

BLUE CHIP TEX INDUSTRIES LTD.

26th
ANNUAL
REPORT
2010-2011

26th ANNUAL REPORT 2010-11

- Board of Directors** : NAND K. KHEMANI Chairman and Managing Director
KUMAR S. NATHANI
ASHOK K. KHEMANI
ANIL MANDHANA
RAHUL A. KHEMANI
SHAHIN N. KHEMANI
- 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 give that the Twenty –Sixth Annual General Meeting of the Members of **BLUE CHIP TEX INDUSTRIES LIMITED** will be held on Thursday, August 11, 2011 at 10 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, 2011 and Audited Profit & Loss Account for the year ended as on that date and the Reports of the Auditor's and the Director's thereon.
- 2) To declare a Dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. Anil Kumar Mandhana, 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.”

SPECIAL BUSINESS:

5) To regularize Mr. Rahul Khemani as a Director:

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** Mr. Rahul Khemani who was appointed as an Additional Director of the Company with effect from 1st November 2010 on a monthly remuneration of ₹ 20,000 by the Board of Directors and who holds office upto the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby recommended to the Members by the Board for appointment as a Director of the Company.”

6) To regularize Mr. Shahin Khemani as a Director:

To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

“**RESOLVED THAT** Mr. Shahin Khemani who was appointed as an Additional Director of the Company with effect from 1st November 2010 on a monthly remuneration of ₹ 45,000 by the Board of Directors and who holds office upto the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby recommended to the members by the Board for appointment as a Director of the Company.”

By order of the Board of Directors

Date: May 27, 2011
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 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 August 4, 2011 to August 11, 2011 (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	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

It may be noted that no claim from the 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 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.

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, 2011 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
NIL	NIL	NIL	NIL	NIL

9. 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.

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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 Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001. The Listing fee has been paid in time for the year ended 31.03.2011.

By Order of the Board

Place: Mumbai
Date: May 27, 2011

Sd/-
Nand K. Khemani
Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2):

Item No. 5

Mr. Rahul Khemani was appointed by the Board of Directors as Additional Director of the Company with effect from 1st November, 2010. on a monthly remuneration of ₹ 20,000 p.m. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company he holds office up to the date of ensuing Annual General Meeting.

The Members are requested to consider and if thought fit pass the ordinary resolution with or without modification(s) for appointment of Mr. Rahul Khemani as the Director of the Company.

The Profile of Mr. Rahul Khemani is given below for Member's reference :

Mr. Rahul Ashok Khemani, aged 26 years, holds Bachelor of Commerce Degree from Mumbai University and has done his Masters in Entrepreneurship from the University of Southampton UK. He has 3 years' experience in Production / Marketing Yarn.

Item No. 6

Mr. Shahin Khemani was appointed by the Board of Directors as Additional Director of the Company with effect from 1st November, 2010 on a monthly remuneration of ₹ 45,000 p.m. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company he holds office up to the date of ensuing Annual General Meeting.

The Members are requested to consider and if thought fit pass the ordinary resolution with or without modification(s) for appointment of Mr. Shahin Khemani as the Director of the Company.

The Profile of Mr. Shahin Khemani is given below for member's reference:

Mr. Shahin Nand Khemani, aged 26 years, obtained a Bachelor of Management Studies Degree from Mumbai University in 2007. He has done his Masters in Technology Entrepreneurship from University of College of London, U.K. He gained experience in Production, Administration and Finance of approx. two years during his study period.

Mr. Nand K. Khemani, Managing Director and Mr. Ashok K. Khemani, Director of the Company, are concerned or interested in the said Resolutions. The said interested Directors have restrained themselves from participating in discussions while the Board recommended these Resolutions.

DIRECTORS' REPORT

To,
The Members
Blue Chip Tex Industries Limited

Your Directors have the pleasure in presenting their 26th Annual Report and Audited Annual Accounts for the Financial Year ended March 31, 2011.

FINANCIAL RESULTS :

	In terms of ₹	
	2010 - 2011	2009 - 2010
Profit before depreciation	74,68,492	72,21,521
Less: depreciation	18,63,211	17,80,770
Profit before Tax	56,05,281	54,40,751
Less: Provision for taxation		
Current tax	20,50,000	19,67,000
Deferred tax	(3,70,990)	(2,67,440)
Fringe Benefit tax	—	—
Profit After Tax	39,26,271	37,41,191
Add: Taxation for earlier year	(482)	49
	39,25,789	37,41,240
Balance in Profit and Loss Account	98,59,533	78,41,625
Surplus available for appropriation	1,37,85,322	1,15,82,865
Proposed Dividend	14,77,875	14,77,875
Tax on Proposed Dividend	2,39,748	2,45,457
Balance carried to Balance Sheet	1,20,67,699	98,59,533

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 2010 – 2011.

FUTURE PROSPECTS :

During the year the Company continued with its own manufacturing activity and its own sale of twisted yarn. Also, through sale of Power from the Wind Power generation units, the Company will be able to maintain its profitability from Sales and other Income by way of Rent. Considering the positive market demand for Texturised and Texturised Twisted Yarn, the Company is setting up a new project of additional texturising and twisting machines, for which a new building is under construction. The estimated cost of

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this Project is ₹ 13.5 Crores, towards which a Term Loan of ₹ 9 Crores has been sanctioned by Axis Bank. The balance requirement will be financed by the Promoters. This will further enhance the Company's turnover and resultant profitability.

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 2011. As at March 31, 2011, 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, 2011, the applicable accounting standards have been followed alongwith 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, 2011 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, 2011, 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)	3,95,760	5,54,640
Total Amount (₹)	9,87,240	13,78,034
Cost/Unit (₹)	2.49	2.48
(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	321.35	499.83

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

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CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, report on Corporate Governance is applicable to all the listed companies with the paid up capital of ₹ 3 crores and above or net worth of ₹ 25 crores or more at any time in the history of the company, were covered as of March 31, 2003. Since the Paid – up Capital of our Company is below ₹ 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 provide below related information.

(a) Company's philosophy:

The Corporate Governance means to steer an organization in the desired direction. It deals with laws, procedure, practices and implicit rules that determine a Company's ability to take informed managerial decision vis-à-vis its claimants-in particulars, its shareholders, creditors, customers, the state and employees. There is a global consensus about the objective of a good corporate governance; maximizing long-term shareholder value.

The Company's character is shaped by the values of transparency, professionalism and accountability. The Company believes that its fundamental objective is not mere fulfillment of the requirements of law but in ensuring commitment of the Board in managing the Company in a transparent manner for maximizing stakeholder value. The Company aims at maximizing long – term value and shareholders' wealth and thus adheres to the ethics, value and morals of the Company and its Director.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

Our Corporate Governance philosophy is based on the following principles;

1. Management must have the executive freedom to drive the enterprise forward without undue restraints and Management is the trustee of the Shareholders' Capital and not the owner. This freedom of management should be exercised within a framework of effective accountability.
2. Provide an enabling environment to harmonize the goals of maximizing stakeholder value and maintaining a customer centric focus.
3. Have a simple and transparent corporate structure driven solely by business needs.
4. Communicate externally, in a truthful manner, about how the Company is running internally.
5. Make clear distinction between personal conveniences and corporate resources.
6. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
7. Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

Your Board of Directors presents the Corporate Governance Report for the year 2010-2011.

(b) Board of Directors:

1. Size and Composition of Board

The Board of directors plays role a pivotal role in ensuring good governance. Blue Chip Tex

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Industries Limited has a balanced Board structure comprising of adequate number of non-executive and independent Directors who take care of the interest and well-being of all the stakeholders. The Board of Directors comprises of an Executive Managing Director, 3 Executive Directors and 2 Non – executive Directors.

