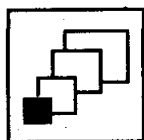


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## 16TH ANNUAL REPORT 2000 - 2001



# Blue Chip

TEX  
INDUSTRIES LTD.

**BLUE CHIP TEX INDUSTRIES LIMITED**

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**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.  
 E-2, Ansa Industrial Estate,  
 Sakivihar Road,  
 Saki Naka, Andheri (East),  
 Mumbai 400 072.  
 Tel. No. 022 - 852 3474 / 856 0652 / 53  
 Fax No. 022 - 852 5207  
 email bigshare@bom7.vsnl.net.in

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

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**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of BLUE CHIP TEX INDUSTRIES LIMITED will be held on Monday, the 24th September, 2001, at 10 a.m. at Babasaheb Dahanukar Sabhagriha, Orion House, 12, K. Dubash Marg, Mumbai 400 023 to transact the following business:

1. To consider and adopt Balance Sheet as at 31st March, 2001, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Ashok K. Khemani, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

**Special Business**

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution: "RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) for the time being in force, the Articles of Association of the Company be and are hereby altered as under:
  - a) After existing Article No.147 and 148 of the Articles of Association of the Company the following new Article be inserted as Article 147(g) and 148(h):  
Disqualification of Director.  
147(g). Notwithstanding anything contained in Article 14 and subject to the provisions of Section 274(g) and other applicable provisions of the Companies Act, 1956. He is a director of a public company which  
(A) has not filed the Annual Accounts and Annual Returns for any continuous three financial years commencing on and after the first day of April 1999 or.  
(B) Has failed to repay its deposit for interest thereon on due date of redeem its debenture on due date or pay dividend and such failure continues for one year or more.
  - b) Office of Director to be vacated.  
148(h). To be deleted and to be read as under.  
He acts in contravention of section 274 and 299 of the Act;
  - c) In article 197(1) and 198, the figures "370" "372" appearing therein be deleted and substituted by figure "372A".

By order of the Board of Directors

Mumbai  
Dated : 24th July 2001.

**Nand K. Khemani**  
Managing Director

**NOTES :**

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business set out above, is annexed hereto.
2. 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.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 13th September 2001 to 24th September 2001 (both days inclusive).
5. If the dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made to those members whose names are on the company's Register of members on 25<sup>th</sup> September 2001 in respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on 25th September 2001 as per details furnished by the Depositories for this purpose.
6. As per the provision of the companies Act, 1956 facility for making nomination is now available to the shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Share Register of the company.
7. Members, who have not yet encashed their dividend warrants for the financial year 31.3.96 onwards, are requested to make their claims to the company accordingly without any delay.
8. 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.
9. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
10. 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 for the year ended 31.03.2001.

By order of the Board of Directors

Mumbai  
Dated : 24th July 2001.

**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 16th Annual Report and the Audited Accounts for the financial year ended 31.3.2001.

**1. FINANCIAL RESULTS :**

	2000-2001	(Rupees in Lacs) 1999-2000
Profit before depreciation	14.56	17.69
Less : Depreciation	5.44	5.50
<b>Profit before Tax</b>	<b>9.12</b>	<b>12.19</b>
Less : Provision for taxation	4.85	5.20
<b>Profit after Tax</b>	<b>4.27</b>	<b>6.99</b>
Add : Taxation for earlier year	0.10	(0.17)
	4.37	6.82
Balance in Profit & Loss Account	26.73	19.91
Surplus available for Appropriation	31.10	26.73
Proposed Dividend	9.85	-
Tax on proposed Dividend	1.01	-
Balance carried to Balance Sheet	20.24	26.73

**2. YEAR IN RETROSPECT :**

Your company has got the goods process on job-work to meet the need of the customer. Turnover for the year is Rs.3.19 Lacs, as against previous year of Rs.12.88 Lacs. After considering the income there is a moderate profit of Rs.4.27 lacs compared to earlier year profit of Rs.6.99 lacs. This is due to companies' conservative policy and minimising the other overhead expenses.

**3. DIVIDEND :**

The Directors recommended a dividend of Rs.0.50 per Equity Share on 19,70,500 Equity shares of Rs.10 each, for the financial year ended 31st March 2001 which, if approved at the forthcoming Annual General Meeting, will be paid to all those Equity Shareholders whose names appear on the Register of Members as on 25th September 2001.

**4. FUTURE PROSPECTS :**

As reported earlier, company has projected for modernisation of unit and new building is under construction. For a profitable & viable project substantial amount of investment is required. Due to uncertainty in texturising in texturising market, Lower capital base of our company. At present it is not advisable to utilise the fund of the company in modernisation of project as projected earlier, hence it is kept in abeyance. However to remain in market and to meet with demand of our valued customer company plans to continue with the company policy to get the goods manufactured on job work basis. Your director is also looking for alternate arrangement for generating additional income from letting off company's existing building lying vacant to increase the earning of the company.

