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# **BLUE CHIP INDIA LIMITED**

## **Twenty-Ninth Annual Report, 2014**

### **BOARD OF DIRECTORS**

SHRI ARIHANT JAIN, *Managing Director*

SHRI AMIYA KUMAR BASU

SHRI SUBHABRATA TALUKDAR

SHRI PRANAB CHAKRABORTY

### **COMPANY SECRETARY**

Ms. JYOTI GUPTA

### **AUDITORS**

AGRAWAL S.KUMAR & ASSOCIATES

*Chartered Accountants*

### **BANKERS**

CANARA BANK

CITI BANK

HDFC BANK

ORIENTAL BANK OF COMMERCE

### **REGISTERED OFFICE**

10, PRINCEP STREET

2<sup>ND</sup> FLOOR, KOLKATA – 700 072

Phone: (033) 4002 2880

E-mail: [info@bluechipind.net](mailto:info@bluechipind.net)

Website: [www.bluechipind.net](http://www.bluechipind.net)

CIN: L65991WB1993PLC060597

### **REGISTRAR & SHARE TRANSFER AGENTS**

MAHESHWARI DATAMATICS PRIVATE LIMITED

6, MANGOE LANE, 2<sup>ND</sup> FLOOR,

KOLKATA- 700 001

Phone: (033) 2243-5029/5809

Fax: (033) 2248-4787

Email: [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

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**NOTICE**

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the company will be held on Friday, 26<sup>th</sup> day of September, 2014 at 9.30 a.m. at the "Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700001 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2014 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors of the Company to hold office, from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration and to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013 and the Rules made there under, M/s Agrawal S. Kumar & Associates, Chartered Accountants (Firm Registration No. 322324E), the retiring auditors, be are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS**

4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**  
"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Pranab Chakraborty (DIN No. 03568360), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019, and whose office shall not be liable to retire by rotation."
5. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**  
"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Subhabrata Talukdar (DIN No. 00278821), Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019, and whose office shall not be liable to retire by rotation."

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of Companies Act, 2013, Shri Amiya Kumar Basu (DIN No. 00277676), Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be & is hereby appointed as an Independent Director of the Company to hold office up to 31<sup>st</sup> March, 2019, and whose office shall not be liable to retire by rotation.”

By the order of the Board  
For **Blue Chip India Limited**

Sd/-

**Jyoti Gupta**

Company Secretary

**Registered Office :**

10, Princep Street,  
2<sup>nd</sup> Floor  
Kolkata- 700072  
Date: 30<sup>th</sup> May 2014

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company at 10, Princep Street, 2<sup>nd</sup> Floor, Kolkata 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 19<sup>th</sup> September 2014 to Friday 26<sup>th</sup> September 2014 (both days inclusive).
3. Members are requested to quote the Folio No. or Client Id. and DP Id numbers in all communications with the Company.
4. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.
5. Corporate members intending to send their authorized representative(s) are requested to send to the Company's head Office a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.
6. Members desirous of getting any information on the Accounts of the Company are requested to forward their queries to the Company at least seven working days prior to the meeting so as to enable the management to keep the information readily available at the meeting.
7. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited of 6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata 700 001.
8. Members are requested to inform their correct email address, if any to the Depositories (if shares held in demat form) and to our Registrars (if shares are held in physical form) in compliance of Green Initiative as per circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by Ministry of Corporate Affairs to facilitate the Company to send notice/document through e-mail.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar.
10. The brief profile of the Directors seeking appointment/re-appointment including relevant particulars relating to them are furnished in the Corporate Governance Report forming part of the Annual Report, as required under Clause 49 of the Listing Agreement.
11. **Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at 29<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for member to vote using the e-voting facility, and member may avail of the facility at his/her/its discretion. **The instructions for e-voting are as under:**
- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) However, If you are a first time user, follow the steps given below and fill up the following details in the appropriate boxes:

**For Members holding shares in Demat Form and Physical Form**

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field the 10 characters as, first two Alphabets of the first holder name followed by 8 characters consisting of folio number prefix by "0" (or in case of CDSL, 8 characters from right of BO-ID and in case of NSDL, 8 characters of Client ID). No special characters will be taken from the name and folio number. Example: (1) Shri. D. K. Ganguly and Folio No. is 000166, the PAN to be entered will be DK00000166. (2) Shri. D. K. Ganguly and BO ID is 1201060002255147, the PAN to be entered will be DK02255147. (3) Shri. D. K. Ganguly and Client ID 10359854, the PAN to be entered will be DK10359854.

# Please enter any one of the details in order to login. In case both details are not recorded with the depository or company please enter the Number of Shares held by you as on Cut-Off Date of 22<sup>nd</sup> August, 2014 in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) In case of members receiving the physical copy: Please follow all steps from sl. no. I.(i) to sl. no. I.(xv) above to cast vote.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) **The voting period begins on Saturday, 20<sup>th</sup> September, 2014 at 9.00 a.m. ends on Monday, 22<sup>nd</sup> September, 2014 at 6.00 p.m.** During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 22<sup>nd</sup> August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> August, 2014.
  - III. Mr. Atul Kumar Labh (C.P. No. 3238, Membership No. FCS 4848) of A. K. Labh & Co., Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - IV. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any forthwith to the Chairman of the AGM.
  - V. The results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite members of vote in favour of the resolutions.
  - VI. The results declared along with Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company. The results will also be communicated to Stock Exchanges where the shares of the Company are listed.
12. **Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 to 6 of the Notices are as under:**

**Appointment of Shri Pranab Chakraborty as an Independent Director**

Shri Chakraborty is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 5<sup>th</sup> March, 2013.