During the year, Four Board Meetings were held on 18.05.2010, 29.07.2010, 29.10.2010 and 31.01.2011. There were no Extraordinary General Meetings held during the year.

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

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM & EGM	No. of other Director-ships	Committee Membership	
					Member	Chairman
Mr. Nand K.Khemani	MD	4	YES	4	1	1
Mr. Ashok K. Khemani	ED	4	YES	5	1	None
Mr. Kumar S. Nathani	NED	4	YES	6	1	None
Mr. Anil Kumar G. Mandhana	NED	4	YES	1	0	None
Mr. Rahul A.Khemani	ED	1	NA	1	0	None
Mr. Shahin N. Khemani	ED	1	NA	1	0	None

Mr. Rahul A. Khemani and Mr. Shahin N. Khemani were appointed as directors w.e.f 1st November 2010 (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. Ranjit Chowdhary is the Compliance Officer. During the year, letters received from the Shareholders for change of address, revalidation of dividend warrants, issue of duplicate shares etc. were replied to and resolved to the satisfaction of the Shareholders.

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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 17 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
2009 -10	20.09.2010	10.00 A.M	M.C. GHIA HALL – Mumbai
2008-09	20.08.2009	10.00 A.M	M.C. GHIA HALL – Mumbai
2007-08	25.09.2008	10.00 A.M	M.C. GHIA HALL – Mumbai

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

(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 were published in prominent daily newspapers viz. Navsakti, Business Standard, Mahanayak.

(h) General Shareholders' Information :

1. The Annual General Meeting is proposed to be held on Thursday, 11th August 2011 at M.C. Ghia Hall, Mumbai at 10 a.m.

2. Financial calendar :

Annual results of previous year : Mid of May
Mailing of Annual Reports : End of June
First Quarter results : Mid August
Second Quarter results : End October
Annual General Meeting : Mid August
Third Quarter results : End January
Fourth Quarter results : Mid May

3. Dates of Book Closure :

Thursday, August 4, 2011 to Thursday, August 11, 2011 (both days inclusive)

4. Listing of Equity Shares/ Debentures on the Stock Exchange at :

Mumbai (BSE), Stock code at Mumbai Stock Exchange: 506981

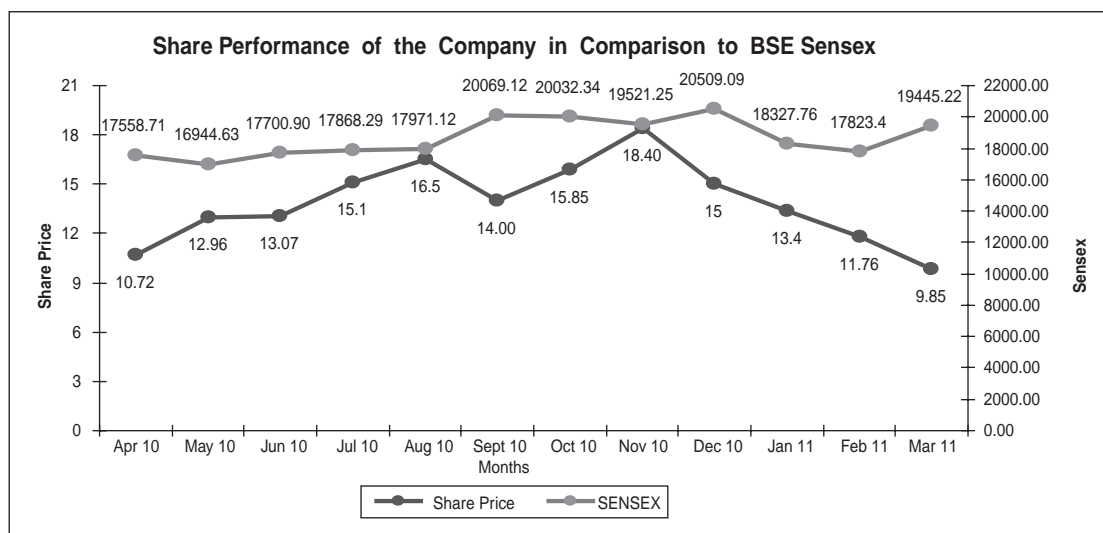
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5. Stock Market Price Data for the year 2010-2011 :

High / Low price during each month of 2010 – 2011 on BSE Sensex are as under:

**High/Low price during each month of 2010-2011 on The Stock Exchange,
Mumbai and BSE Sensex are as under**

Blue Chip Tex Industries Limited								BSE SENSEX		
Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	No. of Shares	No. of Trades	Net Turnover	High ₹	Low ₹	Close ₹
2010										
Apr	10.08	11.90	10.00	10.72	9968	95	107271	18047.86	17276.80	17558.71
May	10.75	14.00	9.92	12.96	31782	231	376497	17536.86	15960.15	16944.63
Jun	13.50	13.96	12.15	13.07	30610	163	404029	17919.62	16318.39	17700.90
Jul	13.05	18.75	13.05	15.10	17700	169	273855	18237.56	17395.58	17868.29
Aug	15.10	19.80	14.00	16.50	17457	147	282616	18475.27	17819.99	17971.12
Sep	17.45	17.45	13.50	14.00	41827	185	638189	20267.98	18027.12	20069.12
Oct	15.20	19.90	12.90	15.85	55947	335	860503	20854.55	19768.96	20032.34
Nov	15.30	21.00	14.25	18.40	16293	145	282263	21108.64	18954.82	19521.25
Dec	19.20	20.25	14.15	15.00	4476	38	71468	20552.03	19074.57	20509.09
2011										
Jan	14.50	15.75	13.40	13.40	1917	20	28129	20664.80	18038.48	18327.76
Feb	12.75	13.00	11.76	11.76	1217	9	15806	18690.97	17295.62	17823.40
Mar	11.80	12.48	9.85	9.85	2807	35	31027	19575.16	17792.17	19445.22



Month	10-Apr	10-May	10-Jun	10-Jul	Aug 10	10-Sep	10-Oct	10-Nov	10-Dec	11-Jan	11-Feb	11-Mar
Share Price	10.72	12.96	13.07	15.1	16.5	14	15.85	18.4	15	13.4	11.76	9.85
SENSEX	17558.71	16944.63	17700.90	17868.29	17971.12	20069.12	20032.34	19521.25	20509.09	18327.76	17823.4	19445.22

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6. Registrar and Share Transfer Agents:

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

7. Share Transfer System:

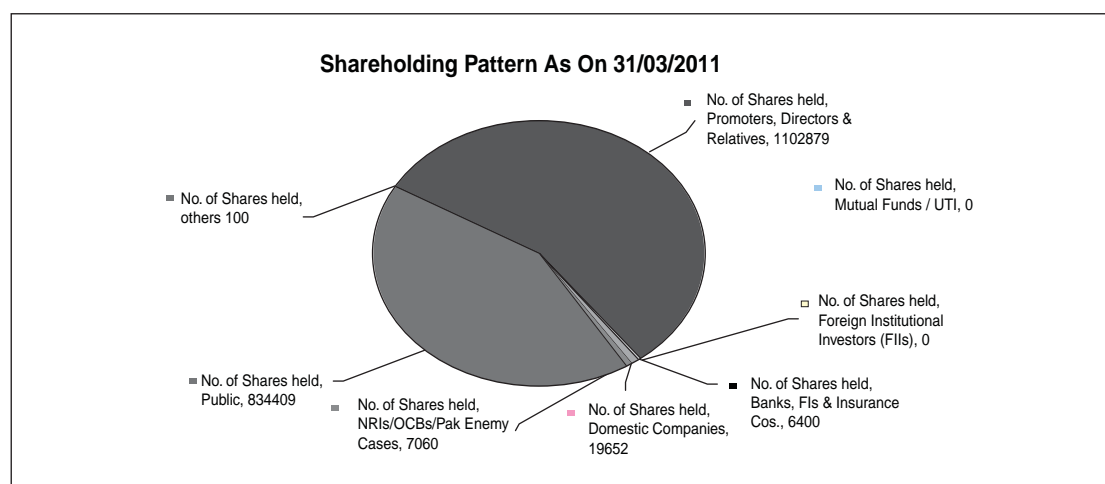
The Company's Shares are traded at the Stock Exchange in demat mode, w.e.f. May 2001. Shares in physical mode lodged for transfer with Bigshare Services Pvt. Ltd. were processed and transferred.

