of raw materials such as cotton, wool, silk and jute. It also enjoys a comparative advantage in terms of skilled manpower and in cost of production;
- Promising export potential;

Weakness and Threats:

- Indian Textile Industry is highly Fragmented Industry.
- Volatile raw material prices and increasing wages.
- Increasing input costs i.e. power, finance and logistics.
- Rapidly changing consumer behaviour.
- Fluctuation in Crude Oil Prices.

Management Perception of Risks and Concerns:

- In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the company are imperative. The main risks include strategic risk, operational risk, financial risk and compliances and legal risk. The fast technology obsolescence, high cost of manufacturing and taxation are the major risk/ concerns of the business.
- Adequate availability of raw material at the right prices is crucial for the company. Disruption in the supply or changes in the cost structure would affect the profitability of the company.

Outlook:

The future for the Indian textile Industry looks promising, buoyed by strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. Free trade with Asian countries and proposed agreements with EU Countries will also help to boost exports. Also the west has started taken India seriously as a potential supplier of polyester yarn apart from china. Rising government focus and favourable policies to support the Industry has led to growth in the Industry.

The Company's Financial Performance:

The highlights of the Company's financial performance for the year ended 31st March, 2020 is given in the Directors Report.

Internal Control and Management Systems:

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

Human Resource and Industrial Relations:

The Company believes that Human Resources play a significant role in achieving its business vision. Hence, the Company continues to invest on hiring the best talent, developing and retaining the available talent to ensure a sustainable talent supply within the organization. The Company provides various opportunities to the employees to develop their skills to take up higher responsibilities in the organization. The Company uses various communication channels to seek employees' feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential. The Company's employee strength stood at 158 as on 31st March, 2020

Cautionary Statement:

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

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

39. MARGINS & KEY RATIOS:

EBITDA stood at ₹ 1,222.24 Lakhs in FY 2019-20 as against ₹ 952.66 Lakhs in FY 2018-19. Operating Profit Margin stood at 4.27 % in FY 2019-20 as against 2.66 % in FY 2018-19. Net Profit Margin stood at 2.63 % in FY 2019-20 as against 1.1 % in FY 2018-19. Interest Coverage Ratio stood at 5.14 in FY 2019-20 as compared to 2.52 in FY 2018-19. Current Ratio increased to 1.83 as on 31st March, 2020, as against 1.34 as on 31st March, 2019. Debt-Equity Ratio stood at 0.76 as at 31st March, 2020, as against 1.30 as at 31st March, 2019. Return on Capital Employed stood at 26.48 % in FY 2019-20 as against 17.63 % in FY 2018-19.

40. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:

The Company has complied with the applicable secretarial standards for the financial year 2019-20.

41. ACKNOWLEDGEMENT:

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

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

Ashok .K. Khemani
Managing Director
DIN: 00053623

Shahin .N. Khemani
Executive Director
DIN: 03296813

Rahul .A. Khemani
CFO & Executive Director
DIN: 03290468

Place: Mumbai
Date: 19th August, 2020

Blue Chip Tex Industries Limited

ANNEXURE TO DIRECTORS' REPORT

“ANNEXURE I: EXTRACT OF ANNUAL RETURN” Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Not Applicable

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

(i) Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. PROMOTERS									
(1) INDIAN									
A) INDIVIDUAL/ HUF	0	0	0	0	0	0	0	0	0
B) CENTRAL GOVT	0	0	0	0	0	0	0	0	0
C) STATE GOVT(S)	0	0	0	0	0	0	0	0	0
D) BODIES CORP.	648288	0	648288	32.90	648288	0	648288	32.90	0
E) BANKS / FIS	0	0	0	0	0	0	0	0	0
F) DIRECTORS / RELATIVES	324595	0	324595	16.47	321316	0	321316	16.31	(0.16)
G) GROUP COMPANIES	212700	0	212700	10.79	212700	0	212700	10.79	0
SUB-TOTAL (A)(1):	1185583	0	1185583	60.16	1182304	0	1182304	60.00	(0.16)
(2) FOREIGN									
A) NRIS – INDIVIDUALS	0	0	0	0	0	0	0	0	0
B) OTHER – INDIVIDUALS	0	0	0	0	0	0	0	0	0
C) BODIES CORP.	0	0	0	0	0	0	0	0	0
D) BANKS / FI	0	0	0	0	0	0	0	0	0
E) ANY OTHER....	0	0	0	0	0	0	0	0	0
SUB-TOTAL (A)(2):	0	0	0	0	0	0	0	0	0
TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A) (2)	1185583	0	1185583	60.16	1182304	0	1182304	60.00	(0.16)
B. PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
A) MUTUAL FUNDS	0	0	0	0	0	0	0	0	0
B) BANKS / FI	1100	0	1100	0.06	1100	0	1100	0.06	0
C) CENTRAL GOVT (IEPF)	112152	0	112152	5.69	118460	0	118460	6.01	0.32
D) STATE GOVT(S)	0	0	0	0	0	0	0	0	0
E) VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
F) INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0
G) FIIS	0	0	0	0	0	0	0	0	0
H) FOREIGN VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
I) OTHERS	0	0	0	0	0	0	0	0	0
SUB-TOTAL (B)(1):	113252	0	113252	5.75	119560	0	119560	6.07	0.32
2. NON-INSTITUTIONS									
A) BODIES CORP.									
I) INDIAN	6831	600	7431	0.38	7931	600	8531	0.43	0.05
II) OVERSEAS	0	0	0	0	0	0	0	0	0

Blue Chip Tex Industries Limited

CATEGORY OF SHAREHOLDERS	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B) INDIVIDUALS									
I) INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO ₹ 1 LAKH	379430	206839	586269	29.75	379618	191437	571055	28.98	(0.77)
II) INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹ 1 LAKH	34692	0	34692	1.76	48683	0	48683	2.47	0.71
C) CLEARING MEMBER	432	0	432	0.02	1170	0	1170	0.06	0.04
D) NON RESIDENT INDIAN(NRI)	14534	4900	19434	0.99	8646	4900	13546	0.69	(0.30)
E) HUF	23407	0	23407	1.19	25651	0	25651	1.30	0.11
SUB-TOTAL (B)(2):	459326	212339	671665	34.09	471699	196937	668636	33.93	(0.16)
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	572578	212339	784917	39.84	591259	196937	788196	40.00	0.16
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	1758161	212339	1970500	100.00	1773563	196937	1970500	100.00	0.00

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	% of Shares Pledged / encumbered to total shares	
1.	Beekaylon Synthetics Private Limited	486188	24.67	0.00	486188	24.67	0.00	0.00
2.	Indotex Export House Private Limited	208300	10.57	10.57	208300	10.57	10.57	0.00
3.	Sangam Syntwist Textiles Private Limited	162100	8.23	8.23	162100	8.23	8.23	0.00
4.	Mr. Ashok K. Khemani	74690	3.79	0.00	74690	3.79	0.00	0.00
5.	Mr. Nand K. Khemani	70531	3.58	0.00	70531	3.58	0.00	0.00
6.	Mr. Roop K. Khemani	105700	5.36	0.00	105700	5.36	0.00	0.00
7.	Mr. Shahin N. Khemani	28600	1.45	0.00	28600	1.45	0.00	0.00
8.	Mr. Rahul A. Khemani	25300	1.28	0.00	25300	1.28	0.00	0.00
9.	Mrs. Rachna A. Khemani	16495	0.84	0.00	16495	0.84	0.00	0.00
10.	Setron Textile Mills Private Limited	4400	0.22	0.00	4400	0.22	0.00	0.00
11.	Mr. Siddharth A. Khemani	3279	0.17	0.00	0	0.00	0.00	(0.16)
TOTAL		1185583	60.16	18.80	1182304	60.00	18.80	(0.16)

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1185583	60.16		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	Date wise increase/decrease of promoters holding: Sale of 3,279 equity shares by Mr. Siddharth Khemani on 12 th April, 2019.			
At the End of the year			1182304	60.00

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

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1.	Satya Prakash Mittal				
	At the beginning of the year	34692	1.76	34692	1.76
	Bought/sold during the year				
	1) 07.06.2019	300	0.02	34992	1.78
	At the end of the year			34992	1.78
2.	Jyoti Prem Tolani				
	At the beginning of the year	12763	0.65	12763	0.65
	Bought/sold during the year				
	1) 13.12.2019	295	0.01	13058	0.66
	2) 31.12.2019	102	0.00	13160	0.66
	3) 20.03.2020	531	0.03	13691	0.69
	At the end of the year			13691	0.69
3.	Satya Prakash Mittal (HUF)				
	At the beginning of the year	9997	0.51	9997	0.51
	Bought/sold during the year				
	1) 24.01.2020	492	0.02	10489	0.53
	2) 31.01.2020	100	0.01	10589	0.54
	3) 21.02.2020	280	0.01	10869	0.55
	At the end of the year			10869	0.55

Blue Chip Tex Industries Limited

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
4.	Ritu Garg				
	At the beginning of the year	0	0.00	0	0.00
	Bought /sold during the year				
	1) 28.02.2020	2009	0.10	2009	0.10
	2) 06.03.2020	2531	0.13	4540	0.23
	3) 13.03.2020	744	0.04	5284	0.27
	4) 20.03.2020	3247	0.16	8531	0.43
	5) 27.03.2020	1095	0.06	9626	0.49
	6) 31.03.2020	86	0.00	9712	0.49
At the end of the year			9712	0.49	
5.	Meena Jetho Belani				
	At the beginning of the year	7220	0.37	7220	0.37
	Bought/sold during the year				
	1) 23.08.2019	(206)	(0.01)	7014	0.36
	2) 30.08.2019	(771)	(0.04)	6243	0.32
	At the end of the year			6243	0.32
6.	Sabyasachi Ghosh				
	At the beginning of the year	7067	0.36	7067	0.36
	Bought/sold during the year				
	1) 15.11.2019	(715)	0.04	6352	0.32
	2) 17.01.2020	(15)	0.00	6337	0.32
	3) 24.01.2020	(1900)	0.10	4437	0.22
	4) 31.01.2020	(1004)	0.05	3433	0.17
	5) 14.02.2020	(1031)	0.05	2402	0.12
At the end of the year			2402	0.12	
7.	Vikat Advisory Services LLP				
	At the beginning of the year	0	0.00	0	0.00
	Bought/sold during the year				
	1) 20.12.2019	751	0.04	751	0.04
	2) 27.12.2019	45	0.00	796	0.04
	3) 03.01.2020	720	0.04	1516	0.08
	4) 10.01.2020	1072	0.05	2588	0.13
5) 17.01.2020	1139	0.06	3727	0.19	

