



# **BLUE CHIP TEX INDUSTRIES LTD.**

**25<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2009-2010**

<b>Board of Directors</b>	: NAND K. KHEMANI KUMAR S. NATHANI ASHOK K. KHEMANI ANIL MANDHANA	Chairman and Managing Director
<b>Auditors</b>	: Rajendra & Co. Chartered Accountant	
<b>Bankers</b>	: Dena Bank	
<b>Registered Office</b>	: "Jasville", 2nd Floor, Opp. Liberty Cinema, 9, New Marine Lines, Mumbai 400 020. Tel.: 022-4353 0400 Fax : 022 - 2200 6437	
<b>Factory</b>	: Plot No. 63-B, Dahudhyog Industrial Estate, Village Piparia, District Silvassa, Union Territory of Dadra & Nagar Haveli	
<b>Wind Mill</b>	: Thungavi Village, Udumalpet Taluka, Coimbatore, Dist. Tamilnadu	
<b>Registrar &amp; Transfer Agent</b>	: 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.**

## NOTICE

Notice is hereby give that the Twenty-Fifth Annual General Meeting of the Members of **Blue Chip Tex Industries Limited** will be held on Monday, September 20, 2010 at 10 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/202, K. Dubash Marg, Mumbai 400 023 to transact the following business:

- 1) To consider and adopt the Audited Balance Sheet as at March 31, 2010 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. Kumar Nathani, 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 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 office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting."

### **SPECIAL BUSINESS:**

- 5) To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions :

**"RESOLVED THAT** pursuant to Section 314 of the Companies Act, 1956 and any other applicable provisions for the time being in force, consent of the Members, be and is hereby accorded to ratify the remuneration of Rs. 3,00,000/- p.a. paid for the period 01.04.2009 to 31.03.2010 to Mr. Shahin Nand Khemani, son of Mr. Nand Khemani, Managing Director of the Company, for rendering Production, Finance and Administration services to the Company.

**"RESOLVED FURTHER THAT** the consent of the Members be and is hereby accorded to revise remuneration to Rs. 45,000 per month with effect from 01.04.2010 till further revision not exceeding Rs. 50,000/- (inclusive of all benefits) per month to Mr. Shahin Nand Khemani, son of Mr. Nand Khemani, Managing Director of the Company for rendering Production, Finance and Administration services to the Company.

**"RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be considered necessary in this regard."

- 6) To consider and if thought fit, to pass with or without modification, the following resolutions as Special Resolutions:

**"RESOLVED THAT** pursuant to Section 314 of the Companies Act, 1956 and any other applicable provisions for the time being in force, consent of the Members be and is hereby accorded to ratify the remuneration of Rs. 3,00,000/- p.a. paid for the period 01.04.2009 to 31.03.2010 to Mr. Rahul Khemani, son of Mr. Ashok Khemani, Director of the Company for rendering Sales Marketing services to the Company.

**"RESOLVED FURTHER THAT** the consent of the Members be and is hereby accorded to revise remuneration to Rs. 20,000 per month with effect from 01.04.2010 till further revision not exceeding Rs. 50,000/- (inclusive of all benefits) per month to Mr. Rahul Khemani, son of

Mr. Ashok Khemani, Director of the Company for rendering Sales Marketing services to the Company.”

**“RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to do all such acts, deeds and things as may be considered necessary in this regard.”

By order of the Board of Directors

**Date:** May 18, 2010  
**Place:** Mumbai

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 RESPECT 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 September 15, 2010 to September 20, 2010 (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 Financial Year 31.03.2003 and onwards, are requested to make their claims to the Company for the same without any delay.
6. Members seeking any information about Accounts are requested to address their queries to the Company at least 7 days in advance of the meeting so that information sought can be readily provided at the meeting.
7. Members are advised to consolidate their Ledger Folios where they are holding Shares in identical order of names in different Folios.
8. The Shares of the Company are listed at the Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001. The Listing fee has been paid in time for the year ended 31.03.2010.

By Order of the Board

Date: May 18, 2010  
Place: Mumbai

Nand K. Khemani  
Managing Director



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2):**

**Item No. 5**

Mr. Shahin Khemani was paid remuneration of Rs. 3,00,000/- p.a. with effect from 01.04.2009 to 31.03.2010 for rendering Production, Administration and Finance Services with the consent of the Board. Now, the Board recommends the same for ratification and consent of the Members. Further, the Board considered the terms of appointment of Mr. Shahin Khemani, son of Mr. Nand Khemani, Managing Director of the Company as an employee for providing Production and Finance Administration services to the Company. The Board proposes to fix his remuneration at Rs. 45,000.00 per month [not exceeding Rs.50,000 (all inclusive) per month] from 01.4.2010, till further revision, subject to the consent of the Members at the Annual General Body Meeting.

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

**Profile of Mr. Shahin Khemani :**

Mr. Shahin Nand Khemani, aged 25 years, obtained is Bachelor of Management Studies Degree from Bombay University in 2007. He has also done his Masters in Technology Entrepreneurship from University College of London, U.K.. He gained experience in Production, Administration and Finance for approx. two years during his study period. Under his guidance, during the financial year 2009-2010, the Company was able to achieve its targeted production. Through proper resources planning, the Company will be able to achieve targeted profits in today's competitive market. Presently Mr. Shahin is also involved in setting up of a POY plant capacity 40 M.T. at Silvassa. Hence your Directors feel that under his guidance and through his young, enthusiastic, energetic approach, the Company will be able to achieve good results for its future projects also.

**Item No. 6**

Mr. Rahul Khemani was paid remuneration of Rs. 3,00,000/- p.a. with effect from 01.04.2009 to 31.03.2010 for rendering Sales Marketing Services with the consent of the Board. Now, the Board recommends the same for ratification and consent of the Members. Further, the Board considered the terms of appointment of Mr. Rahul Khemani, son of Mr. Ashok Khemani, Director of the Company, as an employee for providing Sales Marketing services to the Company. The Board proposes to fix his remuneration at Rs. 20,000 per month, not exceeding Rs.50,000 (all Inclusive) per month, from 01.4.2010, till further revision, subject to consent of Members in the Annual General Body Meeting

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

**Profile of Mr. Rahul Khemani.**

Mr. Rahul Ashok Khemani, aged 25 years, obtained his Bachelor of Commerce Degree from Bombay University in 2006 and did his Masters in Entrepreneurship from University of Southampton, U.K. in 2008-09. He obtained three years' experience in Production / Marketing Yarn during his study period. Under his guidance, the Company was able to achieve the targeted sales at very competitive rate, in competitive market conditions, resulting in increase in profitability for the Company. Further, Mr. Rahul is presently also looking after the setting up of a POY Plant of 40 MT. Production capacity at Silvassa. Your Directors feel that under his guidance and through his young, enthusiastic, energetic approach, the Company will be able to achieve good results for its future projects also.