8. Distribution of Share Holding Pattern as on 31st March 2011:

NO. OF EQUITY SHARES HELD (1)	NO. OF SHAREHOLDERS (2)	% OF SHAREHOLDERS (3)	SHARES HELD (in ₹) (4)	% OF SHARE HOLDING (5)
UPTO 5000	3643	95.1672	4858710	24.6572
5001 - 10000	90	2.3511	746620	3.789
10001- 20000	43	1.1233	630690	3.2007
20001 - 30000	14	0.3657	345930	1.7555
30001 - 40000	4	0.1045	139100	0.7059
40001 - 50000	14	0.3657	652840	3.3131
50001 - 100000	6	0.1567	394470	2.0019
100001 AND ABOVE	14	0.3657	11936640	60.5767
TOTAL	3828	100.00	19705000	100.0000

9. Shareholding Pattern

Pattern of shareholding by ownership as on March 31, 2011:



10. Dematerialisation of Shares:

The Shares of the Company can be held and traded in electronic form. 6.48% (127609 no. of Shares) of the Company's Share holdings have been dematerialized in CDSL and 72.69% (1420577 no. of shares) of the Company's Shareholdings have been dematerialized in NSDL as on 31.3.2011.

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 00 020.

Tel: 2200 0488 • Fax: 22006437

Email: bluechiptex@gmail.com • Website: bluechiptexindustrieslimited.com

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

13. The Company has adopted the following non-mandatory requirement on Corporate Governance recommended under Clause 49 of the listing agreement.;

- i) Chairman's office with required facilities is being provided and maintained at the Company's expenses for use by its Non-Executive Director.
- ii) Financial performance of the Company is well published in newspapers. Individual communication of half yearly results is not sent to the Shareholders.
- iii) The Company has passed resolution requiring approval of the Shareholders by postal ballot.

DIRECTORS :

Mr. Anil Kumar G. Mandhana retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS AND AUDITORS' REPORT:

M/s Rajendra & Co., Chartered Accountants, Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s Rajendra & Company, that their re-appointment, if made, would be within the prescribed limits under Sec. 224(1B) of the Companies Act, 1956. The Shareholders are requested to re-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.

COMPLIANCE CERTIFICATE:

Pursuant to Section 383-A, as amended, of the Companies Act, 1956, Compliance Certificate is attached to this report.

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
THE BOARD OF DIRECTORS

Sd/-

(Nand K. Khemani)
MANAGING DIRECTOR

Mumbai
Dated : 27th May 2011

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: 19705000
Registration No.: 11-035714
(31/03/2011)

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, 2011**. 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 of the Act 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 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 4 times on **18.05.2010, 29.07.2010, 29.10.2010, 31.01.2011** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolution passed in the minutes books maintained for the purpose.
5. The Company closed its Register of Members from **15/09/2010** to **20/09/2010** during the financial year.
6. The Annual General Meeting for the year ended on **31/03/2010** was held on **20/09/2010** 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 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 Company has not issued any duplicate share certificates during the financial year.

13. The Company has:
- i. delivered all the certificates on lodgement thereof for transfer of securities in accordance with the provisions of the Act;
 - ii. deposited the amount of dividend in a separate Bank Account on 24th September, 2010 which is within five days from the date of declaration.
 - iii. Paid/post warrants for dividends to all members within a period of 30 (Thirty) from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend account of the Company with HDFC Bank on 26th October, 2010.
 - iv. transferred the amounts in to unpaid dividend account which have remained unclaimed or unpaid for a period of seven years to Investor Education & Protection Fund.
 - v. The Company has duly-complied with the requirements of section 217 of the Act regarding Board's report.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors has been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such Authorities prescribed under the provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was not redemption of preference shares or debentures during the financial year.
22. There were no transactions, which required the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the preview of section 58A during the financial year.
24. The amount borrowed by the Company from bank during the financial year 31st March, 2011 is within the borrowing limits of the Company.
25. The Company has made loans or advances or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

BLUE CHIP TEX INDUSTRIES LTD.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the Provisions of its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the year, for offences under the Act.
32. The Company has not received any security from its employees during the year under the year under certification.
33. Provident fund is not applicable.

Place: Mumbai
Date: 27/5/2011

Signature :
Name of Company Secretary : Pramod S. Shah
C.P.No. : 3804

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Annexure A

The Company has been maintaining the statutory records such as:

- 1) Minutes Book (Board Meeting)
- 2) Minutes Book (AGM & EGM)
- 3) Register of Member
- 4) Register of Director
- 5) Register of Director's shareholding
- 6) Register of Assets
- 7) Register of Investment
- 8) Register of Charges
- 9) Register of Contracts

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sr. No.	Form No. Return	Filed u/s	For	Date of Filing	Whether filed within prescribed time Yes/No.	If delay in filing whether requisite additional fee paid Yes/No
1	Form 23AC, ACA	220	Balance Sheet for the financial year ended 31/03/2010	6/10/2010	Yes	No
2	Form 20 B	159	Annual Return	9/11/2010	Yes	No
3	Form - 66	383A	Compliance Certificate as on 31/03/2010	27/9/201	Yes	No
4	Form 23	314	Registration of resolutions passed on 20/9/2010	8/10/2010	Yes	No
5	Form - 32	260	Appointment of Rahul Khemani and Shahin Khemani as an additional director	16/11/2010	Yes	No

BLUE CHIP TEX INDUSTRIES LTD.

CERTIFICATE

To
THE MEMBERS OF
BLUE CHIP TEX INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by **BLUE CHIP TEX INDUSTRIES** for the year ended on 31st March 2011, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned clause of the listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rajendra & Co.
Chartered Accountants

Mumbai
Dated : 27th May, 2010

Sd/-
Akshay R. Shah
Partner
Membership No. 103316

AUDITORS' REPORT

To the Members of BLUE CHIP TEX INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Blue Chip Tex Industries Limited as at 31st March 2011 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in so far as it relates to the Profit and Loss Account, of the "Profit" of the Company for the year ended on that date; and
 - (iii) in so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **Rajendra & Co.**
Chartered Accountants
(Registration No. 108355W)

Sd/-
Akshay R. Shah
Partner

Membership No.: 103316

Mumbai
Dated : 27th May, 2011

BLUE CHIP TEX INDUSTRIES LTD.

