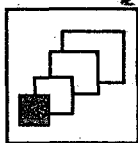


report  junction.com

22nd
ANNUAL
REPORT
2006-2007



Blue Chip

TEX
INDUSTRIES LTD.

22nd ANNUAL REPORT 2006-07

Board of Directors : NAND K. KHEMANI Chairman and Managing Director
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.: 022 - 2200 0488 / 2200 5652
Fax: 022 - 2200 6437

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

Wind Mill : Thungavi Village, Udumalpet Taluka,
Coimbatore Dist., Tamilnadu

Registrar & Transfer Agent : BIGSHARE SERVICES PVT. LTD.
E-2, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072.
Tel.: 022 - 2852 3474 / 2856 0652 / 53.
Fax: 022 - 2852 5207
e-mail: bigshare@bom7.vsnl.net.in

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

BLUE CHIP TEX INDUSTRIES LTD.**NOTICE**

Notice is hereby given that the Twenty-Second Annual General Meeting of the Members of **BLUE CHIP TEX INDUSTRIES LIMITED** will be held on Monday, 24th September 2007, at 10 a.m. M.C.GHIA HALL, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai 400 023 to transact the following business:

1. To consider and adopt Balance Sheet as at 31st March 2007, 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 Shri Ashok K. Khemani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration in this connection to consider and if thought fit, to pass with or without modifications, the following as ordinary Resolution.

"RESOLVED THAT M/S. Rajendra & Company, Chartered Accountants, be and are hereby appointed of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be mutually agreed by them with the Board Of Directors of the company and that they be paid in addition the out of pocket expenses and / or travelling expenses they may incur in carrying out their duties as an auditors."

By order of the Board of Directors

Mumbai

Dated : 21st June, 2007

Ashok K. Khemani

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 FRIDAY, 14th September, 2007 to MONDAY 24th September, 2007. (both days inclusive).
4. 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.
5. Members, who have not yet encased their dividend warrants for the financial year 31.3.2001 and onwards, are requested to make their claims to the company accordingly without any delay.
6. Members seeking any information about Accounts are requested to address their queries to the Company at least 7 days in advance of the meeting so that information sought can be readily provided at the meeting.

7. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
8. 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 31.03.2008.

EXPLANATORY Statement Pursuant to Section 173 (2)**Item No. 3**

M/S.C.C.Chokshi & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. They have regretted their inability to be reappointed as statutory Auditor of the Company. M/ S.Rajendra & Co., a firm of chartered accountants, has confirmed their availability and eligibility, if there are appointed, under section 224 (I B) of the companies Act.1956.

By order of the Board of Directors

Mumbai

Dated : 21st June, 2007

Ashok K. Khemani
Director

Registered Office:

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

Report Junction.com

BLUE CHIP TEX INDUSTRIES LTD.**DIRECTORS' REPORT**

To,
The Members.

The Directors have pleasure in presenting their 22nd Annual Report and Audited Accounts for the Financial Year ended 31.3.2007.

FINANCIAL RESULTS :

	(Rupees in Lacs)	
	2006-2007	2005-2006
Profit before depreciation	27.21	21.90
Less : Depreciation	7.79	7.67
Profit before Tax	19.42	14.23
Less : Provision for taxation		
Current tax	2.15	4.75
Deferred Tax	7.28	0.35
Fringe Benefit Tax	0.03	0.00
Profit after Tax	9.96	9.12
Add : Taxation for earlier year	-	-0.14
	9.96	8.98
Balance in Profit & Loss Account	40.01	31.03
Surplus available for Appropriation	49.97	40.01
Proposed Dividend	0.00	0.00
Tax on proposed Dividend	0.00	0.00
Balance carried to Balance Sheet	49.97	40.01

YEAR IN RETROSPECT :

During the year, the Company has achieved a Turnover of Rs.874.06 Lacs., as against the previous year's Rs.173.99 Lacs. After considering income tax, there is a moderate profit of Rs.9.96 Lacs, as compared to earlier year's profit of Rs.8.98 Lacs. During the year the Company installed a Wind Power Generation Unit - type 225 KW Wind Electric Generator, requiring an investment of Rs.105 Lacs. The said unit is installed at Thungavi Village, Udumalpet Taluka in Coimbatore District, Tamil Nadu. This Unit has been purchased from Southern Wind Farms Limited. The Unit has commenced its activity of generating electricity from 22nd March 2007. The Electricity so generated will be sold to the Tamilnadu Electricity Board. This Unit will be maintained by Southern Wind Farms Limited. Through this activity, your Directors anticipate an increase in the income of the Company with a resultant increase in its profitability in the forthcoming years. The Company has adhered towards a conservative policy and has minimise the overhead expenses.