Your Directors recommend the Resolution for your approval and consent.

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

**By Order of the Board of Directors**

Date: May 18, 2010  
Place: Mumbai

Nand K. Khemani  
Managing Director

## DIRECTORS' REPORT

To  
The Members  
Blue Chip Tex Industries Limited.

Your Directors have pleasure in presenting their 25th Annual Report and Audited Annual Accounts for the Financial Year ended March 31, 2010.

### FINANCIAL RESULTS:

	Rupees (in lacs)	
	2009 - 2010	2008 - 2009
Profit before depreciation	72.21	59.47
Less: depreciation	17.81	17.22
<b>Profit before Tax</b>	<b>54.40</b>	<b>42.25</b>
<b>Less:</b> Provision for taxation		
Current tax	19.67	4.00
Deferred tax	(2.67 )	0.57
Fringe Benefit tax	--	0.03
<b>Profit After Tax</b>	<b>37.41</b>	<b>37.65</b>
<b>Add:</b> Taxation for earlier year	0	0.39
	37.41	38.04
<b>Balance in Profit and Loss Account</b>	<b>78.42</b>	<b>57.66</b>
Surplus available for appropriation	115.83	95.71
Proposed Dividend	14.78	14.78
Tax on Proposed Dividend	2.45	2.51
<b>Balance carried to Balance Sheet</b>	<b>98.60</b>	<b>78.42</b>

### 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 Rs. 10/- each of the Company for the Financial Year 2009 - 2010.

### FUTURE PROSPECTS:

During the year the Company also continued with its own manufacturing activity and its own sale of twisted yarn. Also, from the Wind Power generation units, through sale of power, the Company will be able to maintain its profitability from Sales and Other Income by way of Rent. Considering

the market demand, by marketing Twisted Yarn to its customers, the Company expects to increase its turnover and resultant profitability.

#### **FIXED DEPOSITS**

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

#### **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, 2010, the applicable accounting standards have been followed along with proper explanations 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, 2010 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, 2010, 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 measures above 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 :

<b>a. Power and Fuel Consumption:</b>		
	<b>Current Year</b>	<b>Previous Year</b>
1. Electricity:		
(a) Purchased Units (KWH)	554640	545056
Total Amount (Rs.)	1378034	13554581
Cost/Unit (Rs.)	2.48	2.49
(b) Own Generation:		
i) Through Diesel Generator		
Units (in Lacs)	NIL	NIL
Unit per litre of diesel	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
ii) Through Steam	NIL	NIL
2. Coal/ Furnace oil:	NIL	NIL
<b>b. Consumption per Ton of production of Polyester.</b>		

## **(B) TECHNOLOGY ABSORPTION**

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

The Company keeps itself abreast of technical developments and innovations 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: Rs. NIL (Previous Year: Rs. Nil)

Foreign Exchange outgo : Rs. 3,242. (Previous Year: Rs. Nil)

### **PERSONNEL:**

There are no employees who are covered under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement, report on Corporate Governance is applicable to all Listed Companies which are included either in Group 'A' of BSE or S&P CNX Nifty Index. Since our Company is listed in Group 'B' in BSE, this is not applicable to our Company. Also, implementation is applicable for Listed Companies with Paid-up Share Capital of Rs. 3 Crores and

above, from Financial Year 2002-2003 onwards. Since the Paid-up Capital of our Company is below Rs. 3 Crores, the Corporate Governance Report is not transparency, we provide below related information.

**(a) Company's philosophy:**

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. The Company will endeavor to improve on these aspects on an ongoing basis.

**(b) Board of Directors:**

The Board of Directors comprises of a Managing Director, an Executive Director and 2 Non – executive Director.

During the year, five Board Meetings were held on 21.04.2009, 08.06.2009, 25.07.2009 and 28.01.2010. There was no Extra ordinary General Meeting 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 and Extraordinary General Meeting; as also details of other directorships/ membership of Committees are as follows :

Name of Director	Category of Director ship	No. of Board Meetings attended	Attend ance at last AGM & EGM	No. of other Director-ships	Committee Membership	
					Member	Chair man
Mr. Nand K.Khemani	MD	5	YES	5	1	1
Mr.Ashok K. Khemani	ED	5	YES	4	1	None
Mr. Kumar Nathani	NED	4	YES	4	1	None
Mr. Anil Mandhana	NED	5	YES	2	0	None

(No. of Directorship includes Private Limited Companies)

MD -- Managing Director

ED -- Executive Director

NED -- Non-Executive Director

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

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

(e) **Shareholders' Grievance Committee:**

1. **Terms of reference :**

Shareholders' complaints/grievances are attended by the Managing Director and Executive Director, to look into the shareholders' complaints, if any, and to redress the same expeditiously. They approve requests for issue of duplicate Share Certificates and issue of certificates after split/ consolidation/renewal as also requests for transmission of shares, referred by the Share Transfer Committee.

2. **Composition :**

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

Mr. Ranjit Chowdhary is the Compliance Officer. During the year, 14 letters were received from the Shareholders for change of address, revalidation of dividend warrants, issue of duplicate shares etc. and the same were replied/resolved to the satisfaction of the Shareholders.

The Board has delegated power for approving transfers of Shares to a Committee comprising of the Managing Director, one Executive Director and one Non-Executive Director. The Committee met 12 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
2008 - 09	20.08.2009	10.00 A.M.	M.C. GHIA HALL - Mumbai
2007 -08	25.9.2008	10.00 A.M	M.C. GHIA HALL - Mumbai
2006-07	24.9.2007	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, Financial Express, The Free Press Journal, Asian Age, Business Standard, Mumbai Luxdip.

**(h) General Shareholders' Information :**

1. The Annual General Meeting is proposed to be held on Monday, 20<sup>th</sup> September 2010 at M.C. Ghia Hall, Mumbai at 10.00 a.m.