Shri Chakraborty does not hold by himself or for any other person on a beneficial basis, any share in the Company.

Shri Chakraborty has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Shri Chakraborty being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Chakraborty as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Chakraborty fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Chakraborty would be available for inspection. The Board considers that his continued association would be of immense benefit to the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Chakraborty, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

**Items no. 5**

**Appointment of Shri Subhabrata Talukdar as an Independent Director**

Shri Talukdar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 20<sup>th</sup> February, 2007.

Shri Talukdar does not hold by himself or for any other person on a beneficial basis, any share in the Company.

Shri Talukdar has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Shri Talukdar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Talukdar as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Talukdar fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Talukdar would be available for inspection. The Board considers that his continued association would be of immense benefit to the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Talukdar, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

#### **Items no. 6**

#### **Appointment of Shri Amiya Kumar Basu as an Independent Director**

Shri Basu is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 21<sup>st</sup> December, 2005.

Shri Basu does not hold by himself or for any other person on a beneficial basis, any share in the Company.

Shri Basu has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013. Under the Companies Act, 2013, the Company is required to appoint Independent Directors for a fixed term and their office shall not be liable to determination by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013, Shri Basu being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Shri Basu as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Basu fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft Letter of Appointment of Shri Basu would be available for inspection. The Board considers that his continued association would be of immense benefit to the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the resolution to be passed as an Ordinary Resolution for approval of the shareholders.

Except Shri Basu, being an appointee, none of the Directors or Key Managerial Personnels of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

#### **Registered Office :**

10, Princep Street,  
2<sup>nd</sup> Floor  
Kolkata- 700072  
Date: 30<sup>th</sup> May 2014

By the order of the Board  
For **Blue Chip India Limited**

Sd/-  
**Jyoti Gupta**  
Company Secretary

**DIRECTORS' REPORT****Dear Shareholders**

Your Directors have pleasure in presenting the Twenty- Ninth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

**1. FINANCIAL HIGHLIGHTS**

The working results of the Company for the year under review are given below:

<b>Particulars</b>	<b>Year ended 31.03.2014</b>	<b>Year ended 31.03.2013</b>
	(Rs.)	(Rs.)
<b>Profit/(Loss) Before Tax</b>	<b>1,422,562.91</b>	<b>1,489,490.49</b>
Tax Expense		
- Current Tax	100,000.00	220,000.00
- Deferred Tax	-	-
<b>Profit/(Loss) After Tax</b>	<b>1,322,562.91</b>	<b>1,269,490.49</b>
Add: Previous Year Adjustment	296,263.00	246,110.75
<b>Profit/(Loss) for the Year</b>	<b>1,026,299.91</b>	<b>1,515,601.24</b>

**2. DIVIDEND**

To conserve the resources of the Company for future expansion, the Board have decided not to recommend any dividend for the year under review.

**3. PERFORMANCE REVIEW**

The performance of the Company during the current year has not been up to the expectation due to high volatility in the market. Your Directors are making all efforts to improve the performance of the Company further in future.

**4. FIXED DEPOSITS**

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

**5. DIRECTORS**

As per the provisions of the Article of Association of the Company, Shri Pranab Chakraborty (DIN No. 03568360), retires by rotation at the ensuing Annual General Meeting. Shri Subhabrata Talukdar (DIN No. 00278821), Shri Amiya Kumar Basu (DIN No. 00277676) and Shri Pranab Chakraborty, Directors of the Company, are being appointed as an Independent Directors for five consecutive years for a term up to 31<sup>st</sup> March, 2019 as per the provisions of Section 149 and other applicable provisions of Companies Act, 2013. The Company has received a requisite notices in writing from members proposing their appointment as Directors. The Board recommends their appointment as Independent Directors.

Brief resume of the Directors seeking appointment/re-appointment, nature of their expertise in specific functional areas and details of their directorship and membership/chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement, are provided in the Report on Corporate Governance forming part of the Annual Report.

**6. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- a. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;



- 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 financial year ended 31<sup>st</sup> March, 2014 on a going concern basis.

#### 7. AUDITORS' REPORT

There are no items on which Auditors have commented which need further explanation from the Board of Directors.

#### 8. AUDITORS

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and are eligible for the re-appointment.

The Company has received letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for re-appointment. The Board recommends the appointment of the auditors from conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

#### 9. EMPLOYEES

None of the employees were in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read along with Companies (Particulars of Employees) Rules, 1975.

#### 10. STATUTORY INFORMATION

The Company being basically in the financial sector, requirement regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

#### 11. FOREIGN EXCHANGE

The Company had no foreign exchange inflow or outflow during the year under review.

