



BLUE CHIP TEX INDUSTRIES LTD.

**28th
ANNUAL
REPORT
2012-2013**

BLUE CHIP TEX INDUSTRIES LTD.

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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	
Banker	: Axis 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.

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-Eighth Annual General Meeting of the Members of **BLUE CHIP TEX INDUSTRIES LIMITED** will be held on Wednesday, 21st August, 2013 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:

Ordinary Business :

- 1) To consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 Final Dividend on Equity Shares for the year ended 31st March, 2013;
- 3) To appoint a Director in place of Mr. Kumar Nathani, who retires by rotation and being eligible, offers himself for re-appointment;
- 4) To appoint a Director in place of Mr. Rahul Khemani, who retires by rotation and being eligible, offers himself for re-appointment;
- 5) To appoint Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Mr. Nand Khemani, Managing Director of the Company to fix the remuneration in consultation with the Auditors.

“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 office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting on such remuneration as may be determined by Mr. Nand Khemani, Managing Director of the Company, in consultation with the Auditors.”

By order of the Board of Directors

Date: May 27, 2013
Place: Mumbai

Sd/-
Nand K. Khemani
Managing Director

Registered Office:
“Jasville”, 2nd floor,
9, New Marine Lines,
Mumbai 400 020

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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 duly-filled Attendance Slips sent herewith to attend the meeting.
3. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. Members who hold shares in dematerialised form are requested to mention their Client ID and DP ID and those who hold shares in physical form are requested to mention their Folio Number on the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 14th August 2013 to 21st August, 2013 (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. 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 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
9. Subject to the provisions of Section 206A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 21st August, 2013, to those Shareholders whose names stand on the Company's Register of Members on 14th August, 2013, to whom dividend warrants will be posted. In respect of Shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on 14th August, 2013 as per data to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
10. The following are the details of dividend paid by the Company and its respective due dates 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	25.09.2008	2007-2008	24.10.2015
2	20.08.2009	2008-2009	19.09.2016
3	20.09.2010	2009-2010	19.10.2017
4	11.08.2011	2010-2011	10.09.2018
5	17.09.2012	2011-2012	17.10.2019

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

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Shareholders who have not encashed their dividend warrants are advised to send the entire 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.

11. No Unpaid dividend amount was transferred to the General Revenue Account of the Central Government, i.e. Investor Education & Protection Fund during the Financial Year ended 31st March, 2013 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
12. Members seeking any information about Accounts are requested to address their queries to the Company at least seven days in advance of the meeting so that information sought can be readily provided at the meeting.
13. Members are requested to bring their copy of the Annual Report to the meeting.
14. Members holding Shares in electronic mode are requested to approach their Depository Participant (D.P.) for change of address and updations of Bank account details.
15. 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 1:00 p.m. on all working days upto the date of the meeting.
16. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
17. 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 31st March, 2013.

By Order of the Board of Directors

Place: Mumbai
Date: May 27, 2013

Sd/-
Nand K. Khemani
Managing Director

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DIRECTORS' REPORT

To,
The Members
Blue Chip Tex Industries Limited

Your Directors have the pleasure in presenting their 28th Annual Report and Audited Annual Accounts for the Financial Year ended 31st March, 2013 together with the Audited Statement of Accounts and Auditor's Report thereon.

1. FINANCIAL RESULTS:

	In terms of ₹	
	2012-2013	2011-2012
Profit before depreciation	1,74,92,747	1,05,09,172
Less: depreciation	1,10,07,914	64,08,411
Profit before Tax	64,84,833	41,00,761
Less: Provision for taxation		
Current tax	13,00,000	7,95,000
Deferred tax	19,07,970	11,96,080
Fringe Benefit tax	—	—
Profit After Tax	32,76,863	21,09,681
Add: Taxation for earlier year	—	—
Total	32,76,863	21,09,681
Balance in Profit and Loss Account	1,24,59,757	1,20,67,699
Surplus available for appropriation	1,57,36,620	1,41,77,380
Proposed Dividend	17,73,450	14,77,875
Tax on Proposed Dividend	3,01,398	2,39,748
Balance carried to Balance Sheet	1,36,61,772	1,24,59,757

2. DIVIDEND:

The Board of Directors recommends a final dividend of ₹ 0.90 per Equity Share (last year : ₹ 0.75 per Equity Share) of ₹ 10/- each for the Financial Year ended 31st March, 2013.

3. FUTURE PROSPECTS:

During the year, your Company had utilized full capacity of its Texturising Plants installed in the previous year, resulting in increase in overall sales volume and better realization. Your Company is now focusing on better production mix to enhance profitability. Also, income from sale of power generated from the Wind power generation units and 'other income' by way of rent will further add to profitability.

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4. 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 2013 and as on 31st March, 2013, there is no outstanding liability to fixed depositors.

5. INSURANCE:

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

6. 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 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that they 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 31st March 2013 and of the profit of the Company for the said year.
- c) that they 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 they have prepared the Annual Accounts for the year ended 31st March, 2013 on a going concern basis.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (Section 217(1)(e) of the Companies Act, 1956):

(A) CONSERVATION OF ENERGY

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as follows:-

(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.

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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)	50,52,151	22,74,270
Total Amount (₹)	2,03,00,145	92,95,351
Cost/Unit (₹)	4.02	4.09
(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 per Ton of production of Polyester Texturised/Twisted Yarn (KWH)	785.47	419.53

(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.

Continuous 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.

8. FOREIGN EXCHANGE EARNING AND OUT GO:

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

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

9. PARTICULARS OF EMPLOYEES:

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/- per annum 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 ₹ 500,000/- per month. The disclosure under the said Section is not given as there are no such employees.

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10. DIRECTORS :

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Mr. Kumar S. Nathani and Mr. Rahul A. Khemani will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

11. STATUTORY AUDITORS AND AUDITORS' REPORT :

You are requested to appoint Auditors for the current year and fix their remuneration. The Statutory Auditors of the Company, M/s. Rajendra & Co. Chartered Accountants, retire at ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The Notes on financial statements referred to in the Auditors' Report are self explanatory and do not call for any further comments.

12. COMPLIANCE CERTIFICATE :

As per Section 383A of the Companies Act, 1956 read with Notification No. G.S.R. 11 (E), Dated 5-1-2010 issued by the Ministry of Corporate Affairs, a Company having the paid up Share Capital of ₹ 10 Lacs or more but less than ₹ 5 Crores must obtain a Compliance Certificate from a Company Secretary in whole time practice and such Certificate must be attached to the Report. A Compliance Certificate obtained from M/s. Pramod S. Shah & Associates – Practicing Company Secretaries is attached with the Directors' Report.

13. COST AUDIT :

The Cost Audit under Section 233B of the Companies Act, 1956 is applicable to the Company for the Financial Year 2012-13 and accordingly M/s NKJ & Associates, Cost Accountants, were appointed as the Cost Auditor, for the said year.

14. ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all the shareholders, customers, suppliers, bankers, Government authorities and all other business associates and their confidence in the management. Your Directors also wish to place on record their appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors,

Place : Mumbai
Dated : 27th May 2013.

Sd/-
Nand K. Khemani
Managing Director