2. Financial calendar :

Annual results of previous year : Last week June  
Mailing of Annual Reports : July 10  
First Quarter results : End July  
Second Quarter results : End October  
Annual General Meeting : End August  
Third Quarter results : End January  
Fourth Quarter results : Mid June

3. Date of book closure :

Wednesday, 15<sup>th</sup> September 2010 to Monday, 20<sup>th</sup> September 2010 (both days inclusive)

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

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

5. Stock Market Price Data for the year 2009-2010 :

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

During the year, BSE HIGH was Rs. 14.50.

BSE LOW was Rs. 9.59

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 31<sup>st</sup> March 2010:

No. of shares	No. of shareholders	% of shareholders	Total shareholding	% of shareholding
1 to 5000	3,745	94.74	4995500	25.35
5001 to 10000	97	2.45	821260	4.17
10001 to 20000	53	1.34	780430	3.96
20001 to 30000	15	0.38	364200	1.85
30001 to 40000	9	0.23	315190	1.60
40001 to 50000	13	0.33	610690	3.10
50001 to 100000	10	0.26	731850	3.71
100000 & above	11	0.27	11085880	56.26
<b>Total</b>	<b>3,953</b>	<b>100.00</b>	<b>19705000</b>	<b>100.00</b>

9. Shareholding Pattern :

Pattern of shareholding by ownership as on 31<sup>st</sup> March 2010:

Category	No. of Shares held	% Shareholding
i) Promoter's Holding :		
ii) Indian		
iii) Individuals / Hindu Undivided Family :	208800	10.60
iv) Bodies Corporate	881788	44.75
v) Sub Total ( A ) ( 1 )	1090588	55.35
vi) Foreign :	0	
<b>Total Shareholdings of Promoter and Promotes Group</b>	<b>1090588</b>	<b>55.35</b>
Public Shareholding :		
Institutions :		
Mutual Funds / UTI		
Financial Institutions/ Bank	6400	0.32
Non - Institutions :		
Bodies Corporate	22035	1.12
Individuals Share Holdings	844347	42.85
vii) Individuals NRI	6930	0.35
viii) Clearing Members	200	0.01
<b>ix) Total Public Shareholdings.</b>	<b>879912</b>	<b>44.65</b>
<b>Total</b>	<b>1970500</b>	<b>100.00</b>

10. Dematerialisation of Shares:

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

11. Plant Locations:

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

12. Address for correspondence:

The Company's Registered Office is located at:  
"Jasville", 2nd floor,  
Opp. Liberty Cinema,  
9, New Marine Lines,  
Mumbai 400 020.  
Tel: 2200 0488  
Fax: 22006437  
Email: bklon@vsnl.com

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

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. Kumar Nathani retires by rotation and being eligible, offers himself for re-appointment. Mr. Anil Mandhana is to be appointed as a Director.

**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

Mumbai  
Dated: 18<sup>th</sup> May, 2010

(Nand K. Khemani)  
MANAGING DIRECTOR.

## 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: 25000000  
Registration No. :11-035714  
(31/03/2010)

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 **31<sup>st</sup> March, 2010**. 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 5 times on 21/04/2009, 08/06/2009, 25/07/2009, 27/10/2009 and 28/01/2010 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 10/08/2009 to 20/08/2009 during the financial year.
6. The Annual General Meeting for the year ended on 31/03/2009 was held on 20/08/2009 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 not entered into any contracts specified under Section 297 of the Act during the financial year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Board of Directors has approved the issue of duplicate 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 24<sup>th</sup> August, 2009 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.
  - 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. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
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. ....3....
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 no 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 Company has not made any borrowings during the financial year ended 31<sup>st</sup> March, 2010.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made 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.
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 : 18/05/2010

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

**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 **31<sup>st</sup> 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	Balance Sheet	220	31/03/2009	25/08/2009	Yes	No
2	Annual Return	159	20/08/2009	17/09/2009	Yes	No
3	Form -66	383A	31/03/2009	24/08/2009	Yes	No
4	Form-23	192	Registration of resolution(s) and agreement(s)	16/10/2009	Yes	Yes
5	Form 25C	269(2) and Schedule XIII of the Companies Act, 1956	Return of Appointment of Managing Director or Whole - time Director or Manager	05/11/2009	Yes	No

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 LIMITED** for the year ended on 31<sup>st</sup> March 2010, 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

**Akshay R. Shah**  
Partner

Membership No. 103316

Mumbai  
Dated : 18<sup>th</sup> May, 2010



## **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 31<sup>st</sup> March 2010 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 31<sup>st</sup> March, 2010 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 31<sup>st</sup> March, 2010;

- (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)

**Akshay R. Shah**  
Partner  
Membership No.: 103316

Mumbai  
Dated : 18<sup>th</sup> May, 2010

## **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 Rs. 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 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, 2010 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 31<sup>st</sup> March, 2010 except for disputed income tax liability of Rs. 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)

**Akshay R. Shah**  
Partner  
Membership No.: 103316

Mumbai  
Dated: 18<sup>th</sup> May, 2010

# BLUE CHIP TEX INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE			As at 31/03/2009	
	No.	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>				
<b>1. SHARE HOLDERS' FUNDS</b>				
a) Share Capital	1	19,755,450		19,755,450
b) Reserves and Surplus	2	<u>18,713,325</u>		<u>16,695,417</u>
			38,468,775	36,450,867
<b>2. LOAN FUNDS</b>				
Secured Loans	3		1,270,137	-
<b>3. DEFERRED TAX LIABILITY (NET)</b>				
(Refer Note 5 of Schedule 15)			3,332,109	3,599,549
		TOTAL	<u>43,071,021</u>	<u>40,050,416</u>
<b>APPLICATION OF FUNDS</b>				
<b>1. FIXED ASSETS</b>				
a) Gross Block	4	33,645,697		31,063,792
b) Less: Depreciation		<u>10,931,782</u>		<u>9,151,012</u>
		22,713,915		21,912,780
d) Capital work-in-progress		-		423,735
c) Net Block			22,713,915	22,336,515
<b>2. INVESTMENTS</b>				
	5		11,133,987	7,825
<b>3. CURRENT ASSETS, LOANS AND ADVANCES</b>				
a) Inventories	6	1,963,608		2,448,799
b) Sundry Debtors	7	5,994,310		3,719,395
c) Cash and Bank Balances	8	5,393,155		15,455,537
d) Loans and Advances	9	<u>831,785</u>		<u>246,149</u>
		14,182,858		21,869,880
<b>Less : Current Liabilities &amp; Provisions</b>				
a) Liabilities	10	2,825,125		2,428,317
b) Provisions		<u>2,134,614</u>		<u>1,735,487</u>
		4,959,739		4,163,804
<b>NET CURRENT ASSETS</b>				
			9,223,119	17,706,076
		TOTAL	<u>43,071,021</u>	<u>40,050,416</u>
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.**  
Chartered Accountants