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	6) 24.01.2020	1000	0.05	4727	0.24
	7) 31.01.2020	1604	0.08	6331	0.32
	8) 13.03.2020	10	0.00	6341	0.32
	9) 20.03.2020	540	0.03	6881	0.35
	At the end of the year			6881	0.35
8.	Gyanendra Kumar				
	At the beginning of the year	0	0.00	0	0.00
	Bought/sold during the year				
	1) 09.08.2019	50	0.00	50	0.00
	2) 13.09.2019	21	0.00	71	0.00
	3) 20.09.2019	131	0.01	202	0.01
	4) 27.09.2019	425	0.02	627	0.03
	5) 18.10.2019	67	0.00	694	0.03
	6) 06.12.2019	1900	0.10	2594	0.13
	7) 13.12.2019	106	0.01	2700	0.14
	8) 20.12.2019	100	0.00	2800	0.14
	9) 27.12.2019	500	0.03	3300	0.17
	10) 31.12.2019	175	0.01	3475	0.18
	11) 03.01.2020	117	0.01	3592	0.19
	12) 10.01.2020	33	0.00	3625	0.19
	13) 17.01.2020	370	0.02	3995	0.21
	14) 24.01.2020	30	0.00	4025	0.21
	15) 31.01.2020	25	0.00	4050	0.21
	16) 07.02.2020	246	0.01	4296	0.22
	17) 14.02.2020	164	0.01	4460	0.23
	18) 28.02.2020	63	0.00	4523	0.23
	19) 20.03.2020	577	0.03	5100	0.26
	20) 27.03.2020	580	0.03	5680	0.29
	21) 31.03.2020	1	0.00	5681	0.29
	At the end of the year			5681	0.29
9.	Namita Parakh				
	At the beginning of the year	5681	0.29	5681	0.29
	Bought/sold during the year	0	0	0	0
	At the end of the year			5681	0.29

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Sr. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
10.	Devkinandan Jagmohanlal Tibrewala				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year				
	1) 07.06.2019	100	0.01	5100	0.26
	2) 20.09.2019	84	0.00	5184	0.26
	3) 27.09.2019	226	0.01	5410	0.27
	4) 11.10.2019	110	0.01	5520	0.28
	5) 21.02.2020	80	0.00	5600	0.28
	At the end of the year			5600	0.28
11.	Sreenivasa Sarma Bh				
	At the beginning of the year	4000	0.20	4000	0.20
	Bought/sold during the year				
	1) 19.07.2019	(327)	(0.02)	3673	0.18
	2) 30.08.2019	1179	0.06	4852	0.24
	3) 27.09.2019	248	0.01	5100	0.25
	At the end of the year			5100	0.25
12.	George Joseph				
	At the beginning of the year	5047	0.26	5047	0.26
	Bought/sold during the year	0	0	0	0
	At the end of the year			5047	0.26
13.	Bhupendra Ratilal Shah				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year	0	0	0	0
	At the end of the year			5000	0.25
14.	Mahesh L Lakhwani				
	At the beginning of the year	5000	0.25	5000	0.25
	Bought/sold during the year	0	0	0	0
	At the end of the year			5000	0.25

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors					
1.	Mr. Ashok .K. Khemani				
	At the beginning of the year	74690	3.79	74690	3.79
	Bought /sold during the year	0	0	0	0
	At the end of the year			74690	3.79
2.	Mr. Rahul .A. Khemani				
	At the beginning of the year	25300	1.28	25300	1.28
	Bought/sold during the year	0	0	0	0
	At the end of the year			25300	1.28
3.	Mr. Shahin .N. Khemani				
	At the beginning of the year	28600	1.45	28600	1.45
	Bought /sold during the year	0	0	0	0
	At the end of the year			28600	1.45
4.	Mr. Shatrughun .N. Jiwnani				
	At the beginning of the year	0	0	0	0
	Bought /sold during the year	0	0	0	0
	At the end of the year			0	0
5.	Mr. Rohit .P. Bajaj				
	At the beginning of the year	0	0	0	0
	Bought /sold during the year	0	0	0	0
	At the end of the year			0	0
6.	Ms. Shraddha Mangesh Teli				
	At the beginning of the year	0	0	0	0
	Bought /sold during the year	0	0	0	0
	At the end of the year			0	0
Key Managerial Personnel					
1.	Mr. Rahul .A. Khemani				
	At the beginning of the year	25300	1.28	25300	1.28
	Bought/sold during the year	0	0	0	0
	At the end of the year			25300	1.28
2.	Mr. Bhumit .M. Dharod				
	At the beginning of the year	0	0	0	0
	Bought /sold during the year	0	0	0	0
	At the end of the year			0	0

Blue Chip Tex Industries Limited

V. INDEBTEDNESS:

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

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1541.58	525.00	0.00	2066.58
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	13.58	0.00	0.00	13.58
Total (i+ii+iii)	1555.16	525.00	0.00	2080.16
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	(279.34)	0.00	0.00	(279.34)
Net Change	(279.34)	0.00	0.00	(279.34)
Indebtedness at the end of the financial year				
i) Principal Amount	1262.24	525.00	0.00	1787.24
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	10.62	11.65	0.00	22.27
Total (i+ii+iii)	1272.86	536.65	0.00	1809.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(₹ In Lakhs)

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

B. Remuneration to other Directors:

(₹ In Lakhs)

Sr. no	Particulars of Remuneration	Sitting fees for attending board / committee meetings	Commission	Others, please specify (Remuneration)	Total Amount
1.	Independent Directors				
	Shatrughun .N. Jiwnani	0.05	0.00	0.00	0.05
	Rohit .P. Bajaj	0.05	0.00	0.00	0.05
	Shraddha .M. Teli	0.15	0.00	0.00	0.15
	Maulin .S. Gandhi*	0.10	0.00	0.00	0.10
	Kumar .S. Nathani**	0.20	0.00	0.00	0.20
	Total (1)	0.55	0.00	0.00	0.55
2.	Other Non-Executive Directors				
	Total (2)	0.00	0.00	0.00	0.00
3.	Other Executive Directors				
	Shahin .N. Khemani	0.00	0.00	30.00	30.00
	Rahul .A. Khemani	0.00	0.00	30.00	30.00
	Total (3)	0.00	0.00	60.00	60.00
	Total (B) = (1+2+3)	0.55	0.00	60.00	60.55
	Ceiling as per the Act for sitting fees	Sitting fees payable to the Director for attending the meeting of the Board or Committee shall not exceed one lakh rupees per meeting of the Board or Committee.			
	Ceiling as per the Act for other directors who are nor MD/ WTD/ Manager	1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			
	Total Managerial Remuneration	60.55			
	Overall Ceiling as per the Act	11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

*Ceased to be director w.e.f. 15th January, 2020

** Ceased to be director w.e.f. 25th February, 2020

Blue Chip Tex Industries Limited

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

(₹ In Lakhs)

Sr. no	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Bhumit .M. Dharod (Company Secretary)	Mr. Rahul .A. Khemani (Chief Financial Officer)	
1.	Gross salary	4.72	0.00	4.72
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00
5.	Others, please specify - Incentive	0.00	0.00	0.00
Total		4.72	0	4.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

“ANNEXURE II”

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2020

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

To,
The Members,
Blue Chip Tex Industries Limited

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

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

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

Blue Chip Tex Industries Limited

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

We further report that

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

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

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

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

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

We further report that during the audit period Company has:

1. Declared and paid Final dividend during the financial year ended 31st March, 2019 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.
2. Passed a Special Resolution in its 34th Annual General Meeting held on Saturday 21st September, 2019 for Re-appointment of Mr. Kumar Satur Nathani (DIN-00062321) and Mr. Maulin Samir Gandhi (DIN-00073064) as Independent Director.

Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod S. Shah- Partner
Pramod S. Shah & Associates
Membership No.: FCS 334
C.O.P. No.: 3804
UDIN: F000334B000557275

Place: Mumbai
Date: 06th August, 2020

Annexure I

To,
The Members
Blue Chip Tex Industries Limited

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

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

Annexure II

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

Pramod S. Shah & Associates
(Practising Company Secretaries)

Pramod S. Shah- Partner
Pramod S. Shah & Associates
Membership No.: FCS 334
C.O.P. No.: 3804
UDIN: F000334B000557275

Place: Mumbai
Date: 06th August, 2020

Blue Chip Tex Industries Limited

“ANNEXURE III”

Form AOC-2

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

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

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

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	*Date(s) of approval by the Board/ Audit Committee if, any	Amount paid as advances, if any (In ₹)
1.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Machinery Hire Charges Paid	Nine Months	Salient features: Machine Hire Charges Paid. Value: ₹ 62,86,922/-	06.08.2019 12.11.2019 13.02.2020	NIL
2.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Purchase of raw materials and goods	One Year	Salient features: Purchase of raw materials and goods Value: ₹ 178,09,53,632/-	06.08.2019 12.11.2019 13.02.2020 29.06.2020	NIL
3.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Purchase of Packing Materials	One Year	Salient features: Purchase of packing materials Value: ₹ 1,54,243/-	06.08.2019 12.11.2019 13.02.2020 29.06.2020	NIL
4.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Repairs	One Year	Salient features: Repairs Value: ₹ 1,21,640/-	06.08.2019 12.11.2019 13.02.2020 29.06.2020	NIL

Sr. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	*Date(s) of approval by the Board/ Audit Committee if, any	Amount paid as advances, if any (In ₹)
5.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Purchase of fixed assets	One Time	Salient features: Purchase of fixed assets Value: ₹ 1,17,96,460/-	13.02.2020	NIL
6.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Insurance Charges paid (Reimbursed)	Charges paid for third and fourth quarter	Salient features: Insurance Charges paid Value: ₹ 5,20,156/-	13.02.2020 29.06.2020	NIL
7.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Sale of Goods	One Year	Salient features: Sale of Goods. Value: ₹ 17,50,87,844/-	06.08.2019 12.11.2019 13.02.2020 29.06.2020	NIL
8.	Beekaylon Synthetics Private Limited Nature of the relationship: Common Directors	Sale of Store Materials	Nine Months	Salient features: Sale of Store Materials. Value: ₹ 7,76,745/-	12.11.2019 13.02.2020 29.06.2020	NIL

* Above mentioned transactions are entered in the ordinary course of Business and the same are at arm's length price and hence provisions of Section 188 (1) are not applicable to your Company. However, the Board of Director's at their meeting held on 06.08.2019, 12.11.2019, 13.02.2020 & 29.06.2020 has ratified the respective transactions.