#### 12. CORPORATE GOVERNANCE

As per the Listing Agreement with the Stock Exchanges, the Company has implemented the Code on Corporate Governance. The Corporate Governance compliance certificate obtained from the Auditors of the Company is attached to Report on Corporate Governance.

The Management Discussion and Analysis Report and the Report on Corporate Governance are given in the annexure attached to this report. The Board members and senior management personnel have confirmed compliance with the Code of Conduct.

#### 13. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

#### 14. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in them. Last but not the least, your Directors' place on record their sense of appreciation for the valuable contribution made by the employees of the Company.

On behalf of the Board of Directors  
For **Blue Chip India Limited**

#### Registered office:

10 Princep Street,  
2<sup>nd</sup> Floor,  
Kolkata -700 072  
Dated : 30<sup>th</sup> May, 2014

**Arihant Jain**  
*Managing Director*  
DIN No. 00174557

**Pranab Chakraborty**  
*Director*  
DIN No. 03568360

## REPORT ON CORPORATE GOVERNANCE

The Company's shares are listed in National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange. Accordingly, the Corporate Governance Report for the year 2013-2014, has been prepared as per the guidelines issued by SEBI and incorporated in Clause 49 of the Equity Listing Agreement: -

### Para 1. CORPORATE GOVERNANCE PHILOSOPHY

Effective Corporate Governance is how an organization is managed, which includes its culture, structure, policies and manner in which it deals with its stakeholders and not just mere compliance. It also relates to processes and systems that direct the resources of the organization and strategies of the management for maximizing the wealth of the stakeholders. Your Company firmly believes that such practices are founded upon the core values of transparency, accountability, independence, responsibility and fairness.

Your Company makes best endeavor to implement these core values in all facets of its operations. The Company continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

### Para 2. BOARD OF DIRECTORS

#### (i) Composition of the Board:

The Composition of the Board of Directors of the Company consists of qualified executive and non-executive Directors. The Board comprises of persons who have excelled in their respective areas and have good standing.

The composition of the Board of Directors as on 31<sup>st</sup> March 2014 is given below:

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships ( + )	Committee (++)	
				Chairman	Member
1	Shri Arihant Jain- Managing Director	Executive	4	-	-
2	Shri Amiya Kumar Basu	Non-Executive & Independent	-	-	-
3	Shri Subhabrata Talukdar	Non-Executive - & Independent	-	-	-
4	Shri Pranab Chakraborty	Non-Executive & Independent	2	2	-

(+) Excluding directorship held in private limited/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

(++) Represents Chairmanship / Membership of the Audit Committee and Shareholder's/ Investors' Grievance Committee of other companies, in which they are Director.

#### (ii) The attendance of the Directors at the Board meetings and the last AGM held are given below:

Name of the Director	No. of Meetings		Attendance at last AGM - held on 26 <sup>th</sup> September, 2013
	Held	Attended	
Shri Arihant Jain- Managing Director	6	6	Yes
Shri Amiya Kumar Basu	6	6	Yes
Shri Subhabrata Talukdar	6	6	Yes
Shri Pranab Chakraborty	6	6	Yes

**Particulars of the Directors to be appointed/re-appointed at the ensuing Annual General Meeting pursuant to revised Clause 49 of the Listing Agreement:**

Name of the Director	Shri Pranab Chakraborty	Shri Subhabrata Talukdar	Shri Amiya Kumar Basu
Date of Birth	16/08/1984	18/03/1971	13/01/1954
Date of Appointment	05/03/2013	20/02/2005	21/12/2005
Qualification	B. Com	Company Secretary	Chartered Accountant
Expertise in specific functional area	Shri Pranab Chakraborty having a wide experience in Corporate Finance and Accounts matter.	Shri Talukdar is having wide experience in Corporate Law and Finance matters.	Shri Basu is having wide experience in Corporate Finance, Audit & taxation.
Directorship of other companies (*)	2	--	--
Chairman/Membership in the Committees (**)	2	--	--
Shareholding in Equity Shares of the Company and % of holding	--	--	--

(\*) Excludes directorships in private limited companies and organizations other than public limited companies.

(\*\*) Audit Committee and Shareholder/Investor Grievance Committee are considered.

**(iii) Directors' membership in board/committees of other companies:**

As per the Listing Agreement, no director can be a Member in more than 10 (ten) committees or act as chairman of more than 5 (five) committees across all companies in which he is a Director.

In terms of the Listing Agreement, none of the directors of your Company were Members in more than 10 (ten) committees nor acted as chairman of more than 5 (five) committees across all companies in which they were Directors. Details of other directorships/committee membership/chairmanship held by them are given in Para 2(i) above.

**(iv) Number of Board meetings held, dates on which held:**

As per the Listing Agreement, the Board of Directors must meet at least four times a year, with a maximum gap of four months between any two meetings.

During the financial year 2013-14, Board met 6 (Six) times on 22/04/2013, 30/05/2013, 01/07/2013, 13/08/2013, 13/11/2013 and 14.02.2014. The gap between any two Board Meetings did not exceed four months.