**Nand Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Ashok Khemani**  
Director

**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 18th May, 2010

Place: Mumbai  
Dated: 18th May, 2010

**BLUE CHIP TEX INDUSTRIES LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	SCHEDULE			Previous Year
	No.	Rupees	Rupees	Rupees
<b>INCOME</b>				
Sales	11		95,659,772	75,133,305
Other Income	12		1,645,840	1,437,813
(Decrease)/Increase in stock of finished goods	13		(743,475)	481,349
			<u>96,562,137</u>	<u>77,052,467</u>
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	14	89,232,317		71,104,199
Interest		108,299		276
Depreciation		<u>1,780,770</u>		<u>1,722,436</u>
			<u>91,121,386</u>	<u>72,826,911</u>
<b>PROFIT BEFORE TAX</b>			5,440,751	4,225,556
<b>Taxation for the year</b>				
Current Tax		1,967,000		400,000
Deferred Tax		(267,440)		57,227
Fringe Benefit Tax		<u>-</u>		<u>2,600</u>
			<u>1,699,560</u>	<u>459,827</u>
<b>PROFIT AFTER TAX</b>			<u>3,741,191</u>	<u>3,765,729</u>
Excess provision for tax in respect of earlier year			<u>49</u>	<u>38,706</u>
			<u>3,741,240</u>	<u>3,804,435</u>
Balance brought forward from previous year			<u>7,841,625</u>	<u>5,766,230</u>
<b>Amount available for Appropriation</b>			<u>11,582,865</u>	<u>9,570,665</u>
<b>Appropriations :</b>				
Proposed Dividend		1,477,875		1,477,875
Tax on proposed dividend		<u>245,457</u>		<u>251,165</u>
			<u>1,723,332</u>	<u>1,729,040</u>
Balance carried to Balance Sheet			<u>9,859,533</u>	<u>7,841,625</u>
Earnings per share - Basic and Diluted			1.90	1.93
(Refer Note 9 of Schedule 14)				
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>	<b>15</b>			

As per our report of even date attached

For and on behalf of the Board of Directors

**For Rajendra & Co.**  
Chartered Accountants

**Nand Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Ashok Khemani**  
Director

**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 18th May, 2010

Place: Mumbai  
Dated: 18th May, 2010

**BLUE CHIP TEX INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

	<b>Rupees</b>	<b>Previous Year Rupees</b>
<b>A. Cash flow from Operating Activities</b>		
Profit before Tax	5,440,751	4,225,556
Adjustment for:		
Depreciation	1,780,770	1,722,436
Loss on assets sold/discarded	-	754,166
Debts written off/ Provision for doubtful debts	16,854	18,588
Provision for Gratuity and Leave Encashment	3,115	4,976
Share of Loss from Partnership Firm	41,500	-
Loss/(Profit) on sale of Current Investments	(301,308)	163
Interest Received	(684,768)	(468,227)
Interest Received from Partnership firm	(70,987)	-
Sundry balances written back	(2,980)	(18,225)
Dividend Received	(126,797)	(395,122)
Operating Profit before Working Capital Changes	6,096,150	5,844,311
Adjustment for:		
Inventories	485,191	(426,742)
Trade and other receivables	272,602	239,962
Trade payables	(2,919,044)	(1,352,620)
	(2,161,251)	(1,539,400)
Cash used in Operations	3,934,899	4,304,911
Income Taxes paid	(1,523,592)	(690,787)
<b>Net Cash Inflow from Operating Activities (A)</b>	<b>2,411,307</b>	<b>3,614,124</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Investments	(11,100,000)	(22,599,153)
Sale of Investments	304,633	29,755,164
Purchase of Fixed Assets	(2,158,170)	(523,735)
Sale of Fixed Assets	-	490,000
Inter Corporate Loan Given	-	(3,500,000)
Inter Corporate Deposits Repayment Received	-	3,500,000
Interest received	684,768	468,227
Dividend received	126,797	395,122
<b>Net Cash generated/(used) from Investing Activities (B)</b>	<b>(12,141,972)</b>	<b>7,985,625</b>
<b>C. Cash flow from Financing Activities</b>		
Securities Premium Received	-	3,380,363
Secured Loan taken	1,656,000	-
Repayment of Secured Loan	(385,863)	-
Dividend Paid ( Including Tax on Dividend)	(1,601,854)	(1,638,286)
<b>Net Cash Inflow from Financing Activities (C)</b>	<b>(331,717)</b>	<b>1,742,077</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(10,062,382)</b>	<b>13,341,826</b>
Cash and cash equivalents at the beginning of the year	15,455,537	2,113,711
Cash and cash equivalents at the end of the year	5,393,155	15,455,537

**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



**BLUE CHIP TEX INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

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3. 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.
4. 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 and on behalf of the Board of Directors