**5. FINANCE :**

The Company is debt-free..

**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 outgoing 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 :**

	2000-2001	1999-2000
I. Power and Fuel Consumption:		
1) Electricity		
a. Purchased units (Lacs)	0.25	0.41
Total cost (Rs. in Lacs)	1.67	1.08
Rate / Unit (Rs.)	2.40	2.60
b. Own Generation		
i) Through Diesel generator		
Units (Lacs)	Nil	Nil
Units per liter of fuel	Nil	Nil
Cost / Unit (Rs.)	Nil	Nil
ii) Through steam turbine		
Units (Lacs)	Nil	Nil
Units per liter of fuel	Nil	Nil
Cost / Unit (Rs.)	Nil	Nil
2) Coal and Lignite	Nil	Nil
3) Furnace Oil	Nil	Nil
4) Others	Nil	Nil
II. Consumption per Unit of production	Nil	Nil
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 endeavor 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 2001.

**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. CORPORATE GOVERNANCE :**

Pursuant to clause 49 of the listing agreement report on the corporate governance are applicable the all listing companies which are included either in Group 'A' of BSE or S&P CNX Nifty Index since our company is listed in Group 'B' in BSE. This is not applicable to our company also as per direction of implementation is applicable for company listed with paid up share capital of Rs.3 crore and above from financial year 2002-2003. Since paid up capital of our company is below Rs.3 crore. The corporate Governance Report is not applicable to our company. However for the benefits of members and to give transparency of our company, we give below information to the related particulars.

**(a) Company's philosophy**

The Company's character is shaped by very values of transparency, professionalism and accountability. The Company will endeavor to improve on these aspects on ongoing basis.

**(b) Board of Directors**

The Board of Directors comprises a managing Director, Executive Director and 2 Non-executive Directors.

During the year, 7 Board Meetings were held on 26.4.2000, 27.7.2000, 8.8.2000, 25.10.2000, 31.1.2001, 26.4.2001, and 24.7.2001.

The composition of directors and their attendance at the Board Meetings during the year end at the last Annual General Meeting as also number of other directorships/ membership of committees are as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Member	Chairman
Shri. N.K.Khemani	MD	7	YES	6	None	1
Shri. A.K.Khemani	ED	7	YES	6	1	None
Shri. Kumar Nathani	NED	6	YES	4	1	None
Shri. Mohan Jaghiani	NED	7	NO	1	2	None

( No. of Directorship includes Private Limited Companies)

MD — Managing Director

ED — Executive Director

NED — Non-Executive Director

**BLUE CHIP TEX INDUSTRIES LIMITED**

- (c) **Audit Committee:** Not Applicable  
 (d) **Nomination & Compensation Committee:** Not Applicable  
 (e) **Shareholders' Grievance Committee**

1. **Terms of reference :**

Shareholders' complaints/grievance are attended by Managing Director & Executive Director.

To look into the shareholders' complains, if any, and to redress the same expeditiously. They approves requests for issue of duplicate share certificates and issue of certificates after split/consolidation/renewal as also requests for transmission of shares, referred by the Share Transfer Committee.

2. **Composition:**

The Shareholders' Grievance is looked after by Managing Director personally since the Grievance Committee is not applicable.

Manager Accounts Mr. K.M.Ved is the compliance officer. During the year 3 letters were received from the shareholders out of which 3 letters were replied/resolved to the satisfaction of the shareholders.

The Board has delegated power for approving transfers of shares to a committee consist of Managing Director, one Executive Director & one Non-Executive Director. The Committee met 11 times during the year and approved the transfer of shares lodged with the company.

3. **General Body Meetings:**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
1999-00	22.9.2000	10.00 a.m	Babasaheb Dahanukar Sabhagriha -- Mumbai
1998-99	23.9.1999	10.00 a.m	Babasaheb Dahanukar Sabhagriha -- Mumbai
1997-98	24.9.1998	10.00 a.m	Babasaheb Dahanukar Sabhagriha -- Mumbai

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matters requiring postal balloting are placed for shareholders' approval at this meeting.

(f) **Disclosures :**

- During the year, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- There were no instances of non-compliance of any matter related to the capital markets, during the last three years.

(g) **Means of Communication :**

Quarterly results are published in prominent daily newspapers viz. Observer, Sagar, The Asian Age.

(h) **General Shareholders Information :**

- Annual General Meeting is proposed to be held on Monday, 24<sup>th</sup> September, 2001 at Babasaheb Dahanukar Sabhagriha -- Mumbai at 10.00 a.m.

2. **Financial calendar :**

Annual results of previous year	Beginning August
Mailing of Annual Reports	End August
First Quarter results	End July
Second Quarter results	End September
Annual General Meeting	End September
Third Quarter results	End January
Forth Quarter results	End April

3. **Date of book closer:**

Thursday, 13<sup>th</sup> September, 2001 to Monday, 24<sup>th</sup> September, 2001 (Both days inclusive)