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details situation of fixed assets.
 - b. As explained to us, the fixed assets have been physically verified by the Management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The discrepancies noticed on physical verification of stock as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or any other parties covered in the register maintained under section 301 of the Act. Hence, clause (iii) of para 4 of the aforesaid Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, each of the transactions in pursuance of such contracts / arrangements in excess of ₹ 5 Lakhs in respect of any party during the year, have been made at prices at prices which are reasonable having regards to the prevailing market prices at the relevant time, where such prices are available.
6. The Company has not accepted any deposits from the public.
7. The Company did not have an internal audit system during the year but its internal control procedures ensure reasonable internal checking for its financial and other records.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-tax, Wealth

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Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable:

- b. According to the information and explanations given to us, there are no disputed statutory dues pending as on 31st March, 2011 except for disputed income tax liability of ₹ 77,872/- related to Assessment Year 2005-2006, against which the Company has filed appeal with Commissioner (Appeals).
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. In our opinion and according to the Information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. There are no borrowings from Financial Institutions or by way of Debentures.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions contracts in respect of dealing in Shares, Securities and other investments and timely entries have been made therein. All Shares, securities and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not used funds raised on short-term basis for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **Rajendra & Co.**
Chartered Accountants
(Registration No. 108355W)

Sd/-
Akshay R. Shah
Partner

Membership No.: 103316

Mumbai
Dated : 27th May, 2011

BLUE CHIP TEX INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE No.	₹	₹	As at 31/03/2010 ₹
SOURCES OF FUNDS				
1. SHARE HOLDERS' FUNDS				
a) Share Capital	1	19,755,450		19,755,450
b) Reserves and Surplus	2	20,921,491		18,713,325
			40,676,941	38,468,775
2. LOAN FUNDS				
Secured Loans	3		17,576,667	1,270,137
3. DEFERRED TAX LIABILITY (NET) (Refer Note 6 of Schedule 15)				
			2,961,119	3,332,109
			TOTAL	43,071,021
			61,214,727	43,071,021
APPLICATION OF FUNDS				
1. FIXED ASSETS				
a) Gross Block	4	33,690,697		33,645,697
b) Less: Depreciation		12,794,993		10,931,782
		20,895,704		22,713,915
d) Capital work-in-progress		9,494,548		—
c) Net Block#			30,390,252	22,713,915
2. INVESTMENTS				
	5		4,504,500	11,133,987
3. CURRENT ASSETS, LOANS AND ADVANCES				
a) Inventories	6	2,546,263		1,963,608
b) Sundry Debtors	7	8,133,074		5,994,310
c) Cash and Bank Balances	8	13,169,945		5,393,155
d) Loans and Advances	9	20,372,209		831,785
		44,221,491		14,182,858
Less : Current Liabilities & Provisions				
a) Liabilities	10	15,543,662		2,825,125
b) Provisions		2,357,854		2,134,614
		17,901,516		4,959,739
NET CURRENT ASSETS				
			26,319,975	9,223,119
			TOTAL	43,071,021
			61,214,727	43,071,021

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

15

As per our report of even date attached

For and on behalf of the Board of Directors

For **Rajendra & Co.**
Firm Registration Number:108355W
Chartered Accountants

sd/-
Nand Khemani
Managing Director

sd/-
Akshay R. Shah
Partner
Membership Number:103316
Place: Mumbai
Dated: 27th May, 2011

sd/-
Ashok Khemani
Director
Place: Mumbai
Dated: 27th May, 2011

sd/-
Kumar Nathani
Director

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE No.	₹	₹	As at 31/03/2010 ₹
INCOME				
Sales	11	120,702,828	95,659,772	
Other Income	12	1,285,173	1,645,840	
Increase/(Decrease) in stock of finished goods	13	362,009	(743,475)	
		<u>122,350,010</u>	<u>96,562,137</u>	
EXPENDITURE				
Manufacturing and Other Expenses	14	114,764,395	89,232,317	
Interest		117,123	108,299	
Depreciation		1,863,211	1,780,770	
		<u>116,744,729</u>	<u>91,121,386</u>	
PROFIT BEFORE TAX		5,605,281	5,440,751	
Taxation for the year				
Current Tax		2,050,000	1,967,000	
Deferred Tax		(370,990)	(267,440)	
		<u>1,679,010</u>	<u>1,699,560</u>	
PROFIT AFTER TAX		3,926,271	3,741,191	
(Short)/Excess provision for tax in respect of earlier year		(482)	49	
		<u>3,925,789</u>	<u>3,741,240</u>	
Balance brought forward from previous year		9,859,533	7,841,625	
Amount available for Appropriation		13,785,322	11,582,865	
Appropriations :				
Proposed Dividend		1,477,875	1,477,875	
Tax on proposed dividend		239,748	245,457	
		<u>1,717,623</u>	<u>1,723,332</u>	
Balance carried to Balance Sheet		<u>12,067,699</u>	<u>9,859,533</u>	
Earnings per share - Basic and Diluted (Refer Note 8 of Schedule 15)		1.99	1.90	
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	15			

As per our report of even date attached

For and on behalf of the Board of Directors

For **Rajendra & Co.**
Firm Registration Number:108355W
Chartered Accountants

sd/-
Nand Khemani
Managing Director

sd/-
Akshay R. Shah
Partner
Membership Number:103316
Place: Mumbai
Dated: 27th May, 2011

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 27th May, 2011

BLUE CHIP TEX INDUSTRIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

		Previous Year
	₹	₹
A. Cash flow from Operating Activities		
Profit before Tax	5,605,281	5,440,751
Adjustment for:		
Depreciation	1,863,211	1,780,770
Debts written off/ Provision for doubtful debts	—	16,854
Provision for Gratuity and Leave Encashment	1,143	3,115
Share of Loss from Partnership Firm	41,308	41,500
Loss/(Profit) on sale of Investments	15,191	(301,308)
Interest Received	(69,530)	(684,768)
Interest Received from Partnership firm	(458,744)	(70,987)
Interest Paid	117,123	—
Sundry balances written back	(118)	(2,980)
Dividend Received	(303,481)	(126,797)
Operating Profit before Working Capital Changes	6,811,384	6,096,150
Adjustment for:		
Inventories	(582,655)	485,191
Trade and other receivables	(3,651,803)	272,602
Trade payables	1,409,722	(2,919,044)
	(2,824,736)	(2,161,251)
Cash used in Operations	3,986,648	3,934,899
Income Taxes paid	(1,822,676)	(1,523,592)
Net Cash Inflow from Operating Activities (A)	2,163,972	2,411,307
B. Cash flow from Investing Activities		
Purchase of Investments (Mutual Fund)	(4,500,000)	(11,100,000)
Proceeds from Investments (Mutual Fund)	2,484,809	304,633
Investment in Firm	19,770,743	—
Purchase of Fixed Assets	(27,566,933)	(2,158,170)
Interest received	528,274	684,768
Dividend received	303,481	126,797
Net Cash generated/(used) from Investing Activities (B)	(8,979,626)	(12,141,972)
C. Cash flow from Financing Activities		
Secured Loan taken	16,830,114	1,656,000
Repayment of Secured Loan	(523,584)	(385,863)
Dividend Paid (Including Tax on Dividend)	(1,596,963)	(1,601,854)
Interest Paid	(117,123)	—
Net Cash Inflow from Financing Activities (C)	14,592,444	(331,717)
Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)	7,776,790	(10,062,382)
Cash and cash equivalents at the beginning of the year	5,393,155	1,545,537
Cash and cash equivalents at the end of the year	13,169,945	5,393,155

NOTES TO CASH FLOW STATEMENT

- Components of Cash and Cash Equivalents include Cash and Bank Balances in Current and Deposit Accounts. [Refer Schedule "8" of the Accounts]
- Interest income on deposits etc., is classified as cash flow from investing activities and other interest received is classified under operating activities
- The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3 Revised) "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- Previous years figures have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

As per our report of even date attached

For **Rajendra & Co.**
Firm Registration Number:108355W
Chartered Accountants

sd/-
Akshay R. Shah
Partner
Membership Number:103316
Place: Mumbai
Dated: 27th May, 2011

For and on behalf of the Board of Directors

sd/-
Nand Khemani
Managing Director

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 27th May, 2011

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SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2011