**For Rajendra & Co.**  
Chartered Accountants

**Nand Khemani**  
Managing Director

**Akshay R. Shah**  
Partner

**Ashok Khemani**  
Director

**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 18th May, 2010

Place: Mumbai  
Dated: 18th May, 2010

**BLUE CHIP TEX INDUSTRIES LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010**

		As at 31/03/2009	
Particulars	Rupees	Rupees	
<b>SCHEDULE "1" - SHARE CAPITAL</b>			
<b>AUTHORISED:</b>			
2,500,000 Equity Shares of Rs.10/- each	25,000,000	25,000,000	
<b>ISSUED AND SUBSCRIBED AND PAID UP :</b>			
1,970,500 (1,970,500) Equity Shares of Rs.10/- each fully paid up	19,705,000	19,705,000	
Add: Forfeited shares	50,450	50,450	
TOTAL	19,755,450	19,755,450	
<b>SCHEDULE "2"- RESERVES AND SURPLUS</b>			
<b>CAPITAL RESERVE NO.1:</b>			
Central Government Investment Subsidy for unit in Backward Area			
Balance as per last Balance Sheet	2,500,000	2,500,000	
<b>CAPITAL RESERVE NO.2 :</b>			
Amount forfeited on equity share warrants			
Balance as per last Balance Sheet	15,600	15,600	
<b>SECURITIES PREMIUM ACCOUNT</b>			
Balance as per last balance sheet	3,380,363	3,380,363	
<b>GENERAL RESERVE:</b>			
Balance as per last balance sheet	2,957,829	2,957,829	
<b>SURPLUS IN PROFIT AND LOSS ACCOUNT</b>			
	9,859,533	7,841,625	
TOTAL	18,713,325	16,695,417	
<b>SCHEDULE "3" - SECURED LOANS</b>			
From HDFC Bank	1,270,137	-	
	1,270,137	-	

Note:

i. Secured by charged on the vehicle purchased.

ii. Amounts repayable within one year Rs.523,585 (Previous Year Rs. Nil)

**BLUE CHIP TEX INDUSTRIES LIMITED**
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010**
**SCHEDULE "4" FIXED ASSETS**

(Rupees)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2009	ADDITIONS	DEDUCTIONS	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE YEAR	ON DEDUCTIONS	UP TO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
LAND (Free hold)	4,522,633	-	-	4,522,633	-	-	-	-	4,522,633	4,522,633
BUILDING	12,324,008	579,788	-	12,903,796	4,314,470	419,597	-	4,734,067	8,169,729	8,009,538
PLANT AND MACHINERY	12,512,206	37,740	-	12,549,946	3,208,540	1,247,028	-	4,455,568	8,094,378	9,303,666
FACTORY EQUIPMENT	475,655	-	-	475,655	451,873	-	-	451,873	23,782	23,782
ELECTRICAL INSTALLATION	923,396	-	-	923,396	877,226	-	-	877,226	46,170	46,170
COMPUTER	-	51,750	-	51,750	-	2,366	-	2,366	49,384	-
FURNITURE AND FIXTURES	305,894	-	-	305,894	298,903	1,266	-	300,169	5,725	6,991
VEHICLE	-	1,912,627	-	1,912,627	-	110,513	-	110,513	1,802,114	-
<b>GRAND TOTAL</b>	<b>31,063,792</b>	<b>2,581,905</b>	<b>-</b>	<b>33,645,697</b>	<b>9,151,012</b>	<b>1,780,770</b>	<b>-</b>	<b>10,931,782</b>	<b>22,713,915</b>	<b>21,912,780</b>
<b>PREVIOUS YEAR</b>	<b>34,171,935</b>	<b>100,000</b>	<b>3,208,143</b>	<b>31,063,792</b>	<b>9,392,554</b>	<b>1,722,436</b>	<b>1,963,978</b>	<b>9,151,012</b>	<b>21,912,780</b>	
Capital Work in Progress ( Building under construction - shed work)									- (423,735)	

Notes:

1. The Company holds 10 (Previous year: 10) Equity shares of face value of Rs 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.

**BLUE CHIP TEX INDUSTRIES LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010**

Particulars	As at 31/03/2009	
	Rupees	Rupees
<b>SCHEDULE "5"- INVESTMENTS (AT COST)</b>		
<b>LONG TERM INVESTMENTS:</b>		
<b>1. Trade Investments (Unquoted)</b>		
Investment in the Capital of Partnership Firm		
M/s. Jay Gee Rayons	8,633,987	4,500
<b>2. Other Investments</b>		
<b>(Quoted)</b>		
Nil (Previous year 120) Equity Shares of Rs. 10/- each, fully paid up of Reliance Industries Limited	-	1,716
Nil (Previous year 6) Equity Shares of Rs. 10/- each, fully paid up of Reliance Capital Limited	-	43
Nil (Previous year 120) Equity Shares of Rs. 5/- each, fully paid up of Reliance Communication Ventures Limited	-	1,277
Nil (Previous year 9) Equity Shares of Rs. 10/- each, fully paid up of Reliance Energy Limited	-	241
Nil (Previous year 120) Equity Shares of Rs. 5/- each, fully paid up of Reliance Natural Resources Limited	-	23
<b>(Unquoted)</b>		
3 (Previous year 3) 12% Optionally Convertible Cumulative Preference Shares of Rs. 10/- each, fully paid up of Farm Enterprises Limited	-	-
235886.888 (Previous year Nil) units of DWS Money Plus Advantage Fund - Monthly Dividend	2,500,000	-
Nil (Previous year 2.4510) units of Templeton India Liquid Plus - Div Reinvestment	-	25
	2,500,000	
<b>TOTAL...</b>	<b>11,133,987</b>	<b>7,825</b>
<b>NOTE:</b>		
<b>1. Aggregate of quoted investments:</b>		
- Cost	-	3,300
- Market Value	-	215,877
<b>SCHEDULE "6"- INVENTORIES (as verified, valued and certified by the management)</b>		
Stock in Trade		
Raw materials	569,899	428,588
Packing materials and oil	238,675	121,702
Finished goods	1,155,034	1,898,509
<b>TOTAL...</b>	<b>1,963,608</b>	<b>2,448,799</b>
<b>SCHEDULE "7"- SUNDRY DEBTORS</b>		
<b>(Unsecured and considered good)</b>		
Debts outstanding for a period exceeding six months	8,126	6,099
Other debts	5,986,184	3,713,296
<b>TOTAL...</b>	<b>5,994,310</b>	<b>3,719,395</b>