**Para 3. AUDIT COMMITTEE**

**(i) Brief description of the terms of reference:**

The terms of reference of the Audit Committee cover the matters specified under revised Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee reviews, acts and reports to the Board of Directors with respect to:

- a) the appointment of Statutory Auditors of the Company,
- b) provide Board with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems,
- c) it acts as a link between the management, statutory auditors and the Board of Directors,
- d) Company's compliance with the legal and statutory requirements.

**(ii) Composition and Name of members:**

The Audit Committee, presently, consists of 3 (three) Independent Members. The following directors are the present Members of the Committee:

Name of the Members	Designation	Nature of Membership
Shri Subhabrata Talukdar	Chairman	Independent & Non Executive
Shri Amiya Kumar Basu	Member	Independent & Non Executive
Shri Pranab Chakraborty	Member	Independent & Non Executive

All the Members of the Audit Committee are financially literate and Shri Subhabrata Talukdar, Chairman possesses financial /accounting expertise. Ms. Jyoti Gupta, Company Secretary also acts as the Secretary to the Audit Committee.

**(iii) Meetings held and attendance during the year:**

During the financial year 2013-14, the Audit Committee met 5 (Five) times on 20/04/2013, 29/05/2013, 12/08/2013, 12/11/2013 and 13/02/2014.

Sr. No.	Members of Audit Committee	No. of meetings held	No. of meetings attended
1	Shri Subhabrata Talukdar	5	5
2	Shri Amiya Kumar Basu	5	5
3	Shri Pranab Chakraborty	5	5

**Para 4. REMUNERATION COMMITTEE**

**Details of sitting fees, remuneration etc. paid to Directors:**

No remuneration/sitting fee has been paid to any Director during the year. In view of this, no Remuneration Committee has been constituted.

**Para 5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

**Brief description of the terms of reference:**

The Board has constituted Stakeholders Relationship Committee in accordance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders'/ Investors' Grievance Committee was conferred on the Stakeholders Relationship Committee and consequently the Shareholders'/ Investors' Grievance Committee was dissolved. The board of Directors of the Company has delegated the authority to approve transfer of shares to Stakeholders Relationship Committee of the Company. The committee deals with the various matters relating to:

- a. Transfer of shares
- b. Transmission of shares
- c. Issuance of duplicate share certificates as and when required
- d. Shareholders' queries/complaints and its redressal as and when received
- e. Dematerialization/Rematerialization of shares
- f. Split/consolidation of shares
- g. Such other matters resulting from statutory amendments/modifications from time to time.

**(i) Composition and name of the Chairman:**

The Committee comprises of the following persons:

Name of the Members	Designation	Nature of Membership
Shri Amiya Kumar Basu	Chairman	Independent & Non Executive
Shri Subhabrata Talukdar	Member	Independent & Non Executive
Shri Pranab Chakraborty	Member	Independent & Non Executive

**(iii) Meetings held and attendance during the year:**

During the financial year 2013-14, the Share Transfer & Investors' Grievance Committee met 2 (Two) times on 02/05/2013 and 28/11/2013.

Sr. No.	Members of Share Transfer & Investors' Grievance Committee	No. of meetings held	No. of meetings attended
1	Shri Amiya Kumar Basu	2	2
2	Shri Subhabrata Talukdar	2	2
3	Shri Pranab Chakraborty	2	2

**(ii) Name and designation of compliance officer:**

As per the requirements of the Listing Agreement, Ms Jyoti Gupta, Company Secretary acts as the Compliance Officer.

**(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2013-14:**

No. of complaints received	No. of complaints resolved	Pending
Nil	Nil	Nil

There have been no material grievances raised and all items referred have been dealt with. All the complaints were resolved to the satisfaction of shareholders.

As on 31<sup>st</sup> March 2014, there were no pending complaints and no pending share transfers.

**Para 6.****GENERAL BODY MEETINGS****(i) Location and Time of last three Annual General Meeting (AGM):**

The location and time of the last three AGMs are as follows:

Year	Date	Location	Time
2012-13	26.09.2013	"Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700001	10.00 A.M.
2011-12	25.09.2012	"Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700001	10.30 A.M.
2010-11	26.09.2011	"Somani Conference Hall" Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700001	11.00 A.M.

**(ii-a) Details of special resolutions passed in the previous three AGMs:**

No special resolution has been passed in the previous three AGMs.

**(ii-b) Details of special resolutions passed in the previous three EGMs:**

No special resolution has been passed in the previous three EGMs.

**(iii) to (iv) Special resolution passed during the financial year 2013-14 through the Postal ballot:**

No special resolution was passed through postal ballot during the financial year 2013-14.

**(v) to (vi) Postal ballot during the current year:**

For the financial year 2013-14, if resolutions are to be conducted through the Postal Ballot procedure, those will be taken up at the appropriate time.

**Para 7. DISCLOSURES****(i) Disclosure of materially significant related party transactions:**

During the financial year 2013-14, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

**(ii) Details of non-compliance by the company:**

The Company has complied with all the requirements of the Listing Agreement with Stock Exchange as well as the Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and there were no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authorities for non-compliance on any matter related to capital markets during the last three years.

**(iii) Whistle Blower Policy:**

The Company has not established whistle blower policy.