Particulars	As at 31/03/2010	
	₹	₹
SCHEDULE "1" - SHARE CAPITAL		
AUTHORISED:		
2,500,000 Equity Shares of ₹ 10/- each	<u>25,000,000</u>	<u>25,000,000</u>
ISSUED AND SUBSCRIBED AND PAID UP:		
1,970,500 (1,970,500) Equity Shares of ₹ 10/- each fully paid up	<u>19,705,000</u>	<u>19,705,000</u>
Add: Forfeited shares	<u>50,450</u>	<u>50,450</u>
TOTAL	<u><u>19,755,450</u></u>	<u><u>19,755,450</u></u>
 SCHEDULE "2"- RESERVES AND SURPLUS		
CAPITAL RESERVE NO.1:		
Central Government Investment Subsidy for unit in Backward Area Balance as per last Balance Sheet	<u>2,500,000</u>	<u>2,500,000</u>
CAPITAL RESERVE NO.2 :		
Amount forfeited on equity share warrants Balance as per last Balance Sheet	<u>15,600</u>	<u>15,600</u>
SECURITIES PREMIUM ACCOUNT		
Balance as per last balance sheet	<u>3,380,363</u>	<u>3,380,363</u>
GENERAL RESERVE:		
Balance as per last balance sheet	<u>2,957,829</u>	<u>2,957,829</u>
SURPLUS IN PROFIT AND LOSS ACCOUNT		
TOTAL	<u><u>12,067,699</u></u>	<u><u>9,859,533</u></u>
	<u><u>20,921,491</u></u>	<u><u>18,713,325</u></u>
 SCHEDULE "3" - SECURED LOANS		
From Banks		
Term Loan from Axis Bank Ltd.	<u>16,830,115</u>	<u>—</u>
Vehicle Loan from HDFC Bank Ltd.	<u>746,552</u>	<u>1,270,137</u>
	<u><u>17,576,667</u></u>	<u><u>1,270,137</u></u>

Note:

Term Loan from Axis Bank Ltd.

i. Term Loans from Axis Bank Ltd. aggregating to ₹ 16,830,115/- is secured by first charge of the entire fixed assets of the company including equitable mortgage of land, building & including other immovable assets of the factory unit (6300 sq.mrts land and building thereon), and current assets of the company, present and future. Exclusive first charge over the entire movable/immovable assets of the wind power project at Thungavi. Personal guarantee of the two directors of the company. Pledge of promoters equity shares at 30% of the total shareholding.

ii. Amounts repayable within one year ₹ Nil (Previous Year ₹ Nil)

Vehicle Loan from HDFC Bank Ltd.

i. Secured by charged on the vehicle purchased.

ii. Amounts repayable within one year ₹ 588,403 (Previous Year ₹ 523,585)

BLUE CHIP TEX INDUSTRIES LTD.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE "4" FIXED ASSETS

(₹)

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	AS ON 01.04.2010	ADDITIONS	DEDUCTIONS	AS ON 01.04.2010	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2011	AS ON 31.03.2011
LAND (Free hold)	4,522,633	—	—	4,522,633	—	—	—	4,522,633
BUILDING	12,903,796	45,000	—	12,948,796	424,289	—	5,158,356	7,790,440
PLANT AND MACHINERY	12,549,946	—	—	12,549,946	1,247,797	—	5,703,365	6,846,581
FACTORY EQUIPMENT	475,655	—	—	475,655	—	—	451,873	23,782
ELECTRICAL INSTALLATION	923,396	—	—	923,396	877,226	—	877,226	46,170
COMPUTER	51,750	—	—	51,750	2,366	—	10,755	40,995
FURNITURE AND FIXTURES	305,894	—	—	305,894	1,036	—	301,205	4,689
VEHICLE	1,912,627.00	—	—	1,912,627	181,700	—	292,213	1,620,414
GRAND TOTAL	33,645,697	45,000	—	33,690,697	1,863,211	—	12,794,993	20,895,704
PREVIOUS YEAR	31,063,792	2,581,905	—	33,645,697	1,780,770	—	10,931,782	22,713,915
Capital Work in Progress (Building under construction)								9,494,548
								—

Notes:

1. The Company holds 10 (Previous year: 10) Equity shares of face value of ₹ 1,000 each in Danudyog Sahakari Sangh Ltd in respect of ownership of Land, cost of which is included in "Land (Free hold)".
2. Plant and Machinery includes Windmill.

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As at 31/03/2010

Particulars	₹	₹
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SCHEDULE "5" - INVESTMENTS (AT COST)

LONG TERM INVESTMENTS:

1. Trade Investments (Unquoted)

Investment in the Capital of Partnership Firm M/s. Jay Gee Rayons	4,500	8633987
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2. Other Investments (Unquoted)

3 (Previous year 3) 12% Optionally Convertible Cumulative Preference Shares of ₹ 10/- each, fully paid up of Farm Enterprises Limited	—	—
Nil (Previous year 235886.888) units of DWS Money Plus Advantage Fund - Monthly Dividend	—	2,500,000
76,733.015 (Previous year Nil) units of HDFC MF Monthly Income Plan-Long Term-Monthly Div	1,000,000	—
33,363,.360 (Previous year Nil) units of Hdfc Prudence Fund - Div Payout	1,000,000	—
34,866,.288 (Previous year Nil) units of IDCF Small & Midcap Equity (SME) Fund - Dividend	500,000	—
90,269.816 (Previous year Nil) units of Reliance Monthly Income Plan	1,000,000	—
12,593.507 (Previous year Nil) units of Reliance Phama Fund - Dividend Plan	500,000	—
8,781.173 (Previous year Nil) units of SBI-Magnum Multiplier Plus Scheme - 93-Dividend	500,000	—
TOTAL...	<u>4,504,500</u>	<u>11,133,987</u>

SCHEDULE "6"- INVENTORIES

(as verified, valued and certified by the management)

Stock in Trade		
Raw materials	803,765	569,899
Packing materials and oil	225,455	238,675
Finished goods	1,517,043	1,155,034
TOTAL...	<u>2,546,263</u>	<u>1,963,608</u>

SCHEDULE "7"- SUNDRY DEBTORS

(Unsecured and considered good)

Debts outstanding for a period exceeding six months	13,970	8,126
Other debts	8,119,104	5,986,184
TOTAL...	<u>8,133,074</u>	<u>5,994,310</u>

BLUE CHIP TEX INDUSTRIES LTD.

Particulars	As at 31/03/2010	
	₹	₹
SCHEDULE "8"- CASH AND BANK BALANCES		
Cash on hand	7860	661
Bank Balances with Scheduled Banks:		
In Current Accounts	9,269,291	2,287,845
In Dividend Accounts	481,772	355,403
In Deposit Accounts @	3,411,022	2,749,246
	<u>13,162,085</u>	<u>5,392,494</u>
	<u>13,169,945</u>	<u>5,393,155</u>

@ Fixed deposit receipt of ₹ 26,203 (previous year ₹ 28,516) of Dena Bank Ltd. placed as margin money under bank's lien for guarantee given by the bank on behalf of the Company and Fixed deposit receipt of ₹ 3,384,819 (Previous year ₹ Nil) of Axis Bank Ltd. placed towards DSR money under bank's lien for term loan given by bank to the company.