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH , 2010**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010			As at 31/03/2009
Particulars	Rupees	Rupees	Rupees
<b>SCHEDULE "8"- CASH AND BANK BALANCES</b>			
Cash on hand		661	-
<b>BANK BALANCES:</b>			
With scheduled banks:			
In Current Accounts #	2,643,248		8,833,396
In Deposit Accounts @	2,749,246		6,622,141
		5,392,494	15,455,537
# Includes an amount of Rs. 355,404/- ( Previous Year Rs.228,217/-) in Dividend Account.			
@ Fixed deposit receipt of Rs. 28,516/- (previous year Rs.26,203/-) placed as margin money under bank's lien for guarantee given by the bank on behalf of the Company]			
TOTAL		<b>5,393,155</b>	<b>15,455,537</b>
<b>SCHEDULE "9"- LOANS AND ADVANCES</b>			
<b>(Unsecured and considered good)</b>			
Advances recoverable in cash or in kind or for value to be received.	**	831,785	204,510
Advance payment of tax ( net of provisions)		-	41,639
TOTAL		<b>831,785</b>	<b>246,149</b>
** Includes an amount of Rs 6,10,295/- from a Company under the same management			
<b>SCHEDULE "10"-CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
Sundry Creditors: (Unsecured)			
i) Due to Micro, Small and Medium Enterprises #		-	-
ii) Other Creditors		939,884	931,579
iii) Deposits Received		800,000	500,000
Other Liabilities		729,838	768,521
Unclaimed Dividend *		355,403	228,217
SUB-TOTAL		<b>2,825,125</b>	<b>2,428,317</b>
* 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.			
<b>PROVISIONS</b>			
For Taxation (net of advance tax paid)		401,720	-
Proposed Dividend		1,477,875	1,477,875
Tax on proposed dividend		245,457	251,165
For Gratuity		6,410	3,868
For Leave Encashment		3,152	2,579
SUB-TOTAL		<b>2,134,614</b>	<b>1,735,487</b>
TOTAL		<b>4,959,739</b>	<b>4,163,804</b>

**BLUE CHIP TEX INDUSTRIES LIMITED**

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31ST MARCH 2010**

131 MARCH 2010		For 2008-2009	
Particulars	Rupees	Rupees	Rupees
<b>SCHEDULE "11"- Sales</b>			
- Twisted Yarn		94,486,899	74,235,399
- Power		1,172,873	897,906
TOTAL		<u>95,659,772</u>	<u>75,133,305</u>
<b>SCHEDULE "12"- OTHER INCOME</b>			
Interest Income		684,768	468,227
[Tax deducted at source Rs.52,114/-.(Previous Year : Rs. 90,517/-)]			
Interest on capital in Partnership Firm		70,987	-
Dividend Income		126,797	395,122
Machinery hire charges		-	90,000
Rent [ Tax deducted at source Rs.70,493/- ( Previous year Rs.112,170/-)]		459,000	458,700
Miscellaneous Income		-	7,539
Provision for doubtful advances written back		-	13,000
Profit on sale of investment		301,308	-
Sundry balances written back		2,980	5,225
TOTAL		<u>1,645,840</u>	<u>1,437,813</u>
<b>SCHEDULE "13" - (DECREASE)/INCREASE IN STOCK OF FINISHED GOODS</b>			
<b>Stock at Close</b>			
Finished Goods		1,155,034	1,898,509
<b>Less : Stock at the commencement of the year</b>			
Finished Goods		1,898,509	1,417,160
TOTAL		<u>(743,475)</u>	<u>481,349</u>
<b>SCHEDULE "14" -MANUFACTURING AND OTHER EXPENSES</b>			
Raw materials consumed		79,621,942	62,624,013
Packing material consumed		2,886,512	2,259,957
Stores and spares consumed( including oil)		795,952	1,159,525
Power		1,378,034	1,355,481
Payments to and Provisions for Employees			
Salaries,Wages and Bonus		777,223	168,014
Contract labour charges and fees		1,399,628	1,098,232
Repairs and Maintenance:			
Building	89,700		-
Plant and Machinery	707,550		355,252
Others	<u>16,812</u>		<u>20,834</u>
		814,062	376,086
Rent, Rates & Taxes		26,397	25,849
Insurance		15,021	33,238
Directors' sitting fees		14,000	11,000
Legal and Professional Charges		261,326	268,926
Auditor's Remuneration		143,390	143,390
Printing and Stationery		75,526	23,473
Postage and Telegram		53,004	41,748
Brokerage and commission		462,522	449,205
Share of Loss from partnership firm		41,500	-
Loss on sale of current investment		-	163
Loss on assets sold/discarded		-	754,166
Bad debts, advances and other dues written off		16,854	18,588
Miscellaneous Expenses -		449,424	293,145
(Including Secretarial expenses, Listing Fees,Share Listing Fees, Bank charges, Sundry Expenses etc.)			
TOTAL		<u>89,232,317</u>	<u>71,104,199</u>

# BLUE CHIP TEX INDUSTRIES LIMITED

## 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 Plant and Machinery, Factory Equipment, Electrical installations and Buildings is provided on Straight-line basis in accordance with the provisions of Section 205(2)(b) and on other assets on written down value basis in accordance with the provisions of Section 205(2)(a) at rates specified in Schedule XIV of 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 :**

Since there are only 5 employees, Provident fund 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 has rendered services. The expenses is recognised at the present value of the amount payable determined using actuarial valuation techniques.

**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**

	<u>Rupees</u>	<u>Previous year</u> <u>Rupees</u>
Claim against the company not acknowledged as debt	-	6,855
Disputed Income Tax liability of assessment year 2005-06	77,872	77,872

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.



### 3. Payments to Auditors:

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

### 4. 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
- ii. Others (Entities in which Key Management Personnel have control or significant influence)
  - Beekaylon Synthetics Private Limited
  - Indo Leather Works
  - Jay Gee Rayons
  - Beekaylon Developer
- iii. Relatives of Key Management Personnel
  - Rahul A. Khemani
  - Shahin N. Khemani

#### b) Transactions with related parties :

<b>Sr. No.</b>	<b>Nature of Transactions</b>	<b>Others</b>	<b>Key Management Personnel and Relatives</b>	<b>Total</b>
		(Rupees)	(Rupees)	(Rupees)
1	Security Deposit Received Beekaylon Synthetics Pvt. Ltd. Balance as at 1 <sup>st</sup> April, 2009	500,000 (500,000)	Nil (Nil)	500,000 (500,000)
	Balance as at 31 <sup>st</sup> March, 2010	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.	26,530 (19,248)	Nil (Nil)	26,530 (19,248)
5	Purchase of raw materials and goods Beekaylon Synthetics Pvt. Ltd.	79,763,253 (62,694,362)	Nil (Nil)	79,763,253 (62,694,362)