**(iv) Details of compliance with the mandatory requirements:**

Your Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report.

**Para 8. MEANS OF COMMUNICATION****(i) Quarterly results:**

The Quarterly and Annual Results of the Company are communicated immediately to the stock exchanges upon conclusion of the Board Meeting convened to consider the same.

**(ii) Newspapers wherein results are normally published:**

The Financial Results of the Company are published in "Business Standard" and in "Dainik Lipi".

**(iii) to (v) Any website, where displayed:**

The Results are displayed on the Company's web-site at [www.bluechipind.net](http://www.bluechipind.net).

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel. The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2013-14. A declaration to this effect is given elsewhere in this Annual Report.

**Para 9. GENERAL SHAREHOLDER INFORMATION****(i) AGM: Date, time and venue:**

The forthcoming Annual General Meeting of the Company will be held as given below:

Date & Time	26 <sup>th</sup> September, 2014 at 9.30 a.m.
Venue	“Somani Conference Hall” Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700001

**(ii) Financial year:**

Financial Year is 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 and the quarterly results will be declared as per the following schedule.

**Tentative schedule**

Financial Results for the quarter ending June 30, 2014	End of July 2014
Financial Results for the quarter ending September 30, 2014	End of October 2014
Financial Results for the quarter ending December 31, 2014	End of January 2015
Financial Results for the year ending March 31, 2015	End of May 2015
AGM for the year ending March 31, 2015	Mid of September 2015

**(iii) Date of Book closure:**

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 19<sup>th</sup> day of September, 2014 to Friday, 26<sup>th</sup> day of September, 2014 (both days inclusive).

**(iv) Dividend Payment Date:**

No dividend has been recommended by the Board for the year under review.

**(v) Listing on Stock Exchanges:**

Your Company's shares are listed on the following stock exchanges as on 31<sup>st</sup> March, 2014.

- Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001.
- The Calcutta Stock Exchange Association Limited  
7, Lyons Range,  
Kolkata 700 001.
- National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1,G Block,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051.

Listing fees for the financial year 2014-15 have been paid to NSE & BSE and CSE.

**(vi) Stock Code:**

Name of the Exchange	Code
Bombay Stock Exchange Limited	531936
National Stock Exchange of India Limited	BLUECHIP
The Calcutta Stock Exchange Limited	12057
International Securities Identification Number (ISIN)	INE657B01025
Depositories Connectivity	NSDL and CDSL

**(vii) to (viii) Market Price Data: High, Low during each month in the last financial year:**

Month (2013-14)	National Stock Exchange (in Rs.)		Bombay Stock Exchange (in Rs.)	
	High	Low	High	Low
April	0.60	0.45	0.55	0.43
May	0.55	0.35	0.50	0.37
June	0.45	0.35	0.50	0.30
July	0.45	0.30	0.48	0.32
August	0.50	0.25	0.47	0.28
September	0.35	0.25	0.33	0.28
October	0.35	0.25	0.31	0.22
November	-	-	0.22	0.13
December	-	-	0.17	0.12
January	0.20	0.10	0.19	0.16
February	0.35	0.15	0.35	0.19
March	0.65	0.25	0.63	0.36

**(ix) Registrar and Transfer Agents:**

The Board has delegated the work of processing of share transfers to Maheshwari Datamatics Private Limited, Registrar and Share Transfer Agents. Their complete address is as follows:

Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2<sup>nd</sup> Floor,  
Kolkata - 700 001.

Tel No : (033) 2243-5029 / 5809

Fax No : (033) 2248-4787

Email: mdpl@cal.vsnl.net.in

**(x) Share Transfer System:**

The transfer of shares in physical form is processed and completed by Maheshwari Datamatics Private Limited within the statutory time period. In case where shares are held in electronic form, the transfers are processed by NSDL/CDSL through the Depository Participants and Registrars.



**(xi) Distribution of Shareholding:**

The distribution of shareholding as on 31<sup>st</sup> March 2014, pursuant to Clause 35 of the Listing Agreement is as under:

**A. Shareholding Pattern of Equity Shares as on 31<sup>st</sup> March 2014.**

	Categories	No. of Shares held	% of Shareholding
<b>A</b>	<b>Holding of Promoters and Promoter Group</b>		
1.	Indian Individuals and HUF	179600	0.3247
2.	Indian Bodies Corporate	6198569	11.2081
	Sub-total	<b>6378169</b>	<b>11.5328</b>
<b>B</b>	<b>Non Promoters' Holdings</b>		
<b>3.</b>	<b>Institutions:</b>		
	a) Central Government/State Government (s)	1000	0.0018
	Sub-total	1000	0.0018
<b>4.</b>	<b>Non-Institutions:</b>		
	a) Bodies Corporate	13962560	25.2468
	b) Individual Shareholders	34758250	62.8491
	c) Others (Trust, Clearing Member, NRI etc.)	204361	0.3695
	Sub-total	<b>48925171</b>	<b>88.4654</b>
	<b>GRAND TOTAL</b>	<b>55304340</b>	<b>100.00</b>