Blue Chip Tex Industries Limited

“ANNEXURE IV”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:	The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. This Policy outlines the Company's strategy to bring about a positive impact on society through activities and programmes relating to healthcare, education, sanitation, environment, etc. CSR Policy of the Company is available on the website of the Company: www.bluechiptexindustrieslimited.com . As part of CSR, the Company has been actively working in the area of Education. The Company has deployed its CSR funds directly and not through any implementing agency.
2	The Composition of the CSR Committee:	The CSR Committee as on 31 st March, 2020 comprises of: <ul style="list-style-type: none"> • Mr. Shatrughun .N. Jiwnani • Mr. Ashok .K. Khemani • Mr. Shahin .N. Khemani
3	Average net profit of the Company for last three financial years:	Profit of ₹ 490.09 Lakhs
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):	₹ 9.80 Lakhs
5	Details of CSR spent during the financial year 2019-20:	
a)	Total amount to be spent for the financial year 2019-20	₹ 9.80 Lakhs
b)	Total amount spent for the financial year 2019-20	₹ 0.41 Lakhs
c)	Amount Unspent, if any	₹ 9.39 Lakhs
d)	Manner in which the amount spent during the financial year 2019-20 is detailed below:	Refer below table

₹ In Lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1) Direct Expenditure on projects or Programs 2) Overheads:	Cumulative Expenditure upto the Reporting Period	Amount spent direct or through implementing agency
1	Promotion of Education in backward areas	Promoting Education	Silvassa, Union Territory of Dadra & Nagar Haveli	0.00	0.41	0.41	Direct

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

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. The overall CSR Expenditure was ₹ 0.41 lakhs during the financial year 2019-20 as against gross amount required to be spent of ₹ 9.80 lakhs during the financial year 2019-20. During the financial year 2019-20, your Company endeavored to meet its CSR expenditure but some of the CSR programmes undertaken by the Company are on-going in nature. Considering that the CSR programmes often extend beyond the financial year, a certain amount of the committed CSR amount has remained unspent during the financial year 2019-20. The Company will endeavour to spend the same during the financial year 2020-21 alongwith the CSR commitments of the financial year 2020-21.

Responsibility Statement

The responsibility statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is stated below:

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

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

**Shatrughun .N. Jiwnani
Chariman – CSR Committee
DIN: 07247441**

**Place: Mumbai
Date: 19th August, 2020**

Blue Chip Tex Industries Limited

“ANNEXURE V”

NOMINATION AND REMUNERATION POLICY

1. Introduction:

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

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

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

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

2. Objective and Purpose:

The objectives and purpose of this Policy are:

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

3. Definitions:

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

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

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

4. General:

This Policy is divided in three parts:

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

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

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

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

The following matters shall be dealt with by the Committee:

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

Blue Chip Tex Industries Limited

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

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

- i. Remuneration of executive Directors to be presented for shareholders' approval including severance, if any.
- ii. Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board committees.
- iii. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and Key Managerial Personnel and such other factors as the Committee shall deem appropriate.

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

(a) Appointment criteria and qualifications:

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

(b) Term / Tenure:

- i. **Managing Director / Whole-time Director / Manager:** The Company shall appoint or re-appoint any person as its Managing Director, Whole-Time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- ii. **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on

passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to applicable regulations in force

(c) Removal:

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

(d) Retirement:

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

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

(a) General:

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

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

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

(c) Minimum remuneration to Whole-time Directors:

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

Blue Chip Tex Industries Limited

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

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

5. Members of the Committee & its meetings:

- a. Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- b. The Chairman of the Committee may be elected by Board or be elected by members of the Committee amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- c. Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- d. The Chairman of the Committee or in his absence, any other member of the Committee authorised by him in this behalf shall attend the general meetings of the Company.
- e. The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities

6. Minutes of Committee Meetings:

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

7. Policy Review:

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

“ANNEXURE VI-A”

REMUNERATION

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

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of remuneration of each Director to the Median Remuneration of the employees (MRE) of the Company for the financial year 2019-20 and the percentage (%) increase in remuneration of each Director and Key Managerial Personnel (“KMP”) for the same period are under:

Name of Director / KMP and Designation	Remuneration of Director/ KMP for Financial Year 2019-20 (₹ in Lakhs) (1)	% increase in Remuneration in the Financial Year 2019-20 (2)	Ratio of Remuneration of each Director / KMP to MRE for Financial Year 2019-20 (3 = (1) / MRE)
Managing Director:			
Mr. Ashok .A. Khemani	NIL	NIL	Not Applicable
Executive Director:			
Mr. Shahin .N. Khemani	30.00	0.00	18.27
Mr. Rahul .A. Khemani	30.00	0.00	18.27
Non-Executive & Independent Director:			
Mr. Kumar .S. Nathani*	Not applicable as none of the Directors was paid any remuneration except sitting fees		
Mr. Maulin .S. Gandhi*			
Mr. Shatrughun .N. Jiwnani			
Mr. Rohit .P. Bajaj			
Ms. Shraddha .M.Teli			
Other Key Managerial Personnel (KMP):			
Mr. Rahul .A. Khemani- CFO	0.00	0.00	0.00
Mr. Bhumit .M. Dharod- Company Secretary*	4.72	0.00	2.87

Notes:

*Mr. Kumar .S. Nathani & Mr. Maulin .S. Gandhi resigned from the position of director w.e.f. 25th February, 2020 and 15th January, 2020 respectively.

- In the financial year, there was an increase of 27.58 % in the median remuneration of employees;
- There were 158 permanent Employees (Excluding Directors & KMP) on the rolls of the Company as on 31st March, 2020 as compare to 181 (Excluding Directors & KMP) permanent Employees on the rolls of the Company as on 31st March, 2019;
- Average percentage increase made in salaries of employees other than the managerial personnel in the financial year i.e. 2019-20 was 11%-12% whereas there was around 0% increase in the managerial remuneration for the same financial year. The remuneration of Managing Director, Director or other KMP is decided based on the individual performance, prevailing industrial trends and benchmarks;
- The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

Blue Chip Tex Industries Limited

“ANNEXURE VI-B”

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

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

Sr. no	Name and Age	Designation	Remuneration (In ₹)	Qualification & Experience	Date of Commencement of Employment	Last Employment held
1	N Shangameshwaran 53	General Manager- Sales & Marketing	20,02,695	B.com & PGD- Marketing Management 30 years	01.11.2017	AYM Syntex Ltd
2	Dharmil Bhupendra Shah 29	Head- Dope Dyed	11,99,141	B.A.F (Bachelor In Accounting And Finance) 4 years	29.02.2016	Not Applicable
3	Navin Umashankar Prasad Tiwari 49	Manager – Production	7,56,448	BBA 21 years	01.04.2000	Not Applicable
4	Pramod Chandrabhaskar Shukla 52	Asst. Manager – Production	6,06,542	MA 21 years	01.07.2011	Alok Industries
5	Gaurang Das 32	Asst. Manager – Production	6,03,271	B.com 7 years	01.10.2012	Not Applicable
6	Avinash Ganesh Chhetri 40	Manager – Production	4,70,488	Mechanical Diploma 14 years	01.02.2015	Not Applicable
7	Tasneem Rangel 43	Sale Executive	4,08,710	M.Com 16 years	01.07.2017	Allana Sons
8	Felix Anton Nunes 55	Assistant In charge	3,97,874	SSC 33 years	01.04.1987	Not Applicable
9	Fakir Singh Chandrasingh Rawal 50	Production Supervisor	3,57,014	M.Com 22 years	01.10.2016	Garden Texturizing Ltd
10	Harbir Singh 44 years	Production Supervisor	3,46,059	BA 19 Years	01.02.2017	Sanatan Textiles Pvt. Ltd.

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying Financial Statements of Blue Chip Tex Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of profit and loss (Including Other Comprehensive Income) , Statement of changes in equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its Profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

1. Key Audit Matters

Determination of value of inventories

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

As the Country was under lockdown as on 31st March, 2020 the physical verification of stock could not be conducted and the Management has carried out physical verification on resumption of activities at Plant. The Company has inventories with a carrying value ₹ 727.80 lakhs as on 31st March 2020. We considered the value of the inventories as a key audit matter given the relative size of the same in the financial statements and the significant judgments involved in consideration of factors in determination of realizable value such as fluctuation of raw materials prices in the market and in determination of net realizable value.

Blue Chip Tex Industries Limited

Auditor's Response

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

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

Further, for the purpose of determination of physical quantity of the inventory as at the year ended 31st March 2020, the Company has carried out the physical verification after the operations at the respective plants resumed. We have relied upon their inventory report. Based on the above procedures performed, the management's determination of the net realizable value of the inventory as at the year end and comparison with cost for valuation of inventory is considered to be reasonable.