SCHEDULE "9"- LOANS AND ADVANCES (Unsecured and considered good)

Advances for Capital Expenditure	18,027,385	—
Advances recoverable in cash or in kind or for value to be received. **	2,344,824	831,785
TOTAL	<u>20,372,209</u>	<u>831,785</u>

** Includes an amount of ₹ 2,098,740 (Previous Year ₹ 6,10,295) from a Company under the same management

SCHEDULE "10"-CURRENT LIABILITIES AND PROVISIONS CURRENT LIABILITIES

Sundry Creditors: (Unsecured)		
i) Due to Micro, Small and Medium Enterprises #	—	—
ii) Other Creditors	2,228,699	939,884
iii) Deposits Received	800,000	800,000
Other Liabilities	850,627	729,838
Due to a firm wherein Company is a Partner (Refer Note No.10 of schedule 15)	11,182,564	—
Unclaimed Dividend *	481,772	355,403
SUB-TOTAL	<u>15,543,662</u>	<u>2,825,125</u>

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

The company has not received intimation from suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

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Particulars	As at 31/03/2010	
	₹	₹
PROVISIONS		
For Taxation (net of advance tax paid)	629,526	401,720
Proposed Dividend	1,477,875	1477,875
Tax on proposed dividend	239,748	245,457
For Gratuity	8,554	6,410
For Leave Encashment	2,151	3,152
SUB-TOTAL	2,357,854	2,134,614
TOTAL	17,901,516	4,959,739

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	For 2009-2010	
	₹	₹
SCHEDULE "11"- Sales		
- Twisted Yarn	119,632,434	94,486,899
- Power	1,070,394	1,172,873
TOTAL	120,702,828	95,659,772
SCHEDULE "12"- OTHER INCOME		
Interest Income	69,530	684,768
[Tax deducted at source ₹ 5,562/-.(Previous Year : ₹ 52,114/-)]		
Interest on capital in Partnership Firm	458,744	70,987
Dividend Income	303,481	126,797
Rent [Tax deducted at source ₹ 45,000/- (Previous year ₹ 70,493/-)]	453,300	459,000
Profit on sale of investment	—	301,308
Sundry balances written back (net)	118	2,980
TOTAL	1,285,173	1,645,840

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Particulars	For 2009-2010	
	₹	₹
SCHEDULE "13" - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS		
Stock at Close		
Finished Goods	1,517,043	11,550,340
Less : Stock at the commencement of the year		
Finished Goods	1,155,034	1,898,509
TOTAL	362,009	(743,475)
SCHEDULE "14" - MANUFACTURING AND OTHER EXPENSES		
Raw materials consumed	104,214,742	79,621,942
Packing material consumed	3,460,295	2,886,512
Stores and spares consumed (including oil)	1,707,894	795,952
Power	987,240	1,378,034
Payments to and Provisions for Employees		
Salaries,Wages and Bonus	874,314	777,223
Contract labour charges and fees	1,710,743	1,399,628
Repairs and Maintenance:		
Building	16,790	89,700
Plant and Machinery	370,644	707,550
Others	57,196	16,812
	444,630	814,062
Rent, Rates & Taxes	25,849	26,397
Insurance	25,170	15,021
Directors' sitting fees	10,000	14,000
Legal and Professional Charges	266,867	261,326
Auditor's Remuneration	143,390	143,390
Printing and Stationery	56,743	75,526
Postage and Telegram	41,224	53,004
Brokerage and commission	404,398	462,522
Share of Loss from partnership firm	41,308	41,500
Loss on sale of investment	15,191	—
Bad debts, advances and other dues written off	—	16,854
Miscellaneous Expenses (Including Secretarial expenses, Listing Fees,Share Listing Fees, Bank charges, Sundry Expenses etc.)	334,342	449,424
TOTAL	114,764,395	89,232,317

SCHEDULE "15"

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of accounts:

The accounts have been prepared on accrual basis and on historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

c) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

d) Depreciation:

Depreciation on furniture is provided on written down value basis and on all other assets on straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

e) Investments:

Investments classified as Long-Term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of investments.

f) Inventories:

Items of Inventories are valued as under:

I. Packing Material and Oil :

At cost, on First-in-first-out (FIFO) basis or net realisable value, whichever is lower.

II. Raw Materials:

At cost, on FIFO basis or net realisable value, whichever is lower.

III. Finished Goods (manufactured):

At cost which includes cost of raw materials determined on FIFO basis plus appropriate share of overhead expenses or net realisable value, whichever is lower.

IV. The stock of stores and spares is charged to revenue in the year of purchase and no adjustment is made for such stocks, if any, at the year end.

g) Retirement Benefits :

The Provisions of Employees Provident fund Act, 1952 is not applicable to the Company. Post employment and other long term employee benefits are recognised as expense in the Profit & Loss Account for the year in which the Employees have rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques.

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h) Income taxes:

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", (AS 22) issued by The Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured at relevant enacted or substantially enacted tax rates. At each Balance sheet date, the company reassesses unrealised deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

i) Revenue Recognition:

- Revenue on sale of products is recognised when the products are despatched to the customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. The sales are stated net of returns.
- Revenue from sale of power produced on generation of electrical energy is accounted when electricity is delivered at the metering point in terms of power purchase agreement with the customer.
- Revenue in respect of insurance or other claims, quantity discount on purchase, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

j) Provisions, Contingent liabilities and Contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised, but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

k) Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

B) NOTES TO ACCOUNTS

1. Contingent liabilities

	₹	Previous year ₹
a. Disputed Income Tax liability of assessment year 2005-06	77,872	77,872
b. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	75,285,838	Nil

2. Considering the present financial strength of the company and in view of the company being at the initial stage of growth after recommencement of the manufacturing activities related to yarn business and the commencement of business activity of generation of power, the Managing Director of the company has forgone his remuneration, though approved by the shareholders.

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3. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

	₹
Profit as per Profit & Loss Account Before Taxes	5,605,281
Add: Depreciation as per Books	1,863,211
Add: Directors Remuneration	325,000
Add: Directors Sitting Fees	10,000
Add: Loss on Sale of Assets	15,191
Add: Share of Loss of a Partnership Firm	41,308
Balance Profit	7,859,991
Less: Depreciation as per Section 350 of the Companies Act, 1956.	1,863,211
Net Profit for the Year	5,996,780
10% of the Net Profit	599,678
Remuneration paid to the Directors restricted to	325,000

4. Payments to Auditors:

	Rupees	Previous Year Rupees
a) Audit Fees	100,000	100,000
b) Tax Audit Fees	30,000	30,000
c) Service Tax	13,390	13,390
Total	143,390	143,390

5. Related parties disclosures:

- a) Names of related parties and description of relationship:
- i. Key Management Personnel :
 - Mr. Nand K. Khemani
 - Mr. Ashok K. Khemani
 - Mr. Kumar Nathani
 - Mr. Anil Mandhana
 - Mr. Rahul A. Khemani (Additional Director w.e.f. 1.11.2010)
 - Mr. Shahin N. Khemani (Additional Director w.e.f. 1.11.2010)
 - ii. Others (Entities in which Key Management Personnel have control or significant influence)
 - Beekaylon Synthetics Private Limited
 - Indo Leather Works
 - Jay Gee Rayons
 - iii. Relatives of Key Management Personnel
 - Mr. Rahul A. Khemani (upto 31.10.2010)
 - Mr. Shahin N. Khemani (upto 31.10.2010)

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b) Transactions with related parties :

