



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.”

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- 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

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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

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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