2. Key Audit Matter

Allowances for credit losses

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

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

Auditor's Response

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

Testing the effectiveness of controls over the

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

Other Information

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

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

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

Blue Chip Tex Industries Limited

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of the limits laid down under Section 197 read with Schedule V of the Act.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended , in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its Financial Statements as referred to in Note 33 to the Financial Statements.
 - ii. There are no foreseeable losses as required on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

D. K. Doshi
Partner
Membership No. 037148
UDIN: 20037148AAAABG3182

Place: Mumbai
Date: June 29, 2020

Blue Chip Tex Industries Limited

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

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

- i. In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanation given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Financial Statements, the lease agreement are in the name of the Company.
- ii. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence clause (iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not given loans, guarantees and security to directors or to any other person in whom the directors is interested and provision of Section 186 have been complied for investments made by the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the clause(v) of paragraph 3 of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues :
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2020 for a period of more than six months from the date becoming payable, except Value Added Tax ₹ 2.27 Lakhs and Provident Fund ₹ 0.32 Lakhs;
 - b. According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, cess on account of any dispute, which have not been deposited on account of any dispute as on 31st March 2020 , except for Income Tax dues as follows;

Sr. no	Assessment Year	₹ In Lakhs	Forum where dispute is pending
1	2009-10	4.39	Rectification pending with Income tax Officer
2	2010-11	3.72	Rectification pending with Income tax Officer
3	2014-15	15.68	Rectification pending with Income tax Officer
4	2018-19	2.93	Submitted e-proceeding response for correction
Total		26.72	

- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans to the Bank.
- ix. According to the information and explanation given to us and based on our audit procedures, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year and hence clause (ix) of the Order is not applicable to the Company.
- x. In our opinion, based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations provided by the management, transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in notes to the Financial Statements, as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, provisions of clause xiv of paragraph 3 of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

D. K. Doshi
Partner

Place: Mumbai
Date: June 29, 2020

Membership No. 037148
UDIN: 20037148AAAAABG3182

Blue Chip Tex Industries Limited

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

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

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

We have audited the Internal Financial Control with reference to Financial Statements **BLUE CHIP TEX INDUSTRIES LIMITED** (“the company”) as of 31st March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financial controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For D K P & Associates

Chartered Accountants

Firm's Registration No. 126305W

D. K. Doshi

Partner

Membership No. 037148

UDIN: 20037148AAAABG3182

Place: Mumbai
Date: June 29, 2020

Blue Chip Tex Industries Limited

BALANCE SHEET AS AT 31ST MARCH, 2020

₹ In Lakhs

Particulars	Note No	As at	
		31 st March 2020	31 st March 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	2,862.24	3,004.63
Financial assets			
Investments	2	52.48	41.95
Loans	3	1.43	1.43
Other financial assets	4	43.55	65.53
Other Non current Assets	5	49.62	26.33
Total non-current assets		3,009.32	3,139.87
Current Assets			
Inventories	6	727.80	735.49
Financial assets			
Trade Receivables	7	1,402.87	1,468.70
Cash and cash equivalents	8a	32.38	294.53
Bank Balances other than cash and cash equivalent	8b	31.22	25.36
Other financial assets	8c	1.05	1.04
Other current assets	9	73.67	134.02
Total current assets		2,268.99	2,659.14
TOTAL ASSETS		5,278.31	5,799.01
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	197.55	197.55
Other equity	11	2,136.87	1,600.00
Total equity		2,334.42	1,797.55
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	1,495.12	1,764.03
Provisions	13	10.40	30.03
Deferred tax liabilities (Net)	14	201.42	220.92
Total non-current liabilities		1,706.94	2,014.98
Current liabilities			
Financial liabilities			
Borrowings	15	-	291.91
Trade Payables	16		
a) Outstanding Dues of Micro and Small Enterprises		2.31	2.49
b) Outstanding dues of creditors other than Micro and Small Enterprise		615.59	1,126.54
Other Financial Liabilities	17	602.90	533.05
Provisions	18	5.97	1.76
Current tax liabilities (Net)	19	10.18	30.73
Total current liabilities		1,236.95	1,986.48
Total liabilities		2,943.89	4,001.46
Total equity and liabilities		5,278.31	5,799.01

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

As per our report of even date

For D K P & Associates

Chartered Accountants

Firm Registration No. 126305W

D. K. Doshi

Partner

Membership No. 037148

Place: Mumbai

Dated: 29th June, 2020

For and on behalf of the Board

Blue Chip Tex Industries Limited

Ashok .K. Khemani

(Managing Director)

DIN: 00053623

Rahul .A. Khemani

(Chief Financial Officer & Director)

DIN: 03290468

Bhumit .M. Dharod

(Company Secretary)

ACS 51555

Place: Mumbai

Dated: 29th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

₹ In Lakhs

Particulars	Note No.	2019-20	2018-19
INCOME			
Revenue from Operations	20	22,146.53	25,755.21
Other Income	21	27.47	25.79
TOTAL INCOME		22,174.00	25,781.00
EXPENSES			
Cost of Materials Consumed	22	17,402.32	21,669.14
Changes in Inventories of Finished Goods	23	77.94	(255.81)
Employee Benefits Expense	24	481.67	469.15
Finance Costs	25	183.74	271.39
Depreciation and Amortisation Expense	1	277.03	266.98
Other Expenses	26	2,989.84	2,945.86
TOTAL EXPENSES		21,412.54	25,366.71
Profit before taxes		761.46	414.29
Tax Expenses			
Current Tax		173.09	86.90
Deferred Tax		(19.50)	64.62
MAT Credit (Entitlement) / utilised		26.33	(26.33)
Total Tax Expense		179.92	125.19
Profit after tax for the year		581.54	289.10
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement gain / (loss) of defined benefit plans		(2.39)	2.15
(ii) Income tax relating to above		0.49	(0.45)
Total Other Comprehensive Income		(1.90)	1.70
Total Comprehensive Income for the year		579.64	290.80
Earning per equity share of face value of 10/- each			
(1) Basic (in ₹)		29.51	14.67
(2) Diluted (in ₹)		29.51	14.67

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

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

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

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

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

D. K. Doshi
 Partner
 Membership No. 037148

Bhumit .M. Dharod
 (Company Secretary)
 ACS 51555

Place: Mumbai
 Dated: 29th June, 2020

Place: Mumbai
 Dated: 29th June, 2020

Blue Chip Tex Industries Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. Equity Share Capital		Financial Year 2018-19		Financial Year 2019-20		₹ In Lakhs	
Balance as at 1 st April, 2018	Changes in equity share capital during the year 2018-19	Balance as at 31 st March, 2019	Balance as at 1 st April, 2019	Changes in equity share capital during the year 2019-20	Balance as at 31 st March, 2020		
197.55	-	197.55	197.55	-	197.55		
B. Other Equity Particulars		Reserves and Surplus			Other Comprehensive Income		₹ In Lakhs
Particulars	Capital reserve on account of subsidy by Central Government	Capital Reserve on account of shares forfeited	Security Premium	General Reserve	Retained Earnings	Total	
As on 31 st March 2019							
Balance as at 1 st April 2018	25.00	0.16	33.80	58.34	1,235.46	1,351.95	
Profit for the year	-	-	-	-	289.10	289.10	
Other comprehensive income for the year, net of income tax						1.71	
Dividend	-	-	-	-	(35.47)	(35.47)	
Tax on Dividend	-	-	-	-	(7.29)	(7.29)	
Balance as at 31 st March 2019	25.00	0.16	33.80	58.34	1,481.80	1,600.00	
As on 31 st March 2020							
Balance as at 1 st April 2019	25.00	0.16	33.80	58.34	1,481.80	1,600.00	
Profit for the year	-	-	-	-	581.54	581.54	
Other comprehensive income for the year, net of income tax						(1.90)	
Dividend	-	-	-	-	(35.47)	(35.47)	
Tax on Dividend	-	-	-	-	(7.29)	(7.29)	
Balance as at 31 st March 2020	25.00	0.16	33.80	58.34	2,020.58	2,136.87	

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

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

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

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

D. K. Doshi
 Partner
 Membership No. 037148
 Place: Mumbai
 Dated: 29th June, 2020

Bhumit .M. Dharod
 (Company Secretary)
 ACS 51555
 Place: Mumbai
 Dated: 29th June, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020 ₹ In Lakhs

Particulars	2019-2020	2018-2019
A. Cash flow from Operating Activities		
Profit before Tax as per Statement of Profit and Loss	761.46	414.29
Adjustment for:		
Depreciation	277.03	266.98
Provision for Leave encashment	3.60	4.48
Provision for Gratuity	5.27	5.18
Share of (Profit)/Loss from Partnership Firm	(11.20)	(0.32)
Loss/(Profit) on sale of property, plant and equipments	-	7.51
Interest Income	(30.06)	(18.13)
Interest to a Partnership firm	0.03	0.05
Interest Paid to banks and others - Finance Cost	207.25	252.75
Provision for Doubtful Debts	19.44	-
Bad debts	0.35	0.35
Debit balances written off	-	0.12
Credit balances written back	(4.23)	(6.01)
Operating Profit before Working Capital Changes	1,228.94	927.25
Adjustment for:		
Inventories	7.69	(310.90)
Trade and other receivables	95.81	662.81
Trade and other payables	(426.81)	(310.92)
Cash generated in Operations	905.63	968.24
Income taxes paid (net)	(193.15)	(106.33)
Net Cash inflow from Operating Activities (A)	712.48	861.91
B. Cash flow from Investing Activities		
(Contribution to)/Withdrawals from a Firm - net	-	(0.01)
Proceeds from sale of property, plant and equipments	-	25.67
Purchase of property, plant and equipments	(188.07)	(624.99)
Interest Income	30.06	18.13
Net Cash used in Investing Activities (B)	(158.01)	(581.20)
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	-	450.05
Repayment of Long Term Borrowings	(275.08)	(191.14)
Proceeds from Directors/Shareholders Borrowings	-	60.00
Dividend paid (Including tax on dividend)	(42.38)	(41.51)
Interest Paid to banks and others - Finance Cost	(207.25)	(252.75)

Blue Chip Tex Industries Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020 ₹ In Lakhs

Particulars		2019-2020	2018-2019
Net Cash inflow / (Used) from Financing Activities	(C)	(524.71)	24.65
Net (Decrease)/Increase in Cash and Cash Equivalents	(A+B+C)	29.76	305.36
Cash and cash equivalents at the beginning of the year		2.62	(302.74)
Cash and cash equivalents at the end of the year		32.38	2.62

Change in Liability arising from financing activities

	₹ In Lakhs		
	1 st April, 2019	Cash Flow	31 st March, 2020
Borrowing - Non Current (Refer Note 12)	2,048.31	(275.08)	1,773.23
	2,048.31	(275.08)	1,773.23

	₹ In Lakhs		
	1 st April, 2018	Cash Flow	31 st March, 2019
Borrowing - Non Current (Refer Note 12)	1,729.40	318.91	2,048.31
	1,729.40	318.91	2,048.31

NOTES TO CASH FLOW STATEMENT

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

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

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

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

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

D. K. Doshi
 Partner
 Membership No. 037148

Bhumit .M. Dharod
 (Company Secretary)
 ACS 51555

Place: Mumbai
 Dated: 29th June, 2020

Place: Mumbai
 Dated: 29th June, 2020

A. CORPORATE INFORMATION

Blue Chip Tex Industries Limited (the 'Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the company is situated at Plot No. 63-B, Danudyog Sahakari Sangh Ltd., Village Piparia, Silvassa 396230, (U.T.) Dadra & Nagar Haveli.