**B. Distribution of Equity Shareholding as on 31<sup>st</sup> March 2014.**

No of Equity Shares Held	No. of Shareholders holding shares in			No. of Shares held			% age of Equity Capital held in		
	Physical	N S D L	C D S L	Physical	N S D L	C D S L	Physical	N S D L	C D S L
1 To 500	61	3991	2286	9915	1043360	562873	.0179	1.8866	1.0178
501 To 1000	11	2393	1236	8075	2284674	1175958	.0146	4.1311	2.1263
1001 To 2000	3	1391	638	6000	2457916	1116284	.0108	4.4443	2.0184
2001 To 3000	11	545	250	24801	1485053	679958	.0448	2.6852	1.2295
3001 To 4000	0	294	126	0	1116309	471089	.0000	2.0185	.8518
4001 To 5000	3	511	211	15000	2519608	1038687	.0271	4.5559	1.8781
5001 To 10000	8	532	174	55500	4341466	1351715	.1004	7.8501	7.8501
10001 To above	7	415	139	196825	23256010	10087264	.3559	42.0510	18.2396
<b>Total :</b>	<b>104</b>	<b>10072</b>	<b>5060</b>	<b>316116</b>	<b>38504396</b>	<b>16483828</b>	<b>.5715</b>	<b>69.6227</b>	<b>29.8056</b>

**(xii) Dematerialization of shares and liquidity:**

As on 31<sup>st</sup> March, 2014, 99.43% of the total equity capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

**(xiii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments:**

As of 31st March 2014, there are no outstanding GDRs/ADRs/Warrants or convertible instruments which are likely to have an impact on the Equity Shares.

**(xiv) Plant Locations:**

The Company does not have any plant.

**(xv) Address for correspondence:**

Investors' correspondence may be addressed to:-

1. The Compliance Officer  
Blue Chip India Limited  
10, Princep Street, 2<sup>nd</sup> Floor,  
Kolkata 700 072  
Tel No. (033) 40022880  
E-mail : info@bluechipind.net  
CIN: L65991WB1993PLC060597
2. Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2<sup>nd</sup> Floor,  
Kolkata - 700 001  
Ph No. (033) 2243-5029/5809  
Fax No. (033) 2248-4787  
Email: mdpl@cal.vsnl.net.in

**(xv)** E-mail ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors: info@bluechipind.net

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**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

The Management's Discussion and Analysis Report forms part of the Director's Report.

**CODE OF CONDUCT:**

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel .The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2013-14. A declaration to this effect is given elsewhere in this Annual Report.

**RISK MANAGEMENT POLICY:**

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company.

**ANNUAL DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT PURSUANT TO CLAUSE 49(I)(D) OF THE LISTING AGREEMENT**

I, Arihant Jain, Managing Director of BLUE CHIP INDIA LIMITED having its registered office at 10, Princep Street, 2<sup>nd</sup> Floor, Kolkata – 700 072, hereby declare that the Company has formulated a Code of Conduct for its Directors and Senior Management Personnel and that all Board Members and Senior Management Personnel have affirmed the compliance of the Code for the financial year 2013-14.

Place: Kolkata  
Dated: 30<sup>th</sup> May, 2014

**Arihant Jain**  
**Managing Director**  
DIN No. 00174557

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE.****To the Members of Blue Chip India Limited**

We have examined the compliance of conditions of Corporate Governance by Blue Chip India Limited ('the Company') for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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 Listing Agreement.

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

**For Agarwal S.Kumar & Associates**

*Chartered Accountants*

**Hitesh Lilha**

**Partner**

*Membership No : 069536*

Place: Kolkata  
Dated: 30<sup>th</sup> May, 2014

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**CERTIFICATION BY  
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year, ending 31<sup>st</sup> March 2014, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :-

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated , based on our most recent evaluation, wherever applicable, to the auditor and audit committee.
  - i. There has not been any significant changes in internal control over financial reporting during the year under reference.
  - ii. There has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. We are not aware of any instance during the year of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Dated: 30<sup>th</sup> May, 2014

**Arihant Jain**  
Managing Director  
DIN No. 00174557

**Manoj Saraogi**  
Chief Financial Officer

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economic Overview:

A robust banking and financial sector is critical for activating the economy and facilitating higher economic growth. Financial Intermediaries like NBFCs have a definite and very important role in the financial sector. Particularly in a developing economy like ours. Indian's economy is diverse, encompassing agriculture, handicrafts, textile, manufacturing and a multitude of services. The advent of the digital age has gradually transformed India as an important "back office destination" for global outsourcing of customer service and technical support. The BSE Sensex barely moved despite the Prime Minister's economic advisory council forecasting a GDP growth of 5.5% in 2014-15, marginally better than the 4.7% pace at which India grew in 2013-14.

### Industry Structure and Development – Overview:

NBFC's play a vital role in the context of Indian economy. They are indispensable part in the Indian financial system because they supplement the activities of banks in terms of deposit mobilization and lending. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering the credit to the unorganized sector and to the small local borrowers. NBFC's has flexible structure than banks. Their flexible structure helps in broadening the market by providing the saver and investor a bundle of services on competitive basis.

