



BLUE CHIP TEX INDUSTRIES LTD.

27th
ANNUAL
REPORT
2011-2012

| | | |
|---------------------------------------|---|--------------------------------|
| Board of Directors | : NAND K. KHEMANI KUMAR S. NATHANI ASHOK K. KHEMANI ANIL MANDHANA RAHUL A. KHEMANI SHAHIN N. KHEMANI | Chairman and Managing Director |
| Auditors | : Rajendra & Co. Chartered Accountant | |
| Bankers | : Axis Bank Dena Bank | |
| Registered Office | : "Jasville", 2nd Floor, Opp. Liberty Cinema, 9, New Marine Lines, Mumbai 400 020. Tel. : 022-4353 0400 Fax : 022-2200 6437 Email : bluechiptex@gmail.com Website : bluechiptexindustrieslimited.com | |
| Factory | : Plot No. 63-B, Danudyog Sahakari Sangh Ltd Village Piparia, District Silvassa, Union Territory of Dadra & Nagar Haveli Pin - 396 230 | |
| 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 5307 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.

N O T I C E

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the Members of **BLUE CHIP TEX INDUSTRIES LIMITED** will be held on Monday, September 17, 2012 at 10.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 023 to transact the following business:

- 1) To consider and adopt the Audited Balance Sheet as at March 31, 2012 and Audited Profit & Loss Account for the year ended as on that date and the Reports of the Auditors and the Directors thereon.
- 2) To declare a Dividend on Equity Shares.
- 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 Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

"RESOLVED THAT M/s. Rajendra & Co. Chartered Accountants, Mumbai, being retiring Auditors of the Company, be and are hereby recommended for re-appointment as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting."

By order of the Board of Directors

Date: May 28, 2012
Place: Mumbai

Sd/-
Nand K. Khemani
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy to be effective should be completed in all respects and be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Members / Proxies should bring with them duly-filled Attendance Slips sent herewith, to attend the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 11.09.1012 to 17.09.2012 (both days inclusive) for the purpose of Annual General Meeting.
4. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the Shares held by them. Nomination forms can be obtained from the Registrar and Transfer Agents of the Company.
5. Members who have not yet encashed their dividend warrants for the financial year ended 31.03.2008 and onwards, are requested to make their claims to the Company accordingly without any delay.
6. Members wishing to claim dividends which remain unclaimed are requested to correspond with Mr. Nand Khemani, Managing Director, at the Company's Registered Office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205-C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
7. The following are the details of dividend paid by the Company and its respective due date of transfer to such fund of the Central Government, which remain unpaid:

| Sr.No. | Date of Declaration | Dividend for the year | Due date of transfer to the Government |
|--------|---------------------|-----------------------|--|
| 1 | 20.08.2009 | 2008-2009 | 19.09.2016 |
| 2 | 20.09.2010 | 2009-2010 | 19.10.2017 |
| 3 | 11.08.2011 | 2010-2011 | 10.09.2018 |

It may be noted that no claim from Shareholders will be entertained for the unclaimed dividend which has been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all unclaimed dividend warrants to the Registrar & Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due dates for transfer to the Central Government.

8. Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended 31st March, 2012 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

| Sr. No. | Date of Declaration of Dividend | Dividend for the Financial Year | Amount transferred to investor Education & Protection Fund (₹) | Date of transfer to Investor Education & Protection Fund |
|---------|---------------------------------|---------------------------------|--|--|
| 1 | 29.08.2004 | 2003-2004 | 73,062.00 | 26.08.2011 |

9. 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.

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10. Members are requested to bring their copy of the Annual Report to the meeting.
11. All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11.30 a.m. and 1 p.m. on all working days upto the date of the meeting.
12. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
13. The Shares of the Company are listed at the Bombay Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001. The Listing fee has been paid in time for the year ended 31.03.2012.

By Order of the Board

Place: Mumbai
Date: May 28, 2012

Sd/-
Nand K. Khemani
Managing Director

DIRECTORS' REPORT

To,
The Members
Blue Chip Tex Industries Limited

Your Directors have the pleasure in presenting their 27th Annual Report and Audited Annual Accounts for the Financial Year ended March 31, 2012.