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

B. SIGNIFICANT ACCOUNTING POLICIES

B.1 Basis for preparation of accounts:

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

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

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

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

B.2 Summary of Significant Accounting Policies

a) Property, Plant and Equipment

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

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b) Investments:

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

c) Inventories:

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

I. Packing Material and Oil:

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

II. Raw Materials:

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

III. Finished Goods (manufactured):

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

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

d) Employee Benefits:

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

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

(iii) **Defined benefit plans:** Post employment and other long term employee benefits are recognised as expense in the statement of profit and loss for the year in which the Employees have rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

e) Tax Expense:

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

(i) Current Tax:

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

(ii) **Deferred Tax:**

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

f) **Revenue Recognition:**

- Revenue from sale of goods is recognised when the goods are despatched to the customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. The sales are stated net of returns and related taxes.
- Revenue in respect of insurance or other claims, quantity discount on purchase etc. is recognised only when it is reasonably certain that the ultimate collection will be made.
- Interest Income is recognised on time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Dividend Income is recognised when the Company's right to receive the amount has been established.
- Job work Income is recognised when related services are rendered.

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

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

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

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

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

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

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

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i) Finance costs:

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

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets up to the date when such assets are ready for their intended use. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

j) Government grants:

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

Grants, except which relates to property plant & Equipment, received from Government is credited to statement of profit and loss in the period for which it relates.

k) Foreign currency transactions and Translation:

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

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

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

l) Lease:

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

m) Research and Development Expenditure:

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

n) **Financial Instruments:**

I. **Financial Assets**

• **Initial Recognition and Measurement**

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

• **Subsequent Measurement**

i. **Financial assets measured at amortised cost (AC)**

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

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

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

iii. **Financial assets measured at fair value through Profit or Loss (FVTPL)**

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

• **Investment In Subsidiaries, Associates and Joint Ventures**

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

• **Other Equity Investments**

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

• **Impairment of Financial Assets**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

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

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

- other debt securities and bank balances for which credit risk (i.e. the risk of default

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occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

II. Financial Liabilities

1. Initial recognition and measurement

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

2. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying value approximate fair value due to the short maturity of these instruments.

III. Derecognition of Financial Instruments

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

IV. Offsetting Instruments

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

V. Cash and Cash Equivalents

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

C) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result

in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial year.

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

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

2) Recoverability of Trade Receivable

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

3) Provisions

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

4) Impairment of Non-Financial Assets

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

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

5) Impairment of Financial Assets

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

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Note 1 Property, Plant and Equipment (At cost)

₹ In Lakhs

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.04.2019	ADDITIONS	DEDUCTIONS	AS AT 01.04.2019	FOR THE YEAR ADDITIONS	DEDUCTIONS	AS AT 31.03.2020	AS AT 31.03.2019
	AS AT 31.03.2020							
TANGIBLE ASSETS								
FREE HOLD LAND (Refer note 1.1) #	44.18	-	-	-	-	-	44.18	44.18
LEASE HOLD LAND	158.89	-	-	4.86	2.64	-	151.39	154.03
BUILDINGS #	918.22	-	-	187.01	29.95	-	701.26	731.21
PLANT AND MACHINERY	2,656.22	131.93	-	746.65	217.83	-	1,823.67	1,909.57
FACTORY EQUIPMENT	12.05	2.20	-	5.33	0.87	-	8.05	6.72
ELECTRICAL INSTALLATIONS	260.10	-	-	107.75	23.57	-	128.78	152.35
COMPUTER	4.37	0.45	-	2.80	0.85	-	1.17	1.57
FURNITURE AND FIXTURES	14.74	0.06	-	9.74	1.32	-	3.74	5.00
TOTAL	4,068.77	134.64	-	1,064.14	277.03	-	2,862.24	3,004.63
PREVIOUS YEAR	3,648.69	466.61	46.53	810.50	266.98	13.34	1,064.14	3,004.63

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

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

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
2	NON CURRENT INVESTMENTS:		
	Investment measured at cost		
	(i) In Equity Shares (Fully Paid) (Unquoted)		
	4,18,000 (4,18,000) Equity Shares of Beekaylon Synthetics Private Limited of ₹10 each	41.90	41.90
	(ii) Investment in Capital of Partnership Firm		
	Jay Gee Rayons (Refer Note No.32 and 34)	10.58	0.05
	TOTAL	52.48	41.95
2.1	Aggregate amount of unquoted investments	52.48	41.95
	Aggregate provision for diminution in value of investments	-	-
2.2	Category wise Non current Investment		
	Financial assets measured at cost	52.48	41.95
	Total non current investment	52.48	41.95
3	Loans (Unsecured and considered good)		
	Security Deposits	1.43	1.43
	TOTAL	1.43	1.43
4	OTHER NON CURRENT FINANCIAL ASSETS:		
	Bank Deposits with maturity for more than 12 months [Fixed Deposit Receipts pledged under bank's lien]	43.55	65.53
	TOTAL	43.55	65.53
5	OTHER NON CURRENT ASSETS		
	(i) Capital advances	49.62	-
	(ii) MAT Credit Entitlement	-	26.33
	TOTAL	49.62	26.33
	Current Assets		
6	INVENTORIES (As valued, verified and certified by the management)		
	(i) Raw materials	286.44	214.28
	(ii) Finished goods	408.84	486.78
	(iii) Packing materials and oil	32.52	34.43
	TOTAL	727.80	735.49

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Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
7	TRADE RECEIVABLES:		
	Considered Good #	1,402.87	1,468.70
	Considered Doubtful	19.44	-
	Trade receivables	1,422.31	1,468.70
	Less: Allowance for Doubtful Trade receivables	19.44	
	TOTAL	1,402.87	1,468.70
	#Includes ₹62.11 Lakhs (Previous Year ₹7.39 Lakhs) from related party- Beekaylon Synthetics Private Limited . [Refer Note No.32]		
8a	Cash and Cash Equivalents		
	(i) Cash on hand	0.59	0.42
	(ii) Balances with banks - current accounts	31.79	294.11
	SUB - TOTAL	32.38	294.53
8a.1	Cash and Cash Equivalents as per Cash Flow Statement		
	Cash on hand	0.59	0.42
	Balances with banks - current accounts	31.79	294.10
	working capital from banks		
	(i) Unsecured Loan from Bank	-	(50.00)
	(ii) Secured Loan from banks - Overdraft	-	(241.92)
	Cash and Cash Equivalents at the year end	32.38	2.62
8b	Bank Balances other than cash and cash equivalents		
	Earmarked balances with Bank - unclaimed dividend accounts	16.50	16.12
	Fixed Deposit-Bank with remaining maturity for more than 12 months	43.56	65.53
	Fixed Deposits-Bank with original maturity for more than 3 months but remaining maturity of less than 12 months	14.72	9.24
	Less: amount disclosed under other non-current financial assets [Note no.4]	(43.56)	(65.53)
	SUB - TOTAL	31.22	25.36
	[Fixed Deposit Receipts pledged under bank's lien]		
	TOTAL (8a + 8b)	63.60	319.89
8c	OTHER FINANCIAL ASSETS		
	Interest Accrued on Deposit with banks	1.05	1.04
	TOTAL	1.05	1.04

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Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
9	OTHER CURRENT ASSETS		
	Prepaid Expenses	2.90	5.26
	Advance to Suppliers	19.17	3.19
	Others #	51.60	125.57
	# Includes mainly VAT / GST Refund Receivable		
	TOTAL	73.67	134.02
10	EQUITY SHARE CAPITAL		
10.1	Authorised Share Capital		
	25,00,000 (Previous Year - 25,00,000) Equity Shares of ₹10 each	250.00	250.00
		250.00	250.00
10.2	Issued, Subscribed and Paid up		
	19,70,500 (Previous Year - 19,70,500) Equity Shares of ₹10 each fully paid up	197.05	197.05
	Add: Forfeited Shares	0.50	0.50
	TOTAL	197.55	197.55
10.3	The Company has only one class of issued capital, all the equity shares carry equal rights and obligations including for dividend and with respect to voting .		
10.4	The details of Shareholders holding more than 5% shares:		
Sr. No.	Name of the Shareholder	As at 31st March, 2020	As at 31st March, 2019
1	Beekaylon Synthetics Private Limited		
	Number of Shares	486,188	486,188
	%	24.67	24.67
2	Indotex Export House Private Limited		
	Number of Shares	208,300	208,300
	%	10.57	10.57
3	Sangam Syntwist Textile Private Limited		
	No. of Shares	162,100	162,100
	%	8.23	8.23
4	Investor Education and Protection Fund Authority Ministry of Corporate Affairs		
	No. of Shares	118,460	112,152
	%	6.01	5.69
5	Roop K. Khemani		
	No. of Shares	105,700	105,700
	%	5.36	5.36