6	Purchase of Machinery Beekaylon Synthetics Pvt. Ltd.	Nil (112,500)	Nil (Nil)	Nil (112,500)
7	Purchase of Steel for Building Construction Beekaylon Developer	Nil (48,246)	Nil (Nil)	Nil (48,246)
8	Sale of Investments (shares) Indotex Export House Pvt. Ltd.	304,608 (Nil)	Nil (Nil)	304,608 (Nil)
9	Sale of Machinery Beekaylon Synthetics Pvt. Ltd.	Nil (551,250)	Nil (Nil)	Nil (551,250)
10	Machine Hire Charges Received Beekaylon Synthetics Pvt. Ltd.	Nil (90,000)	Nil (Nil)	Nil (90,000)
11	Salary Rahul A. Khemani  Shain N. Khemani (subject to members approval at the forthcoming Annual General Meeting)	Nil (Nil) Nil (Nil)	300,000 (Nil) 300,000 (Nil)	300,000 (Nil) 300,000 (Nil)
12	Sitting Fees Ashok Khemani  Anil Mandhana  Kumar Nathani	Nil (Nil) Nil (Nil) Nil (Nil)	5,000 (1000) 5,000 (5,000) 4,000 (5,000)	5,000 (1000) 5,000 (5,000) 4,000 (5,000)
13	Interest from Partnership Firm Jay Gee Rayons	70,987 (Nil)	Nil (Nil)	70,987 (Nil)
14	Loss from Partnership Firm Jay Gee Rayons	41,500 (Nil)	Nil (Nil)	41,500 (Nil)
15	Advance Paid for Purchase of Raw Material Beekaylon Synthetics Pvt. Ltd.	610,295 (Nil)	Nil (Nil)	610,295 (Nil)
16	Balance Recoverable Beekaylon Synthetics Pvt. Ltd.	610,295 (Nil)	Nil (Nil)	610,295 (Nil)
17	Investment in Partnership Firm Jay Gee Rayons			
	Investment during the year as a capital contributions	8,600,000 (4,500)	Nil (Nil)	8,600,000 (4,500)
	Balance as at 31 <sup>st</sup> March, 2010	8,633,987 (4,500)	Nil (Nil)	8,633,987 (4,500)

**Notes:**

1. Related party relationship is as identified by the company and relied upon by the Auditors.
2. Previous year figures are given in brackets

5. The tax effect of significant timing differences that have resulted in deferred tax assets and liabilities are given below:

<b>Deferred Tax</b>	<b>As at 31<sup>st</sup> March, 2010 Rupees</b>	<b>As at 31<sup>st</sup> March, 2009 Rupees</b>
a) Deferred tax liability:		
Depreciation	(3,333,072)	(3,608,681)
b) Deferred tax asset:		
Other disallowances	963	9,132
<b>Net Deferred Tax Liability</b>	<b>(3,332,109)</b>	<b>(3,599,549)</b>

6. Segments:

	Yarn Busines Rs.	Wind Power Generation Rs.	Investments Rs.	Total Rs.
Segment Revenue	94,964,221 (74,852,554)	1,172,873 (897,906)	499,092 (395,122)	96636,186 (76,145,582)
Segment Results before interest and tax	5,596,749 (4,625,580)	(149,193) (440.048)	457,592 (394,959)	5,905,148 (4,580,491)
Add: Unallocated Income				669,426 ( 425,536)
Less: Unallocated expenses				1,025,524 (780,195)
Less: Interest Expenses				108,299 (276)
Profit before tax				5,440,751 (4,225,556)
Less: Provision for tax				
- Current tax				1,967,000 (400,00)
- Deferred tax charge				(267,440) (57,227)
- Fringe benefit tax				- (2,600)
Profit after tax				3,741,191 (3,765,729)
<b>Other Information-</b>				
Segment Assets	23,987,009 (35,449,544)	7,506,994 (8,486,995)	11,143,602 (7,825)	42,637,605 (43,944,364)
Unallocated Assets				5,393,155 (269,856)
Total Assets	23,987,009 (35,449,544)	7,506,994 (8,486,995)	11,143,602 (7,825)	48,030,760 (44,214,220)
Segment Liabilities	4,738,951 (3,254,519)	2,191,158 (2,461,613)	- ( - )	6,929,749 (5,716,132)
Unallocated Liabilities				2,632,236 (2,047,221)

Total Liabilities	4,738,951 (3,254,519)	2,191,158 (2,461,613)	- (-)	9,561,985 (7,763,353)
<b>Capital Expenditure-</b>				
Segment Capital Expenditure	2,158,170 (523,735)	(-) (-)	(-) (-)	2,158,170 (523,735)
Unallocated Expenditure	-	-		-
Total Capital Expenditure	2,158,170 (523,735)	(-) (-)	(-) (-)	2,158,170 (523,735)
<b>Depreciation</b>				
Segment Depreciation	705,927 (647,593)	1,074,843 (1,074,843)	- (-)	1,780,770 (1,722,436)
Unallocated Depreciation	-	-	-	-
Total Depreciation	705,927 (647,593)	1,074,843 (1,074,843)	- (-)	1,780,770 (1,722,436)

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.
7. Earnings Per Share is calculated as follows:

	(Rupees)	
	2009-2010	2008-2009
a. Net Profit after tax	3,741,240	3,804,435
Profit attributable to Equity Shareholders	3,741,240	3,804,435
b. Weighted average number of Equity Shares	1,970,500	1,970,500
c. Nominal value of Equity Shares	10	10
d. Earnings per Share	1.90	1.93

8. 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 31/03/2010	As on 31/03/2009
1. Twisting Machines		Not Applicable	Not Applicable
2. Wind Mill	Units	500,000	500,000

**B. Installed Capacity**

(As certified by the Management)

