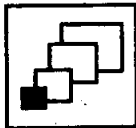


15th Annual Report 1999 - 2000

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blue chip
TEX
INDUSTRIES LTD.

BLUE CHIP TEX INDUSTRIES LIMITED

Board of Directors : NAND K. KHEMANI Chairman and Managing Director
MOHAN J. JHANGIANI
KUMAR S. NATHANI
ASHOK K. KHEMANI

Auditors : C. C. CHOKSHI & CO.
Chartered Accountant

Bankers : DENA BANK

Registered Office "Jasville", 2nd Floor,
Opp.: Liberty Cinema,
9, New Marine Lines,
Mumbai 400 020.
Tel. No. 022 - 200 0488 / 200 5652
Fax : 022 - 200 6437

Factory : Plot No. 63-B, Danudhyog Industrial Estate,
Village Piparia,
District Silvassa,
Union Territory of Dadra & Nagar Haveli

Registrar & Transfer Agent : BIGSHARE SERVICES PVT. LTD.
J/12, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072.
Tel. No. 022 - 852 3541 / 852 4914
Fax No. 022 - 852 5207

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

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of **BLUE CHIP TEX INDUSTRIES LIMITED** will be held on Friday, the 22nd September, 2000, at 10 a.m. at Babasaheb Dahanukar Sabhagriha, Oricon House, 12, K. Dubash Marg, Mumbai 400 023 to transact the following business:

1. To consider and adopt Balance Sheet as at 31st March, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mohan J. Jhangiani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint C.C. Chokshi & Co, Chartered Accountants as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as is fixed by the Board, in consultation with the Auditors.

By order of the Board of Directors

Mumbai
Dated : 8th August 2000.

Sd/-
Nand K. Khemani
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. The proxies to be effective, should be completed in all respect and be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members/Proxies should bring with them the attendance slip, duly filled in, for attending the meeting as well as their copies of the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 13th September 2000 to 22nd September 2000 (both days inclusive).
4. Members seeking any information about Accounts are requested to address their queries to the Company atleast 7 days in advance of the meeting so that information sought can be readily provided at the meeting.
5. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
6. The Shares of the Company are listed at the Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The Listing fee has been paid in time.

By order of the Board of Directors

Mumbai
Dated : 8th August, 2000.

Nand K. Khemani
Managing Director

Registered Office:
Jasville, 2nd Floor,
9, New Marine Lines,
Mumbai 400 020.

BLUE CHIP TEX INDUSTRIES LIMITED**DIRECTORS' REPORT**

To,
The Members,

The Directors have pleasure in presenting their 15th Annual Report and the Audited Accounts for the financial year ended 31.3.2000.

1. FINANCIAL RESULTS :

	(Rupees in Lacs)	
	1999-2000	1998-99
Profit before depreciation	17.69	11.26
Less : Depreciation	5.50	8.05
Profit before Tax	12.19	3.21
Less : Provision for taxation	5.20	0.35
Profit after Tax	6.99	2.86
Add : Taxation for earlier year	0.17	-
Balance in Profit & Loss Account	19.91	17.05
Balance carried to Balance Sheet	26.73	19.91

2. YEAR IN RETROSPECT :

As reported earlier, production at our Silvassa Unit has been suspended. As part of the modernisation process, a new factory building is presently under construction. The Company has sold its Texturising Machines. However, the Company has achieved a sales turnover of Rs. 12.87 Lacs, by getting its Polyester Texturised Yarn manufactured from Third Parties on jobwork basis. After consideration of Other Income, there is a moderate profit of Rs. 6.99 Lacs, after taxation. Under the circumstances, the figures of the previous years are not comparable with those of the Current Year.

3. DIVIDEND :

In order to augment resources for expansion and modernisation of the factory, no dividend is recommended by the Directors.

4. FUTURE PROSPECTS :

In line with the global trend of firming up of prices of petroleum products, which is a basic raw material for Polyester Yarn, the domestic prices remained firm whilst the final product could not fetch better prices due to slack demand. Since the Industry is passing through a difficult phase and in view of inadequate Margins, our expansion plan has been kept in abeyance. In the meantime, the Management plans to get its goods manufactured on jobwork basis, in order to meet the requirements of its regular customers.

At present, due to high cost of production and Depreciation cost on new investments in Plant and Machinery, the Company finds it more feasible to get its requirements through jobwork done from outside sources. The income earned from disposal of assets is earning further income by way of interest, which is being ploughed back.

5. FINANCE :

The Company is debt-free. The project of expansion and modernisation will be financed through internal accruals, contributions of Promoters and Term Loan. The Company will be in a position to leverage on debt, without raising fresh Capital.

6. FIXED DEPOSITS :

The Company has not accepted any deposits within the meaning of Sec. 58-A of the Companies Act, 1956 or rules made thereunder.

7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Information as per Sec. 217(1)(C) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rule, 1988 regarding conservation of energy, technology, absorption and foreign exchange earnings and outgoings is as under :

A. Conservation of Energy :

Since the Plant is not operative, the question of Conservation of Energy does not arise.

B. Disclosure of Particulars with respect to conservation of energy :

	1999-2000	1998-99
I. Power and Fuel Consumption :		
1) Electricity		
a. Purchased units (Lacs)	0.41	0.41
Total cost (Rs. in Lacs)	1.08	0.99
Rate / Unit (Rs.)	2.60	2.44
b. Own Generation		
i) Through Diesel generator		
Units (Lacs)	-	0.35
Units per litre of fuel	-	3.40
Cost / Unit (Rs.)	-	3.03
ii) Through steam turbine	Nil	Nil
2) Coal and Lignite	Nil	Nil
3) Furnace Oil	Nil	Nil
4) Others	Nil	Nil
II. Consumption per Unit of production		
Electricity for Texturised Yarn (KWH / M.T.)	-	-

C. Absorption of Technology :

Although the Company does not have a specific Research and Development Dept., it is our endeavour to constantly innovate by developing and improving the products and bringing new products in Polyester Yarn. Continuous flow of information on latest developments/improvements in technology is established.

D. Foreign Exchange Earnings and Outgo :

There is no foreign exchange inflow or outflow during the year ended 31st March 2000.

8. PERSONNEL :

There are no employees who are covered under the provisions of Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

9. DIRECTORS :

Mr. Mohan Jhangiani retires by rotation and being eligible, offers himself for re-appointment.

10. AUDITORS AND AUDITORS' REPORT :

M/s C. C. Chokshi & Co., Chartered Accountants, Auditors of the Company, hold office till the conclusion of the ensuing

Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Sec. 224(1B) of the Companies Act, 1956. The shareholders are requested to appoint Auditors for the Current Year, to hold office till the next Annual General Meeting at such remuneration to be fixed by the Board, in consultation with the Auditors.

11. ACKNOWLEDGEMENT :

Your Directors place on record their appreciation of the assistance, support and co-operation extended by the Administration of Dadra and Nagar Haveli, the Company's Bankers and the dedicated services rendered by the staff, for the successful working of the Company.

For and on behalf of Board of Directors

Dated : 8th August 2000.

Nand K. Khemani
Managing Director

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