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
10.5	Reconciliation of the number of shares outstanding;		
	Number of shares at the beginning of the year	1,970,500	1,970,500
	Shares issued during the year	-	-
	Number of shares at the end of the year.	1,970,500	1,970,500
10.6	There were no shares issued pursuant to contracts without payment being received in cash , by way of bonus issue and no shares were bought back in the period of five years immediately preceding the date as at which Balance Sheet is prepared.		
11	OTHER EQUITY		
1.	Capital Reserve No.1 (Central Government Investment subsidy for unit in Backward Area)		
	As per last Balance sheet	25.00	25.00
2.	Capital Reserve No.2 (Amount forfeited on equity shares warrants)		
	As per last Balance sheet	0.16	0.16
3.	Securities Premium (Amount received on issue of equity shares at premium)		
	As per last Balance sheet	33.80	33.80
4.	General Reserve (Amount accumulated as General Reserve from Retained Earnings)		
	As per last Balance sheet	58.34	58.34
5.	Retained Earnings		
	As per last Balance sheet	1,481.80	1,235.46
	Add : Profit for the year	581.54	289.10
		2,063.34	1,524.56
	Less: Appropriations		
	Dividend on Equity Shares	35.47	35.47
	[Dividend per share ₹ 1.80 (Previous year ₹1.80)]		
	Tax on Dividend	7.29	7.29
		2,020.58	1,481.80
6.	Other Comprehensive Income (OCI)		
	As per Last Balance sheet - Actuarial valuation	0.90	(0.81)
	Add Movement in OCI (Net) during the year	(1.90)	1.71
		(1.00)	0.90
	TOTAL	2,136.87	1,600.00

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
12	BORROWINGS:		
	Secured - At amortized Cost		
	Term Loans from Bank	1,248.23	1,523.31
	Less : Current Maturities of Term Loans	(278.11)	(284.28)
		970.12	1,239.03
	Unsecured		
	Loan from Directors	148.00	148.00
	Loan from Other (Refer Note No.32)	377.00	377.00
	TOTAL	1,495.12	1,764.03

12.1 Term loan from Bank Aggregating to ₹1,248.23 Lakhs (Previous Year - ₹1,523.31 Lakhs)

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

Collateral Security : Extension of first and exclusive charge on

a) All that piece and parcel of land totally admeasuring about 6924.50 sq.mtrs. Bearing plot no 63B admeasuring 1474.50 sq.mtrs., plot no.64A(part) admeasuring above 523.00 sq.mtrs. Plot No.68B admeasuring about 1825.50 sq.mtrs and plot no 69 admeasuring about 3102.00 sq.mtrs lying being and situated at Piparia Industrial Estate, Village Amlī, Silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq.mtrs

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

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

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

Repayment Schedule and Rate of Interest of Borrowings referred above:

₹ In Lakhs

Loan No.	Floating Rate of Interest	2020-21	2021-22	2022-25
1	10.10%	53.11	-	-
2	09.90%*	225.00	225.00	759.13
3	10% **	-	-	525.00

* including ₹14.00 Lakhs as prepaid finance charges

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

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
13	PROVISIONS-NON CURRENT:		
	Provision for Leave Encashment	10.40	8.42
	Provision for Gratuity (Refer Note No.24.1A)	-	21.61
	TOTAL	10.40	30.03
14	Deferred Tax Liabilities (Net)		
	At the start of the year	220.92	156.30
	Charge / (Credit) to statement of profit and loss	-	-
	Related to Property Plant and Equipment	(17.02)	65.47
	Related to Disallowances under the Income Tax Act, 1961	(2.48)	(0.84)
	At the end of year	201.42	220.92
15	BORROWINGS:		
	Working Capital Loan at amortized cost		
	(i) Secured - Bank Overdraft	-	241.91
	(ii) Unsecured - Loan from Bank	-	50.00
	TOTAL	-	291.91

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

15.2 Collateral Security : Extension of first and exclusive charge on a) All that piece and parcel of land totally admeasuring about 6924.50 sq.mtrs. Bearing plot no 63B admeasuring 1474.50 sq.mtrs.,plot no.64A(part) admeasuring above 523.00 sq.mtrs. Plot No.68B admeasuring about 1825.50 sq.mtrs and plot no 69 admeasuring about 3102.00 sq.mtrs lying being and situated at Piparia Industrial Estate, Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli, together with structure standing thereon admeasuring about 1704.23 sq.mtrs.

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

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

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

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
16	TRADE PAYABLES:		
	a) Dues of micro enterprises and small enterprises *	2.31	2.49
	b) Dues of other than micro enterprises and small enterprises #	615.59	1,126.54
	TOTAL	<u>617.90</u>	<u>1,129.03</u>
	* The information regarding Micro and Small Enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company.		
	(i) Principal amount due remaining unpaid to Micro and Small Enterprises	2.18	2.35
	(ii) Interest due and payable to Micro and Small Enterprises	0.13	0.14
	# Includes ₹321.32 Lakhs (Previous Year - ₹692.69 Lakhs) payable to a related party - Beekaylon Synthetics Private Limited (Refer Note No.32)		
17	OTHER CURRENT FINANCIAL LIABILITIES:		
	Current Maturities of Long Term Loans (Secured) (Refer Note No.12)	278.11	284.28
	Book overdraft	13.65	-
	Creditors for Capital Goods	0.71	4.53
	Unclaimed dividend *	16.51	16.12
	Due to a firm wherein the Company is a Partner (Refer Note No. 32 and 34)	-	0.64
	Interest accrued and due on borrowing-bank	22.27	13.58
	Other Payables #	271.65	213.90
	TOTAL	<u>602.90</u>	<u>533.05</u>
	* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.		
	# Includes mainly statutory dues and advances from customers		
18	PROVISIONS-CURRENT:		
	Provision for Leave Encashment	2.85	1.23
	Provision for Gratuity (Refer Note No.24.1A)	3.12	0.53
	TOTAL	<u>5.97</u>	<u>1.76</u>
19	CURRENT TAX LIABILITIES[NET]		
	Provision for tax (Net of Advance Tax paid)	10.18	30.73
	TOTAL	<u>10.18</u>	<u>30.73</u>

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
19.1	Provision for tax (Net of Advance Tax paid)		
	At the start of the year	30.73	49.72
	Charge for the year	173.09	86.90
	Others	(0.49)	0.44
	Tax paid during the year	(193.15)	(106.33)
	At the End of year	10.18	30.73
19.2	Taxation		
	Income tax recognised in statement of Profit and loss		
	Current tax	173.10	86.90
	Deferred Tax	(19.50)	64.62
	MAT Credit (Entitlement) / utilised	26.33	(26.33)
	Income tax expenses recognised in Statement of profit and loss	179.92	125.19
	The income tax expenses for the year can be reconciled to the accounting profit as follows:		
	Profit before tax	761.46	414.29
	Applicable tax rate	27.82%	27.82%
	Computed Tax expense	211.84	115.26
	Tax effect of :		
	On exempt income	(3.12)	(0.09)
	Expenses Disallowed / (Allowed) (net)	(35.63)	(28.27)
	Current tax provision (A)	173.10	86.90
	Incremental / (Reversal) of Deferred Tax liability on account of	(17.02)	65.47
	Property Plant and Equipment		
	Incremental Deferred Tax Asset on account of Other items	(2.48)	(0.84)
	Deferred Tax provision (B)	(19.50)	64.62
	MAT Credit (Entitlement) / Utilised (C)	26.33	(26.33)
	Total Income tax expenses recognised in statement of Profit and loss(A + B + C)	179.92	125.19
	Effective Tax rate	23.63%	30.22%

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	2019-20	2018-19
20	REVENUE FROM OPERATIONS:		
	(a) Sale of Products		
	Texturised and Twisted Yarn	22,143.77	25,707.79
	(b) Sale of Services		
	Job Work Income	2.76	47.42
	TOTAL	22,146.53	25,755.21
20.1	Reconciliation of Revenue from operations with contract price		
	Contract price	22,175.78	25,794.46
	Less: Sales Return	27.03	23.90
	Less: Rebates & Incentives	2.21	15.35
	Total Revenue from operation	22,146.54	25,755.21
21	OTHER INCOME:		
	Interest Income	4.24	5.74
	Profit from Partnership Firm (Refer note no 32 & 34)	11.20	0.32
	Sundry Income - (Inclusive of Scrap sale)	7.80	13.72
	Sundry Balances written back	4.23	6.01
	TOTAL	27.47	25.79
22	COST OF MATERIAL CONSUMED POY - YARN:		
	Opening Stock	214.28	162.18
	Add: Purchases during the year	17,474.48	21,721.24
	Less: Closing Stock	286.44	214.28
	TOTAL	17,402.32	21,669.14
23	CHANGES IN INVESTORIES OF FINISHED GOODS:		
	Inventories - at close		
	Finished Goods	408.83	486.78
	Inventories - at commencement		
	Finished Goods	486.77	230.97
	TOTAL	77.94	(255.81)

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	2019-20	2018-19
24	EMPLOYEE BENEFITS EXPENSE:		
	(a) Salaries and Wages	461.15	448.31
	(Including ₹60.00 Lakhs (Previous Year ₹60.00 Lakhs) paid as directors remuneration)		
	(b) Contribution to Provident Fund	17.05	16.59
	(c) Staff Welfare Expenses	3.47	4.25
	TOTAL	481.67	469.15

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

Defined Contribution Plans

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

Employer's Contribution to Provident Fund	4.70	5.60
Employer's Contribution to Family Pension Fund	11.47	10.48

A Defined Benefit Plan

As per Ind AS 19 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard

for Gratuity are given below:

Assumptions	2019-20	2018-19
Mortality	IALM (2006-08)	IALM (2006-08)
	Ult.	Ult.
Rate of Discounting	6.82%	7.87%
Rate of Salary increase	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate After Employment	NA	NA
Change in the Present Value of Projected Benefit Obligation		
Present Value of Benefit Obligation at the Beginning of the year	22.14	19.11
Interest Cost	1.72	1.50
Current service cost	5.46	5.97
Benefit Paid Directly by the Employer	(1.91)	(2.30)
Actuarial (Gains)/losses on Obligation - Due to change in financial assumptions	3.19	0.24
Actuarial (Gains)/losses on Obligation - Due to experience	(0.79)	(2.39)
Present Value of Benefit Obligation at the End of the period	29.80	22.14