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

		As on		As on	
		31/03/2010		31/03/2009	
<b>C. Actual Production</b>					
1. Twisted yarn	Kgs.	1,109,644	863,062		
2. Power	Units	406,893	311,465		
				Previous Year	
	<u>Qty.</u>	<u>Value Rupees</u>	<u>Qty.</u>	<u>Value Rupees</u>	
<b>D. Turnover:</b>					
Manufactured goods:					
1. Twisted yarn (Kgs.)	1,122,561	94,486,899	855,135	74,235,399	
2. Power (Units)	406,893	1,172,873	311,465	897,906	
<b>Total</b>		95,659,772		75,133,305	
				Previous Year	
	<u>Qty. (Kgs.)</u>	<u>Value Rupees</u>	<u>Qty. (Kgs.)</u>	<u>Rupees</u>	
<b>E. Raw Material Consumed:</b>					
Texturised yarn	10,94,496	79,621,942	855,143	62,624,013	
<b>Total</b>		10,94,496	79,621,942	855,143	62,624,013
<b>F. Stocks:</b>					
<b>Goods Manufactured (Twisted yarn)</b>					
i) Opening Stock	26,137	1,898,509	18,211	1,417,160	
ii) Closing Stock	13,220	1,155,034	26,137	1,898,509	
<b>G. Value of Raw Material Consumed</b>					
	<u>Value Rupees</u>	<u>% of Total Consumption</u>	<u>Value Rupees</u>	<u>% of Total Consumption</u>	
Imported	-	-	-	-	
Indigenous	79,621,942	100	62,624,013	100	
<b>Total</b>	79,621,942	100	62,624,013	100	
<b>H. Value of Stores Consumed (including oil)</b>					
Imported	-	-	-	-	
Indigenous	795,952	100	1,159,525	100	
<b>Total</b>	795,952	100	1,159,525	100	

9. Particulars about Investment in Partnership Firm:

Name of the firm Jay Gee Rayons.

Name of the Partners	As at 31.03.2010				As at 31.03.2009			
	Fixed Capital Account Rupees	Current Capital Account Rupees	Total Capital Account Rupees	Share of Profit/ Loss of each Partner	Fixed Capital Account Rupees	Current Capital Account Rupees	Total Capital Account Rupees	Share of Profit/ Loss of each Partner
M/s.Beekaylon Synthetics Pvt. Ltd.	5,000	(7,440,820)	(7,435,820)	10%	4,871	-	4,871	10%
M/s.Bluechip Tex Industries Pvt. Ltd.	4,500	8,629,487	8,633,987	9%	4,500	-	4,500	9%
M/s.Indotex Export Hoose Pvt. Ltd.	4,500	110,028	114,528	9%	4,500	-	4,500	9%
M/s.Sangam Syntwist Textile Pvt. Ltd.	4,500	4,824,369	4,828,869	9%	4,500	-	4,500	9%
Mr. Roop K.Khemani	4,500	(41,276)	(36,776)	9%	4,457	-	4,457	9%
Mr. Nand K. Khemani	4,500	(41,276)	(36,776)	9%	4,457	-	4,457	9%
Mr. Ashok K. Khemani	4,500	(41,231)	(36,731)	9%	4,500	-	4,500	9%
Mr. Rahul A. Khemani	4,500	(41,231)	(36,731)	9%	4,500	-	4,500	9%
Mr. Ramesh R. Khemani	4,500	(41,231)	(36,731)	9%	4,500	-	4,500	9%
Mr. Shahin N. Khemani	4,500	(41,231)	(36,731)	9%	4,500	-	4,500	9%
Mr. Siddharth A. Khemani	4,500	(41,231)	(36,731)	9%	4,500	-	4,500	9%
Total	50,000	5,834,357	5,884,357		49,785	-	49,785	

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

Defined contribution Plan : Since there are only three employees, provident Fund is not applicable to the Company.

Defined benefit Plan (Not funded) :

The liability in respect of Gratuity have been provided based on the Acturial valuation. The liability at the beginning of the year was Rs.3,868. Current Service Cost is Rs. 2,542 and liability at the end of the year is Rs. 6,410. The same have been provided for by way of charge to profit & Loss account.

The liability in respect of Leave Salary have been provided based on the Acturial valuation. The liability at the beginning of the year was Rs.2,579. Current Service Cost is Rs. 573 and liability at the end of the year is Rs. 3,152. The same have been provided for by way of charge to profit & Loss account.

11. As at 31<sup>st</sup> March 2010, 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. Accordingly, the previous year’s corresponding figures which were disclosed on a gross basis have been now regrouped.

12. 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.

13. Expenditure in Foreign Currency

2009-2010 Rs.	2008-2009 Rs.
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-Travelling Expenses

3,242

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

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As per our report of even date attached

Signatures to Schedules "1" to "15"

**For Rajendra & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Akshay R.Shah**  
Partner

**Nand Khemani**  
Managing Director

**Ashok Khemani**  
Director

**Kumar Nathani**  
Director

Place: Mumbai

Dated: 18<sup>th</sup> May, 2010

**BLUE CHIP TEX INDUSTRIES LIMITED****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="31/03/2010"/>		
II. Capital raised during the year (Amount in Rs .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 Rs.Thousands)			
Total Liabilities	<input type="text" value="43,071"/>	Total Assets	<input type="text" value="43,071"/>
<b>SOURCES OF FUNDS:</b>			
Paid Up Capital and Application Money (Including Forfeited Shares)	<input type="text" value="19,755"/>	Reserves & Surplus	<input type="text" value="18,713"/>
Secured Loans	<input type="text" value="1,270"/>	Unsecured Loans	<input type="text" value="NIL"/>
Deferred Tax Liability (Net)	<input type="text" value="3,332"/>		
<b>APPLICATION OF FUNDS:</b>			
Net Fixed Assets	<input type="text" value="22,714"/>	Investments	<input type="text" value="11,134"/>
Net Current Assets	<input type="text" value="9,223"/>	Miscellaneous Expenditure	<input type="text" value="NIL"/>
		Accumulated Losses	<input type="text" value="NIL"/>
IV Performance of Company (Amt.In Rs. Thousands)			
Turnover (including other income)	<input type="text" value="97,306"/>	Total Expenditure	<input type="text" value="91,865"/>
Profit/Loss Before Tax	<input type="text" value="5,441"/>	+	-
		<input checked="" type="checkbox"/>	
		(Please tick appropriate Box + for profit,-for Loss)	
Profit/Loss After Tax	<input type="text" value="3,741"/>	+	-
		<input checked="" type="checkbox"/>	
		(Please tick appropriate Box + for profit,-for Loss)	
Earning per share in Rs. (Refer Note 10 of Schedule 14)	<input type="text" value="1.90"/>	Dividend per Share Rs.	<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

**Nand Khemani**  
Managing Director

**Ashok Khemani**  
Director

**Kumar Nathani**  
Director

Place: Mumbai  
Dated: 18th May, 2010