With virtually all finance company business lines coming under greater competitive pressure, defining strategic initiatives and backing each with the necessary resources has become imperative for success. On the consumer side of the business, the ability to compete in various product offerings often is dictated by operational efficiencies and economies of scale. In this respect NBFC's face problems of high cost of funds because they lack the nation wide branch network and have a comparatively lower Tier-I and Tier- II capital base.

We witness that NBFC sector, in India are facing stiff competition from different banks and financial institutions. The cost of funds of banks is lower as compared to NBFC's. Not only this, they have a very wide network and huge capital base which makes them more attractive than NBFC's. However as the market is volatile in nature, the long term growth of capital market calls for a matter of concern.

### Opportunities, threats, risks and concerns:

Your Company has operations in finance and equity investments. The independent finance industry issues debt and lends the proceeds to individuals (consumer finance companies) and corporations (commercial finance companies) on both a secured and unsecured basis. Unlike the commercial banks, whose deposit taking ability adds significantly to funding availability, finance companies rely almost exclusively on institutional borrowings and access to the public debt markets for funding. Consequently, the ability to access the short, medium and long-term markets at competitive rates is critical to their ongoing viability. Your company faces tough competition from Nationalized, Foreign and Private Sector Banks due to their inability to grant loan at a considerably low rate of interest.

Your Company is exposed to external and internal risks associated with the business. It is exposed to strong competitive pressures and financial risks from changes in interest rate, economic cycles etc.

There is a major threat coming from Banks. Banks have reduced the rate of interest, this has reduced the spread, thereby reducing the margin. The volatile nature of market also poses another threat. Your Company also faces stiff competition from Nationalised, Foreign and Private Sector Banks as they provide loans at a very low rate of interest.

The company has its own specific risks that are particular to its business including default risk, fluctuation of interest rates, economic cycles etc. Moreover existing banks are moving into retail sector

and regional banks like Assamese banks are coming into play, which poses major concern for your company. The volatility in the market is a matter of concern. However economic parameters being strong will upsurge the economy. Your company has a well defined and prudent business practice and a comprehensive Risk Management Policy to manage this risk.

“Notwithstanding their diversity, NBFCs are characterized by their ability to provide niche financial services in the Indian economy. Because of their relative organizational flexibility leading to a better response mechanism, they are often able to provide tailor made services relatively faster than banks and financial institutions, which are capable of enhancing the functional efficiency of the financial system, instances of unsustainability, often on account of high rates of interest on their deposits and periodic bankruptcies, underscore the need for reinforcing their financial viability. Your Company sees opportunities in the market with existing and new customers. Your Company has dedicated accounts team to focus on each customer. Rising input costs and volatility in material, energy are some of the key challenges that your company is addressing by specific initiatives for each.

**Future Outlook:**

Your Company intends to invest in businesses related to infrastructure, telecommunication, soft ware etc. and wide variety of products and services. in the coming years since it sees good prospect in these areas. It would definitely try to establish itself and remain as a strong player in the finance industry. With the Capital market expected to be in a better mode than the previous few years and with our efforts we can look forward to a prosperous year for the company.

**Internal Control Systems and their adequacy:**

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure:

- That all assets and resources are used efficiently and are adequately protected;
- That all internal policies and statutory guidelines are complied within letter & spirit;
- The accuracy and timing of financial reports and management information.

**Material Development in Human Resources/industrial relations front number of people employed:**

The Company believes that people are the key ingredient to the success of an organization. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The relations remain cordial throughout the year between employees and the management. The Company recognizes the importance and contribution of its Human resources for its growth and development and is committed to the development of its people.

**Financial and Operational Performance:**

The performance of the company during the current year has not improved in comparison to previous year.

**Cautionary Statement:**

Statement in the Management’s Discussion and Analysis describing the Company’s projections estimates, expectations or predictions may be forward looking predictions within the meaning of applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

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*Independent Auditor's Report*

To the Members of

**BLUE CHIP INDIA LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **BLUE CHIP INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013; and
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Agrawal S Kumar & Associates**  
**Chartered Accountants**  
**Firm Regn No. 322324E**  
**Hitesh Lilha**  
**(Partner)**  
**M. No. 069536**

**Place: Kolkata**  
**Date: 30<sup>th</sup> Day of May 2014**

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Blue Chip India Limited, on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed asset during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, Consequently, the provisions of clause 3(b), 3 (c), and 3 (d) of the order are not applicable to the Company.  
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) In our opinion and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
b) In our opinion and according to the information and explanations provided by the management, the transactions made in pursuance of contracts and arrangements referred to in (5)(a) above and exceeding the value of Rs. 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of Section 209(1)(d) does not apply to the Company. Hence in my opinion, no comment is required on maintenance of cost record.