Sr. No.	Nature of Transactions	Others (₹)	Key Management Personnel (₹)	Total (₹)
1	Security Deposit Received Beekaylon Synthetics Pvt. Ltd. Balance as at 1 st April, 2010	500,000 (500,000)	Nil (Nil)	500,000 (500,000)
	Balance as at 31 st March, 2011	500,000 (500,000)	Nil (Nil)	500,000 (500,000)
2	Rent Received on Factory Building Beekaylon Synthetics Pvt. Ltd.	450,000 (450,000)	Nil (Nil)	450,000 (450,000)
3	Rent Paid Indo Leather Works	12,000 (12,000)	Nil (Nil)	12,000 (12,000)
4	Insurance Premium (Reimbursed) Beekaylon Synthetics Pvt. Ltd.	33,775 (26,530)	Nil (Nil)	33,775 (26,530)
5	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.	104,448,608 (79,763,253)	Nil (Nil)	104,448,608 (79,763,253)
6	Sale of Investments (shares) Indotex Export House Pvt. Ltd.	Nil (304,608)	Nil (Nil)	Nil (304,608)
7	Salary Rahul A. Khemani Shahin N. Khemani	Nil (Nil) Nil (Nil)	140,000 (300,000) 315,000 (300,000)	140,000 (300,000) 315,000 (300,000)
8	Remuneration to Director (Subject to Members Approval at the forthcoming Annual General Meeting) Rahul A. Khemani Shahin N. Khemani	Nil (Nil) Nil (Nil)	100,000 (Nil) 225,000 (Nil)	100,000 (Nil) 225,000 (Nil)
9	Sitting Fees Ashok Khemani Anil Mandhana Kumar Nathani	Nil (Nil) Nil (Nil) Nil (Nil)	4,000 (5,000) 2,000 (5,000) 4,000 (4,000)	4,000 (5,000) 2,000 (5,000) 4,000 (4,000)
10	Interest from Partnership Firm Jay Gee Rayons	458,744 (70,987)	Nil (Nil)	458,744 (70,987)
11	Share of Loss from Partnership Firm Jay Gee Rayons	41,308 (41,500)	Nil (Nil)	41,308 (41,500)

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Sr. No.	Nature of Transactions	Others (₹)	Key Management Personnel (₹)	Total (₹)
12	Balance Recoverable Beekaylon Synthetics Pvt. Ltd.	20,98,740 (610,295)	Nil (Nil)	20,98,740 (610,295)
13	Investment in Partnership Firm Jay Gee Rayons Investment during the year as a capital contributions Withdrawals during the year	300,000 (8,600,000) 20,529,487 (Nil)	Nil (Nil) Nil (Nil)	300,000 (8,600,000) 20,529,487 (Nil)
	Balance as at 31 st March, 2011 Payable Receivable	11,178,064 (8,633,987)	Nil (Nil)	11,178,064 (8,633,987)

Notes:

1. Related party relationship is as identified by the management and relied upon by the Auditors.
2. Previous year figures are given in brackets
6. The tax effect of significant timing differences that have resulted in deferred tax assets and liabilities are given below:

Deferred Tax	As at 31 st March, 2011 ₹	As at 31 st March, 2010 ₹
a) Deferred tax liability:		
Depreciation	(2,961,473)	(3,333,072)
b) Deferred tax asset:		
Other disallowances	353	963
Net Deferred Tax Liability	(2,961,119)	(3,332,109)

7. Segment Information :

	Yarn Busines ₹	Wind Power Generation ₹	Investments ₹	Total ₹
Segment Revenue	120,155,382 (94,964,221)	1,070,394 (1,172,873)	762,225 (499,092)	121,988,001 (96,636,186)
Segment Results before interest and tax	6,230,061 (5,596,749)	(268,710) (149,193)	705,726 (457,592)	6,667,077 (5,905,148)
Add: Unallocated Income				— (669,426)
Less: Unallocated expenses				944,673 (1,025,524)
Less: Interest Expenses				117,123 (108,299)
Profit before tax				5,605,281 (5,440,751)

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	Yarn Busines ₹	Wind Power Generation ₹	Investments ₹	Total ₹
Less: Provision for tax				
– Current tax				2,050,000 (1,967,000)
– Deferred tax income				(370,990) (267,440)
Profit after tax				3,926,271 (3,741,191)
Other Information				
Segment Assets	65,568,759 (23,987,009)	6,881,792 (7,506,994)	4,504,500 (11,143,602)	76,955,051 (42,637,605)
Unallocated Assets				2,161,192 (5,393,155)
Total Assets	65,568,759 79,116,243	6,881,792 (23,987,009)	4,504,500 (7,506,994)	(11,143,602) (48,030,760)
Segment Liabilities	20,554,549 (2,327,503)	— (—)	11,182,564 (—)	37,737,113 (2,327,503)
Unallocated Liabilities				6,702,189 (7,234,482)
Total Liabilities				38,439,302 (9,561,985)
Capital Expenditure				
Segment Capital Expenditure	9,539,548 (2,158,170)	(—) (—)	(—) (—)	9,539,548 (2,158,170)
Unallocated Expenditure	— —	— —	— —	— —
Total Capital Expenditure	9,539,548 (2,158,170)	(—) (—)	(—) (—)	9,539,548 (2,158,170)
Depreciation				
Segment Depreciation	606,668 (705,927)	1,074,843 (1,074,843)	— (—)	1,681,511 (1,780,770)
Unallocated Depreciation	—	—	—	181,700 (—)
Total Depreciation	606,668 (705,927)	1,074,843 (1,074,843)	— (—)	1,863,211 (1,780,770)

Notes :

1. Previous year's figures are given in brackets.
2. The company has identified three reportable segments, viz, Yarn Business, Wind power generation and Investments. Segments have been identified taking into consideration nature of products, differing risks and returns, the organisational structure and the internal reporting system.
3. Unallocated assets and liabilities represent assets and liabilities which are not identifiable to any of the reportable segments.

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8. Earning Per Share: (₹)

	2010-2011	2009-2010
a. Net Profit after tax	3,926,271	3,741,240
Profit attributable to Equity Shareholders	3,926,271	3,741,240
b. Weighted average number of Equity Shares	1,970,500	1,970,500
c. Nominal value of Equity Shares	10	10
d. Earning per Share (Basic and diluted)	1.99	1.90

9. Additional information pursuant to the provision of Paragraph 3, 4C, & 4D of Part II of Schedule VI of the companies Act, 1956 :

A. Licensed Capacity

	As on 31/03/2011	As on 31/03/2010
1. Twisting Machines	Not Applicable	Not Applicable
2. Wind Mill	Units 500,000	500,000

B. Installed Capacity

(As certified by the Management)

	Nos.	6	6
1. Twisting Machines			
2. Windmill	Units	500,000	500,000

C. Actual Production

	Kgs.	1,231,536	1,109,644
1. Twisted yarn			
2. Power	Units	373,344	406,893

D. Turnover:

Manufactured goods:

	Qty.	Value ₹	Qty.	Value ₹
1. Twisted yarn (Kgs.)	1,231,730	119,632,434	1,122,561	94,486,899
2. Power (Units)	373,344	1,070,394	406,893	1,172,873
Total		120,702,828		95,659,772

E. Raw Material Consumed:

	Qty. (Kgs.)	Value ₹	Qty. (Kgs.)	Value ₹
Texturised yarn	1,214,428	104,214,742	10,94,496	79,621,942
Total	1,214,428	104,214,742	10,94,496	79,621,942

F. Stocks:

Goods Manufactured (Twisted yarn)

i) Opening Stock	13,220	1,155,034	26,137	1,898,509
ii) Closing Stock	13,026	1,517,043	13,220	1,155,034

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	G. Value of Raw Material Consumed		Previous Year	
	Value ₹	% of Total Consumption	Value ₹	% of Total Consumption
Imported	—	—	—	—
Indigenous	104,214,742	100	79,621,942	100
Total	104,214,742	100	79,621,942	100

H. Value of Stores Consumed (including oil)				
	Value ₹	% of Total Consumption	Value ₹	% of Total Consumption
Imported	—	—	—	—
Indigenous	1,707,894	100	795,952	100
Total	1,707,894	100	795,952	100

10. Particulars about Investment in Partnership Firm:

Name of the firm Jay Gee Rayons.