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	2019-20	2018-19
	Assumptions	IALM (2006-08)	IALM (2006-08)
	Mortality	Ult.	Ult.
	Amount Recognized in the Balance Sheet		
	Present Value of Benefit Obligation at the end of the Period	(29.80)	(22.14)
	Fair Value of Plan Assets at the end of the Period	26.68	-
	Funded Status [Surplus/(Deficit)]	(3.12)	(22.14)
	Net (Liability)/Asset Recognized in the Balance Sheet	(3.12)	(22.14)
	Expenses recognized in the Statement of Profit / loss		
	Current Service Cost	5.46	5.97
	Net Interest Cost	1.72	1.50
	Past Service Cost	-	-
	(Expected Contributions by the Employees)	-	-
	(Gains)/Losses on Curtailments and Settlements	-	-
	Net effect of Changes in Foreign Exchange Rates	-	-
	Expenses Recognized	7.18	7.47
	Expenses recognition in-Other Comprehensive Income		
	Actuarial (Gain)/Loss recognised for the period	(2.40)	(2.15)
	Return on Plan Assets, excluding interest income	-	-
	Change in Asset Ceiling	-	-
	Net (Income)/Expense for the Period Recognized in OCI	(2.40)	(2.15)
	Remeasurement - Actuarial loss /[gain]	-	-
	Sensitivity Analysis		
	Projected Benefit Obligations on Current Assumptions	29.80	22.14
	Delta Effect of +1% change in Rate of Discounting	(3.31)	(2.45)
	Delta Effect of -1% change in Rate of Discounting	4.01	2.96
	Delta Effect of +1% change in Rate of Salary Increase	4.05	3.01
	Delta Effect of -1% change in Rate of Salary Increase	(3.39)	(2.53)
	Delta Effect of +1% change in Rate of Employee Turnover	0.47	0.65
	Delta Effect of -1% change in Rate of Employee Turnover	(0.60)	(0.80)
B	Long Term Compensated Absences		
	Actuarial Assumptions	2019-20	2018-19
	Mortality	IALM (2006-08)	IALM (2006-08)
		Ult.	Ult.
	Rate of Discounting	6.82%	7.87%
	Future Salary increase	5.00%	5.00%
	Attrition Rate	2.00%	2.00%
	Expenses recognized in the Statement of Profit / loss for Leave encashment	6.63	6.67

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	2019-20	2018-19
	These plans typically expose the Company to actuarial risk such as interest rate risk, longevity risk and salary risk.		
	Interest Rate Risk : A decrease in the bond interest rate will increase the plan liability.		
	Longevity Risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.		
	Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.		
25	FINANCE COST:		
	Interest Expenses #	181.43	240.36
	Exchange differences regarded as an adjustment to borrowing costs	-	25.98
	Other Borrowing Costs	2.32	5.05
	TOTAL	183.75	271.39
	# Net off interest received ₹25.82 Lakhs (Previous Year ₹12.39 Lakhs)		
26	OTHER EXPENSES:		
	(a) Manufacturing expenses		
	Packing materials	585.52	756.01
	Stores, Spares and Oil consumed	488.76	502.03
	Power and fuel	1,188.28	1,057.26
	Contract labour charges	255.14	119.61
	Repairs to Building	13.87	10.14
	Repairs to Plant and Machinery	11.28	30.42
	Repairs to Others	22.64	16.93
	Rent - Office	0.42	0.55
	Machine Hire Charges [Refer Note No.32]	53.60	70.70
	Rates and taxes	0.21	0.15
	Insurance	5.71	6.04
		2,625.43	2,569.84
	(b) Establishment Expenses		
	Payment to Auditors [Refer Note No.28]	4.15	3.59
	Directors sitting fees	0.55	0.55
	Corporate Social Responsibility [Refer Note No. 39]	0.41	9.38
	Loss on sale of Property Plant and Equipment	-	7.51
	Miscellaneous expenses	107.07	112.37
		112.18	133.40

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Note	Particulars	2019-20	2018-19
(c)	Selling and Distribution Expenses		
	Brokerage and Commission	214.24	214.86
	Provision for Doubtful Debts	19.44	-
	Bad Debts	0.35	0.35
	Discount Allowed	8.66	9.42
	Freight Charges	9.53	17.99
		252.22	242.62
	TOTAL	2,989.83	2,945.86

27 VALUE OF STORES (INCLUDING OIL) AND PACKING MATERIALS CONSUMED:

	2019-20		2018-19	
	₹ In Lakhs	%	₹ In Lakhs	%
Imported	1.01	-	-	-
Indigenous	1,073.27	100%	1,258.04	100%
TOTAL	1,074.28	100%	1,258.04	100%

28 PAYMENT TO AUDITORS AS:

(a) Auditor			
Statutory Audit Fees		2.95*	2.25
Tax Audit Fees		0.50	0.50
Certification Fees		-	0.14
Limited Review of Quarterly Result		0.30	0.30
(b) Cost Audit Fees		0.40	0.40
TOTAL		4.15	3.59

*Including GST

29 EARNING PER SHARE:

a. Net Profit after tax		
Profit attributable to Equity Shareholders	581.54	289.10
b. Weighted average number of Equity Shares	1,970,500	1,970,500
c. Nominal value of Equity Shares (In ₹)	10	10
d. Earning per Share (Basic and diluted) in ₹	29.51	14.67

30 CIF Value of Import

Store & Spares	0.58	-
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Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

31 COVID-19 Assessment

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of all plants and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

32 RELATED PARTY DISCLOSURES:

a) Name of related parties and description of relationship:

i. Key Management Personnel (KMP):

Name	Designation
Mr. Ashok .K. Khemani	Managing Director
Mr. Rahul .A. Khemani	Executive Director & CFO
Mr. Shahin .N. Khemani	Executive Director
Mr. Kumar .S. Nathani (Date of Resignation: 25.02.2020)	Non-Executive Independent Director
Ms. Shraddha .M. Teli	Non-Executive Independent Director
Mr. Maulin .S. Gandhi (Date of Resignation: 15.01.2020)	Non-Executive Independent Director
Mr. Shatrughun .N. Jiwnani (Date of Appointment: 06.01.2020)	Non-Executive Independent Director
Mr. Rohit .P. Bajaj (Date of Appointment: 06.01.2020)	Non-Executive Independent Director
Mr. Hitesh .M. Kavediya (Date of Resignation: 31.08.2018)	Company Secretary
Mr. Bhumit .M. Dharod (Date of Appointment: 11.02.2019)	Company Secretary

ii. Others

Beekaylon Synthetics Private Limited	} Entities in which KMP have control or significant influence
Jay Gee Rayons	
Mr. Roop K. Khemani	Relative of Managing Director

Notes on Financial Statements for the year ended 31st March 2020

b) Transactions with related parties :

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
1	Rent Paid: Kumar .S. Nathani	NIL (NIL)	0.15 (0.16)	0.15 (0.16)
	Roop .K. Khemani	0.15 (0.16)	NIL (NIL)	0.15 (0.16)
2	Machine Hire Charges Paid: Beekaylon Synthetics Private Limited	62.87 (82.42)	NIL (NIL)	62.87 (82.42)
3	Insurance Premium (Reimbursed): Beekaylon Synthetics Private Limited	5.20 (6.35)	NIL (NIL)	5.20 (6.35)
4	Purchase of Raw Materials and Goods: Beekaylon Synthetics Private Limited	17,809.54 (21,623.67)	NIL (NIL)	17,809.54 (21,623.67)
5	OIL: Beekaylon Synthetics Private Limited	NIL (0.30)	NIL (NIL)	NIL (0.30)
6	Staff Welfare Expenses: Beekaylon Synthetics Private Limited	NIL (0.84)	NIL (Nil)	NIL (0.84)
7	Packing Material: Beekaylon Synthetics Private Limited	1.54 (4.19)	NIL (NIL)	1.54 (4.19)
8	Repairs to Machinery: Beekaylon Synthetics Private Limited	1.22 (1.96)	NIL (NIL)	1.22 (1.96)
9	Purchase of Property Plant & Equipment- Plant and Machinery: Beekaylon Synthetics Private Limited	117.96 (20.17)	NIL (NIL)	117.96 (20.17)
10	Sale of Goods: Beekaylon Synthetics Private Limited	1,750.88 (2,495.89)	NIL (NIL)	1,750.88 (2,495.89)
11	Job Work (Income): Beekaylon Synthetics Private Limited	NIL (25.99)	NIL (NIL)	NIL (25.99)
12	Sale of Store Spares: Beekaylon Synthetics Private Limited	7.77 (NIL)	NIL (NIL)	7.77 (NIL)

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
13	Sale of Scrap: Beekaylon Synthetics Private Limited	NIL (2.37)	NIL (NIL)	NIL (2.37)
14	Sale of Property Plant & Equipment- Plant and Machinery & Vehicle: Beekaylon Synthetics Private Limited	NIL (28.14)	NIL (Nil)	NIL (28.14)
15	Remuneration to Directors: Rahul A. Khemani Shahin N. Khemani	NIL (NIL) NIL (NIL)	30.00 (30.00) 30.00 (30.00)	30.00 (30.00) 30.00 (30.00)
16	Remuneration to Company Secretary: Hitesh Manoj Kavediya Bhumit Mahendra Dharod	NIL NIL NIL (NIL)	NIL (0.75) 4.72 (1.02)	NIL (0.75) 4.72 (1.02)
17	Director Sitting Fees: Kumar .S. Nathani Maulin .S. Gandhi Shraddha .M. Teli Shatrughun .N. Jiwnani Rohit .P. Bajaj	NIL (NIL) NIL (NIL) NIL (NIL) NIL (NIL)	0.20 (0.20) 0.10 (0.20) 0.15 (0.15) 0.05 (NIL) 0.05 (NIL)	0.20 (0.20) 0.10 (0.20) 0.15 (0.15) 0.05 (NIL) 0.05 (NIL)
18	Interest Paid on late payment: Beekaylon Synthetics Private Limited	8.98 (18.66)	NIL (NIL)	8.98 (18.66)
19	Interest on unsecured loan taken: Ashok .K. Khemani Shahin .N. Khemani Jay Gee Rayons	NIL (NIL) NIL (NIL) 37.70 (37.58)	10.00 (10.00) 4.80 (4.29) NIL (NIL)	10.00 (10.00) 4.80 (4.29) 37.70 (37.58)
20	Interest paid to Partnership Firm: Jay Gee Rayons	0.04 (0.05)	NIL (NIL)	0.04 (0.05)