FINANCIAL RESULTS:

| | In terms of ₹ | |
|---|--------------------|--------------------|
| | 2011-2012 | 2010-2011 |
| Profit before depreciation | 1,05,09,172 | 74,68,492 |
| Less: depreciation | 64,08,411 | 18,63,211 |
| Profit before Tax | 41,00,761 | 56,05,281 |
| Less: Provision for taxation | | |
| Current tax | 7,95,000 | 20,50,000 |
| Deferred tax | 11,96,080 | (3,70,990) |
| Fringe Benefit tax | — | — |
| Profit After Tax | 21,09,681 | 39,26,271 |
| Add: Taxation for earlier year | — | (482) |
| | 21,09,681 | 39,25,789 |
| Balance in Profit and Loss Account | 1,20,67,699 | 98,59,533 |
| Surplus available for appropriation | 1,41,77,380 | 1,37,85,322 |
| Proposed Dividend | 14,77,875 | 14,77,875 |
| Tax on Proposed Dividend | 2,39,748 | 2,39,748 |
| Balance carried to Balance Sheet | 1,24,59,751 | 1,20,67,699 |

DIVIDEND:

In view of the Company's profitable performance, the Directors are pleased to recommend for approval of the Members a Final Dividend of 0.75 Paise per Equity Share of ₹10/- each of the Company for the financial year 2011 – 2012.

FUTURE PROSPECTS:

During the year the Company installed four new Texturising machines and four second-hand Twisting machines, financed by a loan from Axis Bank Ltd.; and also continued with its own manufacturing activity and sale of its own texturised and twisted yarn. Also, from the Wind Power generation units, through sale of power, the Company will be able to maintain its profitability from Sales and other Income by way of Rent. Considering the market demand, the installation of additional machines will enable the Company to increase its production of Texturised and Twisted yarn and by marketing the same to its customers, the Company expects a substantial increase in its turnover and resultant profitability.

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FIXED DEPOSITS:

The Company has not accepted any deposits from public under the Provisions of Section 58A of the Companies Act 1956 and rules framed there-under during the Financial Year ended 31st March 2012. As at March 31, 2012, there is no outstanding liability to fixed depositors.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) that the Directors have 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 ended March 31, 2012 and of the profit of the Company for that year.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the Annual Accounts for the year ended March 31, 2012, on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY

- (i) Energy conservation measures taken:

Appropriate measures have been initiated to conserve energy. The Company has always been conscious about the need for conservation of energy.

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

The efforts for conservation of energy are on an ongoing basis throughout the year.

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

The measures taken have resulted in savings in the cost of production.

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) | 22,74,270 | 3,95,760 |
| Total Amount (₹) | 92,95,351 | 9,87,240 |
| Cost/Unit (₹) | 4.09 | 2.49 |
| (b) Own Generation: | — | — |
| i) Through Diesel Generator | | |
| Units (in Lacs) | | |
| Unit per litre of diesel | | |
| Cost/Unit (₹) | | |
| ii) Through Steam | | |
| 2. Coal/ Furnace oil: | — | — |
| b. Consumption of units per Ton of production of Polyester | 419.53 | 321.35 |

(B) TECHNOLOGY ABSORPTION

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

The Company keeps itself abreast of the technical development and innovation in its line of products worldwide and tries to bring about improvements in the product for better yield, quality and cost effectiveness etc.

Continued 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.

FOREIGN EXCHANGE EARNING AND OUT GO:

Foreign Exchange Earnings : ₹ NIL (Previous Year: ₹ Nil)

Foreign Exchange outgo : ₹ NIL (Previous Year: ₹ Nil)

PERSONNEL:

The provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. G.S.R 289 (E) dated March 31, 2011 require the disclosure of the names and particulars of the employees who are receipt of remuneration for the financial year under review which, in the aggregate, was not less than ₹ 60,00,000/- or who was in receipt of remuneration for any part of the financial year under review, at a rate which, in the aggregate, was not less than ₹5,00,000/-. The disclosure under the said Section is not given as there are no such employees.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 28th, May 2012.

Sd/-
(Nand K. Khemani)
Managing Director

BLUE CHIP TEX INDUSTRIES LTD.

COMPLIANCE CERTIFICATE

**U/S 383A of the Companies Act, 1956 & Rule 3 of the companies
(Compliance Certificate) Rules, 2001**

To,
The Members,
Blue Chip Tex Industries Limited

Nominal Capital: 2,50,00,000
Registration No.: 037514
(31/03/2012)

I have examined the registers, records, books and papers of **Blue Chip Tex Industries Limited** (the Company) as required to be maintained under the Companies Act 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited Company, comments are not required.
4. The Board of Directors duly met 8 times on **27.05.2011, 16.07.2011, 11.08.2011, 12.09.2011, 25.10.2011, 03.11.2011, 28.11.2011, 24.01.2012**, in respect of which meetings proper notice were given and the proceedings were properly recorded and signed.
5. The Company closed its Register of Members from **04.08.2011** to **11.08.2011** and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on **31.03.2011** was held on **11.08.2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. **No** Extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of section 297 of the Act in the respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors has approved the issue of duplicate of Share Certificate.