DIVIDEND :

In order to augment resources for the Working Capital requirement of the Company, no dividend is recommended by the Directors.

FUTURE PROSPECTS :

During the year the Company also continued with its own manufacturing activity and its own sales of Twisted yarn. Further, due to commencement of the Wind Power generation unit, through sale of electricity the Company will be able to maintain its profitability from Sales and other Income by way of Rent. Considering the market demand, by marketing Twisted Yarn to the customers, the Company expects to increase its turnover and resultant profitability.

FINANCE :

The Company is debt-free.

FIXED DEPOSITS :

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

INSURANCE :

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

ENERGY TECHNOLOGY AND FOREIGN EXCHANGE :

Information in accordance with the Provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are as under:

A. CONSERVATION OF ENERGY**i) Energy conservation measures taken:**

There is a continuous and systematic effort to optimise energy consumption and cost at our Plant through evaluation of performance and modernisation and upgradation of equipment and instrumentation.

The Company has taken all necessary steps to get utmost efficiency and installation of allied equipment, for saving in energy and fuel consumption.

ii) Impact of Measures at the above on reduction in energy consumption and consequent impact on cost of production of goods: Through implementation of energy conservation measures at (i) above, there has been energy saving. However, this being the first year of operations, the exact quantum of energy saving will not be known at this stage.**iii) Total energy consumption and energy consumption per unit of production :****a. Power and Fuel Consumption:**

	CURRENT YEAR	PREVIOUS YEAR
1. Electricity :		
(a) Purchased Units (KWH)	553000	223120
Total Amount (Rs.)	1366499	555626
Cost / Unit (Rs.)	2.49	2.49
(b) Own Generation		
i) Through Diesel Generator		
Units (Lacs)	Nil	Nil
Unit per litre of diesel	Nil	Nil
Cost / Unit Rs.	Nil	Nil
ii) Through Steam	Nil	Nil
2. Coal / Furnace oil :	Nil	Nil

b. Consumption per Ton of production of Polyester

BLUE CHIP TEX INDUSTRIES LTD.**B. TECHNOLOGY ABSORPTION**

Research work is being carried out for products for better yield and quality, energy conservation, cost reduction, etc., resulting in improved quality of our products. There is no import of technology.

C. Foreign Exchange Earning and Outgo

Foreign Exchange Earnings	: Rs. Nil (Previous Year : Rs. Nil)
Foreign Exchange outgo	: Rs. Nil (Previous year : Rs. Nil)

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 (2AA) of the Companies Act, the Directors hereby confirm that:

- In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on 'going concern' basis.

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.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement, report on the Corporate governance is applicable to all listed 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, implementation is applicable for listed Companies with Paid-up Share Capital of Rs. 3 Crores and above from Financial Year 2002-2003 onwards. Since the Paid up Capital of our Company is below Rs. 3 Crores, the Corporate Governance Report is not applicable to our Company. However for the benefit of members and for the sake of transparency, we provided below related information.

(a) Company's philosophy :

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

(b) Board of Directors :

The Board of Directors comprises of a Managing Director, an Executive Director and a Non-executive Director.

During the year, eight Board Meetings were held on 26.04.2006, 26.05.2006, 28.07.2006, 30.10.2006, 14.12.2006, 19.01.2007, 25.01.2007 and 17.02.2007. One Extraordinary General Meeting was held on 17.02.2007.

The composition of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting, Extra Ordinary General Meeting; as also details of other directorships/ membership of Committees are as follows :

22nd ANNUAL REPORT 2006-07

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM & EGM	No. of other Directorships	Committee Membership	
					Member	Chairman
Mr. Nand K. Khemani	MD	8	YES	5	1	1
Mr. Ashok K. Khemani	ED	7	YES	4	1	None
Mr. Kumar Nathani	NED	7	YES	4	1	None

(No. of Directorship includes Private Limited Companies)

MD — Managing Director

ED — Executive Director

NED — Non-Executive Director

(c) **Audit Committee:** Not Applicable

(d) **Nomination & Compensation Committee:** Not Applicable

(e) **Shareholders' Grievance Committee**

1. **Terms of reference :**

Shareholders' complaints/grievances are attended by the Managing Director and Executive Director. To look into the shareholders' complaints, if any, and to redress the same expeditiously. They approve 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' Grievances are looked after by the Managing Director personally since the Grievance Committee is not applicable.