Name of the Partners	As at 31.03.2011				As at 31.03.2010			
	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	Share of Profit/Loss of each Partner	Fixed Capital Account ₹	Current Capital Account ₹	Total Capital Account ₹	Share of Profit/Loss of each Partner
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	15,029,628	15,034,628	10%	5,000	(7,440,820)	(7,435,820)	10%
M/s.Bluechip Tex Industries Ltd.	4,500	(11,182,564)	(11,178,064)	9%	4,500	8,629,487	8,633,987	9%
M/s.Indotex Export Hoose Pvt. Ltd.	4,500	1,221,766	1,226,266	9%	4,500	110,028	114,528	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	2,671,490	2,675,990	9%	4,500	4,824,369	4,828,869	9%
Mr. Roop K.Khemani	4,500	(85,061)	(80,561)	9%	4,500	(41,276)	(36,776)	9%
Mr. Nand K. Khemani	4,500	(85,061)	(80,561)	9%	4,500	(41,276)	(36,776)	9%
Mr. Ashok K. Khemani	4,500	(85,012)	(80,512)	9%	4,500	(41,231)	(36,731)	9%
Mr. Rahul A. Khemani	4,500	(85,012)	(80,512)	9%	4,500	(41,231)	(36,731)	9%
Mr. Ramesh R. Khemani	4,500	(85,012)	(80,512)	9%	4,500	(41,231)	(36,731)	9%
Mr. Shahin N. Khemani	4,500	(85,012)	(80,512)	9%	4,500	(41,231)	(36,731)	9%
Mr. Siddharth A. Khemani	4,500	(85,012)	(80,512)	9%	4,500	(41,231)	(36,731)	9%
Total	50,000	7,145,138	7,195,138		50,000	5,834,357	5,884,357	

11. As per Accounting standard – 15 “Employees Benefits” the disclosure of Employees benefits as defined in the Accounting Standard are given below:

Defined contribution Plan : The Provisions of Employees Provident Fund Act, 1952 is not applicable to the Company.

Defined benefit Plan (Not funded) :

The liability in respect of Gratuity has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹ 6,410. Current Service Cost is ₹ 2,144 and liability at the end

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of the year is ₹ 8,554. The same have been provided for by way of charge to profit & Loss account.

The liability in respect of Leave Salary has been provided based on the Actuarial valuation. The liability at the beginning of the year was ₹ 3,152. Current Service Cost is ₹ (1,001) and liability at the end of the year is ₹ 2,151. The same have been provided for by way of credit to profit & Loss account.

12. As at 31st March 2011, advance payment of income tax and provision for taxation have been disclosed on a net basis, wherever legal right to set off exists and when the company intends to settle the assets and liabilities on a net basis.
13. The company has opted for exemption from payment of excise duty in terms of Notification No.30/2004 of Central Excise Rules, dated 09.07.2004 amended by Notification No.10/2005 of Central Excise Rules, dated 01.03.2005.
14. Expenditure in Foreign Currency

	2010-2011	2009-2010
	₹	₹
— Travelling Expenses	—	3,242

15. Previous year's figures have been re-grouped and re-classified wherever necessary to correspond with the figures of the current year.

As per our report of even date attached Signatures to Schedules "1" to "15"

For Rajendra & Co.

Firm Registration Number : 108355W
Chartered Accountants

For and on behalf of the Board of Directors

sd/-
Akshay R.Shah
Partner
Membership Number.103316

sd/-
Nand Khemani
Managing Director

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 27th May, 2011

BLUE CHIP TEX INDUSTRIES LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration details			
Registration No.	<input type="text" value="U17100MH1985PLCO37514"/>	State Code	<input type="text" value="11"/>
Balance sheet Date	<input type="text" value="31/03/2011"/>		
II. Capital raised during the year (Amount in ₹ Thousands)			
Public issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>
III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)			
Total Liabilities	<input type="text" value="61,215"/>	Total Assets	<input type="text" value="61,215"/>
SOURCES OF FUNDS:			
Paid Up Capital and			
Application Money (Including Forfeited Shares)	<input type="text" value="19,755"/>	Reserves & Surplus	<input type="text" value="20,922"/>
Secured Loans	<input type="text" value="17,577"/>	Unsecured Loans	<input type="text" value="NIL"/>
Deferred Tax Liability (Net)	<input type="text" value="2,961"/>		
APPLICATION OF FUNDS:			
Net Fixed Assets	<input type="text" value="30,390"/>	Investments	<input type="text" value="4,505"/>
Net Current Assets	<input type="text" value="26,320"/>	Miscellaneous Expenditure	<input type="text" value="NIL"/>
		Accumulated Losses	<input type="text" value="NIL"/>
IV Performance of Company (Amt. in ₹ Thousands)			
Turnover (including other income)	<input type="text" value="121,988"/>	Total Expenditure	<input type="text" value="116,383"/>
Profit/Loss Before Tax	<input type="text" value="5,605"/>		<input type="text" value="+"/> <input type="text" value="-"/>
			<input type="text" value="Y"/> <input type="text" value=""/>
		(Please tick appropriate Box + for profit,-for Loss)	
Profit/Loss After Tax	<input type="text" value="3,926"/>		<input type="text" value="+"/> <input type="text" value="-"/>
			<input type="text" value="Y"/> <input type="text" value=""/>
		(Please tick appropriate Box + for profit,-for Loss)	
Earning per share in ₹ (Refer Note 10 of Schedule 14)	<input type="text" value="1.99"/>	Dividend per Share ₹	<input type="text" value="0.75"/>
V Generic Names of three Principal Products/Services of the Company) as per monetary terms			
Item Code No.	<input type="text" value="5402 5200"/>	Product Description:	<input type="text" value="Polyester Twisted Yarn"/>
(ITC Code)	<input type="text" value="2716 0000"/>		<input type="text" value="Wind Power"/>

For and on behalf of the Board of Directors

sd/-
Nand Khemani
Managing Director

sd/-
Ashok Khemani
Director

sd/-
Kumar Nathani
Director

Place: Mumbai
Dated: 27th May, 2011

ATTENDANCE SLIP

BLUE CHIP TEX INDUSTRIES LIMITED

Registered Office: Jasville' Opp. Liberty Cinema 9, Marine Lines, Mumbai - 400020

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE)

I hereby record my presence at the Annual General Meeting of the Shareholders of the Company being held on Thursday, August 11, 2011 at 10.00 A.M. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai 400 023

Name of the Shareholder/Proxy*:	No. of shares held :
Signature of Shareholder/ Proxy*:	Folio No. :

*Strike out whichever is not applicable.

(Cut here)

PROXY FORM

BLUE CHIP TEX INDUSTRIES LIMITED

Registered Office: Jasville' Opp. Liberty Cinema 9, Marine Lines, Mumbai – 400020.

Folio No. : _____ No. of shares held : _____

I/We _____ of _____ being a member/members of BLUE CHIP TEX LIMITED, hereby appoint _____

of _____ or failing him/her _____ of _____ as my/our proxy

to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, August 11, 2011 at 10.00 A.M. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai 400 023 or at the adjournment thereof.

Signed this _____ day of _____ 2011.

Affix a
Re.1/-
Revenue
Stamp.

Note : The Proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a shareholder of the Company.

BOOK-POST

If Undelivered, please return to :
BLUE CHIP TEX INDUSTRIES LTD
Jasville, 2nd Floor,
Opp. Liberty Cinema,
9, New Marine Lines,
Mumbai 400 020.

aplus99@gmail.com