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

Sr. No.	Nature of Transactions	Others	KMP and Relatives	Total
21	Share of Profit from Partnership Firm: Jay Gee Rayons	11.20 (0.32)	NIL (NIL)	11.20 (0.32)
22	Loan Taken: Shahin .N. Khemani Jay Gee Rayons	NIL NIL NIL (12.00)	NIL (48.00) NIL (NIL)	NIL (48.00) NIL (12.00)
23	Investment in Partnership Firm at year end: Jay Gee Rayons	10.58 (0.05)	NIL (NIL)	10.58 (0.05)
24	Balance Recoverable / Receivable at year end: Beekaylon Synthetics Private Limited	62.11 (7.39)	NIL (NIL)	62.11 (7.39)
25	Balance Payable at year end: Beekaylon Synthetics Private Limited Jay Gee Rayons Payable	321.32 (692.69) NIL (0.63)	NIL (NIL) NIL (NIL)	321.32 (692.69) NIL (0.63)
26	Loan / Interest payable to Directors and other: Ashok .K. Khemani Shahin .N. Khemani Jay Gee Rayons # # Firm wherein Partners are the shareholders of the Company	NIL (NIL) NIL (NIL) 385.37 (377.00)	102.22 (100.00) 49.07 (48.00) NIL (NIL)	102.22 (100.00) 49.07 (48.00) 385.37 (377.00)

32.1 Related party relationship is as identified by the management and relied upon by the Auditors.

32.2 Previous year figures are given in brackets.

32.3 Amount includes GST/SERVICE TAX wherever applicable

33 CONTINGENT LIABILITIES AND COMITMENTS:	2019-20	2018-19
(To the extent not provided for)	₹ In Lakhs	₹ In Lakhs
(i) Disputed Income Tax Liabilities/Demand :	26.72	23.78
(ii) Outstanding Bank Guarantee	119.22	116.09
(iii) Capital Contract		
Property Plant & Equipment	50.63	-
Less: Capital Advances given	49.62	-
Net Capital Commitments	1.01	-

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

34 PARTICULARS ABOUT INVESTMENT IN PARTNERSHIP FIRM:

Name of the Firm - Jay Gee Rayons

₹ In Lakhs

Name of the Partners	As at 31.03.2020			
	Fixed Capital Account	Current Capital Account	Total Capital Account	Share of Profit/Loss of each Partner
M/s.Beekaylon Synthetics Private Limited	0.050	(159.93)	(159.88)	10%
M/s.Blue Chip Tex Industries Limited	0.045	10.53	10.58	9%
M/s.Indotex Export House Private Limited	0.045	132.07	132.12	9%
M/s.Sangam Syntwist Textile Private Limited	0.045	363.14	363.19	9%
Mr. Nand K. Khemani	0.045	10.53	10.58	9%
Mr. Ashok K. Khemani	0.045	12.43	12.48	9%
Mr. Rahul A. Khemani	0.045	10.53	10.58	9%
Mr. Siddharth A. Khemani	0.045	12.59	12.64	9%
Mr. Shahin N. Khemani	0.045	10.53	10.58	9%
Mrs. Nitika S. Khemani	0.045	10.53	10.58	9%
Mrs. Rishma R. Khemani	0.045	10.53	10.58	9%
Total	0.50	423.48	423.98	

₹ In Lakhs

Name of the Partners	As at 31.03.2019			
	Fixed Capital Account	Current Capital Account	Total Capital Account	Share of Profit/Loss of each Partner
M/s.Beekaylon Synthetics Private Limited	0.050	180.93	180.98	10%
M/s.Blue Chip Tex Industries Limited	0.045	(0.63)	(0.59)	9%
M/s.Indotex Export House Private Limited	0.045	85.00	85.05	9%
M/s.Sangam Syntwist Textile Private Limited	0.045	183.16	183.21	9%
Mr. Nand K. Khemani	0.045	(0.64)	(0.60)	9%
Mr. Ashok K. Khemani	0.045	19.09	19.14	9%
Mr. Rahul A. Khemani	0.045	(0.64)	(0.60)	9%
Mr. Siddharth A. Khemani	0.045	50.67	50.72	9%
Mr. Shahin N. Khemani	0.045	(0.64)	(0.60)	9%
Mrs. Nitika S. Khemani	0.045	(0.63)	(0.59)	9%
Mrs. Rishma R. Khemani	0.045	(0.63)	(0.59)	9%
Total	0.50	515.04	515.54	

Based on Management certified financial statement of Partnership firm.

Notes on Financial Statements for the year ended 31st March 2020

- 35 Previous year's figures are given in brackets and regrouped /rearranged wherever necessary.
- 36 The company's main business segment is manufacturing of polyester texturised yarn and sale in the domestic market. Hence, there are no separate reportable segments as per Ind AS 108 "Operating Segment"
- 37 **Capital Mangement**
 The Company's policy is to maintain a strong capital base so as to maintain investor , creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

₹ In Lakhs except Net Gearing

Gearing ratio	As at 31 st March 2020	As at 31 st March 2019
Gross Debt	1,773.23	2,340.22
Cash and Cash Equivalent	63.60	319.88
Net Debt (A)	1,709.63	2,020.34
Total Equity (as per Balance Sheet) (B)	2,334.42	1,797.55
Net Gearing (A/B)	0.73	1.12

38 **Leases**

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

During the year, Company has elected not to apply Ind AS 116 to leases previously accounted for as an operating leases, with a remaining lease term of less than 12 months and not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

	₹ In Lakhs	
	2019-20	2018-19
(a) Not later than 1 year	NA	30.25
(b) Later than 1 year but not later than 5 years	NA	-
(c) Later than 5 years	NA	-

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

₹ In Lakhs

39 Corporate Social Responsibility	2019-20	2018-19
a) Gross amount required to be spent by the company during the year.	9.80	9.52
b) Amount Spent during the year		
i) Construction / acquisition of asset	-	-
ii) on Purpose other (i) above	-	-
- on field of education *	0.41	9.38
Amount unspent during the year	9.39	0.14
Cumulative unspent Amount at the end of the year	9.53	0.14

* "of this amount of ₹Nil (Previous Year ₹1.15 Lakh) has been booked as contractual liability and will be paid as per terms with vendor"

40 Financial instruments

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

₹ In Lakhs

Particulars	As at 31 st March 2020			As at 31 st March 2019		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
At Amortised Cost						
Investment*	-	-	-	-	-	-
Trade receivable	1,402.88	-	-	1,468.70	-	-
Cash and Bank Balances	63.60	-	-	319.89	-	-
Loans	1.43	-	-	1.43	-	-
Other financial Assets	44.61	-	-	66.58	-	-
Financials Liabilities						
At amortised cost						
Borrowing	1,773.24	-	-	2,340.22	-	-
Trade payables	617.90	-	-	1,129.03	-	-
Other financial liabilities	324.79	-	-	248.77	-	-

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

Notes on Financial Statements for the year ended 31st March 2020

Interest Rate Risk

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

₹ In Lakhs		
Particulars	As at 31 st March 2020	As at 31 st March 2019
Loans		
Long term Floating Loan	1,248.24	1,523.31
Long term Fixed Loan	525.00	525.00
Short term loan	-	291.91
Total	1,773.24	2,340.22

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

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	Up Move	Down Move	Up Move	Down Move
impact on equity	-	-	-	-
Impact on P&L	11.32	(11.32)	14.11	(14.11)

Financial Risk Management

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

i) Credit Risk

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

As at 31st March, 2020 the carrying amount of financial assets exposure to credit risk was ₹1511.09 Lakhs (₹1855.16 Lakhs as at 31st March 2019), being representing balances with banks, short term deposits with banks, trade receivables and other financial assets.

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

₹ In Lakhs		
	As at 31 st March 2020	As at 31 st March 2019
Trade Receivables	Gross	Gross
Less than 6 months	1374.15	1436.00
More than 6 months	48.16	32.70
Total	1422.31	1468.70

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

Blue Chip Tex Industries Limited

Notes on Financial Statements for the year ended 31st March 2020

ii) Liquidity risk

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

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

Following are the contractual maturities of loans obtained :

Maturity profile of loans as on 31st March 2020

₹ In Lakhs

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
<u>Secured</u>							
Long Term Loans*	71.07	71.07	135.97	450.00	436.00	84.13	1,248.24
Short Term Loans	-	-	-	-	-	-	-
<u>Unsecured</u>							
Loan From Bank	-	-	-	-	-	-	-
Loan From Others	-	-	-	-	525.00	-	525.00
Total	71.07	71.07	135.97	450.00	961.00	84.13	1,773.24

* Including ₹14.00 Lakhs as prepaid finance charges

Maturity profile of loans as on 31st March 2019

₹ In Lakhs

	Below 3 months	3-6 months	6-12 months	1-3 years	3-5 years	Above 5 years	Total
Long Term Loans*	71.07	71.07	142.14	498.17	431.73	309.13	1,523.31
Short Term Loans	-	-	241.91	-	-	-	241.91
<u>Unsecured</u>							
Loan From Bank	50.00	-	-	-	-	-	50.00
Loan From Others	-	-	-	-	525.00	-	525.00
Total	121.07	71.07	384.05	498.17	956.73	309.13	2,340.22

* Including ₹18.27 Lakhs as prepaid finance charges

iii) Market Risk :

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

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

Notes on Financial Statements for the year ended 31st March 2020

41 Approval of Financial Statement

The Financial Statements were approved for issue by the Board of Directors on June 29, 2020.

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

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

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

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

D. K. Doshi
Partner
Membership No. 037148

Bhumit .M. Dharod
(Company Secretary)
ACS 51555

Place: Mumbai
Dated: 29th June, 2020

Place: Mumbai
Dated: 29th June, 2020

If Undelivered, please return to :

BLUE CHIP TEX INDUSTRIES LIMITED

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