Mr. K. M. Ved is the Compliance Officer. During the year, 15 letters were received from the Shareholders for change of address, revalidation of dividend warrants, issue of duplicate shares etc. and the same was replied/resolved to the satisfaction of the Shareholders.

The Board has delegated power for approving transfers of shares to a Committee comprising of the Managing Director, one Executive Director and one Non-Executive Director. The Committee met 20 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
2005-06	08.9.2006	10.00 a. m.	M.C. GHIA HALL – Mumbai
2004-05	12.9.2005	10.00 a.m.	M.C. GHIA HALL – Mumbai
2003-04	08.8.2004	10.00 a.m.	M.C. GHIA HALL – Mumbai

ONE special resolution was required to be passed through postal ballot during the year.

ONE special resolution was passed in the Extra Ordinary General Meeting held during the year.

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

BLUE CHIP TEX INDUSTRIES LTD.

(f) Disclosures :

1. 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.
2. 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. Dainik Sagar, DNA, Tarun Bharat, Financial Express, Mumbai Luxdip.

(h) General Shareholders Information :

1. The Annual General Meeting is proposed to be held on Monday, 24th September 2007 at M.C. Ghia Hall , Mumbai at 10.00 a.m.

2. Financial calendar :

Annual results of previous year	: Beginning June
Mailing of Annual Reports	: July 10
First Quarter results	: End July
Second Quarter results	: End October
Annual General Meeting	: End September
Third Quarter results	: End January
Forth Quarter results	: Mid June

3. Date of book closer:

Friday, 14th September 2007 to Monday, 24th September 2007 (Both days inclusive)

4. Listing of equity shares/debentures on Stock Exchange at :

Mumbai (BSE), Stock code at Mumbai Stock Exchange : 6981.

5. Stock Market price data for the year 2006-2007:

Very few transactions has taken place during the year for trading on the Stock Exchange hence monthly BSL HIGH & LOW prices are not given.

During the year, BSE HIGH was Rs.12.40

BSE LOW was Rs. 2.00.

6. Registrar and Share Transfer Agents :

M/s. Bigshare Service Pvt. Ltd. is the Share transfer Agent for processing the transfer of Shares having its address at E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.

7. Share Transfer System :

The Company's shares are traded at the Stock Exchange in demate mode., w.e.f. May 2001. Shares in physical mode lodged for transfer with Bigshare Services Pvt. Ltd. are processed and transferred.

8. Distribution of Share Holding Pattern on 15th June 2007 :

No. of shares	No. of shareholders	% of shareholders	Total shareholding	% of shareholding
1 to 500	3,870	94.92	521743	27.53
501 to 1000	103	2.53	85726	4.34
1001 to 2000	48	1.18	7376	3.69
2001 to 3000	14	0.34	36615	1.86
3001 to 4000	9	0.22	32498	0.87
4001 to 5000	11	0.27	52200	2.89
5001 to 10000	9	0.22	61368	2.68
10001 & above	13	0.32	1106588	56.14
Total	4,077	100.00	1970500	100.00

9. Categories of shareholders as on 15th June 2007:

Category	No. of Shares held	% Shareholding
i) General Public	848777	43.07
ii) Directors	135100	6.86
iii) Persons acting in concert	929288	47.17
iv) Body Corporate	44433	2.25
v) Nationalised Banks	6400	0.32
vi) NRIs	6102	0.31
vii) Clearing Members	400	0.02
Total	1970500	100.00

10. Dematerialisation of shares :

The Company's Shares are listed on the Bombay Stock Exchange in the 'B' Group and as per Exchange requirements, Shares are to be dematerialised. The Company has established connectivity with National Securities Depository (NSDL) and Central Depository Service (India) Ltd. (CSDL).

11. Plant Locations :

The Company's Twisting Plant is located at Silvassa, in the Union Territory of Dadra & Nagar Haveli. And Wind Electricity Generation Unit is located in the State of Tamilnadu.

12. Address for correspondence :

The Company's Registered Office is located at :

"Jasville", 2nd floor,
Opp. Liberty Cinema,
9, New Marine Lines,
Mumbai 400 020.
Tel : 2200 0488
Fax : 22006437
Email : bklon@vsnl.com

Shareholders holding Shares in electronic mode should address their correspondence to their respective Depository participants.