9. (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, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company have accumulated loss of Rs. 141384660.67/- at the end of the financial year which is more than fifty percent of the Net Worth of the company and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For Agrawal S Kumar & Associates**  
**Chartered Accountants**  
**Firm Regn No. 322324E**  
**Hitesh Lilha**  
**(Partner)**  
**M. No. 069536**

**Place: Kolkata**  
**Date: 30<sup>th</sup> Day of May 2014**

## BALANCE SHEET AS AT 31ST MARCH, 2014

<u>Particulars</u>	<u>Note No.</u>	(amount in ₹)	
		<u>As at</u> <u>31st March, 2014</u>	<u>As at</u> <u>31st March, 2013</u>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	110,608,680.00	110,608,680.00
(b) Reserves and Surplus	2	(97,184,831.22)	(98,211,131.13)
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	3	-	7,373,377.85
(b) Other Non Current Liabilities	4	-	-
(c) Other Long term Liabilities	5	52,376,305.00	53,720,860.00
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6	11,571,524.71	15,717,547.20
(b) Other Current Liabilities	7	2,306,906.12	1,680,324.75
(c) Short-Term Provisions	8	3,817,058.00	3,805,614.00
<b>Total</b>		<b><u>83,495,642.61</u></b>	<b><u>94,695,272.67</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	9	3,147,425.35	4,373,585.75
(b) Deferred tax assets (net)		15,629,893.00	15,629,893.00
(c) Long term Loans & Advances	10	25,497,295.22	24,817,451.23
<b>(2) Current Assets</b>			
(a) Inventories	11	33,134,489.27	42,381,773.04
(b) Trade receivables	12	561,010.09	454,118.15
(c) Cash and cash equivalents	13	827,409.20	2,340,331.02
(d) Other current assets	14	4,698,120.48	4,698,120.48
<b>Total</b>		<b><u>83,495,642.61</u></b>	<b><u>94,695,272.67</u></b>
Significant Accounting Policies			
Notes to Accounts	30		

As per our Report of even date  
For **AGRAWAL S. KUMAR & ASSOCIATES.**

Chartered Accountants  
Firm Registration No: 322324E

**HITESH LILHA**

Place : Kolkata  
Date :- 30.05.2014

Partner  
Membership No : 069536

**Jyoti Gupta**  
Company Secretary

**Arihant Jain**  
Managing Director  
DIN NO: 00174557

**Pranab Chakraborty**  
DIN NO: 03568360

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(amount in ₹)

<u>Particulars</u>	<u>Note No.</u>	<u>As at</u>	<u>As at</u>
		<u>31st March, 2014</u>	<u>31st March, 2013</u>
Revenue from operations	15	40,170,232.49	335,216,617.62
Other Income	16	974,173.38	3,236,273.71
Total Revenue		<u>41,144,405.87</u>	<u>338,452,891.33</u>
<b>Expenses:</b>			
Cost of shares purchased	17	26,800,897.48	326,075,586.69
Changes in inventories of Shares	18	9,247,283.77	5,239,657.00
Employee Benefit Expense	19	1,034,237.00	856,131.00
Depreciation & Amortised Cost	20	383,095.40	574,520.00
Other Expenses	21	2,256,329.31	4,217,506.15
<b>Total Expenses</b>		<u>39,721,842.96</u>	<u>336,963,400.84</u>
Profit before tax and exceptional items	(III - IV)	1,422,562.91	1,489,490.49
Exceptional Items		-	-
<b>Profit before tax</b>	(V-VI)	<u>1,422,562.91</u>	<u>1,489,490.49</u>
<b>Tax expense:</b>			
(1) Current Tax		100,000.00	220,000.00
(2) Deferred tax		-	-
<b>Profit(Loss) after tax</b>	(VII-VIII)	<u>1,322,562.91</u>	<u>1,269,490.49</u>
Add: Previous Year Adjustment		<u>296,263.00</u>	<u>246,110.75</u>
Profit/(Loss) for the year	(VIII-IX)	<u>1,026,299.91</u>	<u>1,515,601.24</u>
Earning per equity share:			
(1) Basic & Diluted (in `)		<u>0.02</u>	<u>0.03</u>

Significant Accounting Policies

Notes to Accounts

30

As per our Report of even date  
For **AGRAWAL S. KUMAR & ASSOCIATES.**

Chartered Accountants  
Firm Registration No: 322324E

**HITESH LILHA**

Partner

Membership No : 069536

**Arihant Jain**

Managing Director  
DIN NO: 00174557

Place : Kolkata

Date :- 30.05.2014

**Jyoti Gupta**

Company Secretary

**Pranab Chakraborty**

DIN NO: 03568360

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

(amount in ₹)

<u>DESCRIPTION</u>	<u>Year ended</u> <u>31st March, 2014</u>	<u>Year ended</u> <u>31st March, 2013</u>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit, Before Tax & Extraordinary Items	1,422,562.91	1,489,490.49
Depreciation	383,095.40	574,520.00
Loss on Sale of Vehicle	494,318.00	-
Income Tax Paid	(88,556.00)	-
Previous Year Adjustment	(296,263.00)	246,110.75
<b>Operating Profit before Working Capital Changes</b>	<b>1,915,157.31</b>	<b>2,310,121.24</b>
Changes in Working Capital		
Inventories	9,247,283.77	5,239,657.00
Trade Receivables	(106,891.94)	13,724,560.82
Short Term Loan and Advances	-	-
Long Term Loan and Advances	(679,843.99)	(11,398,442.00)
Other Current Assets (Deferred Tax Liabilities)	-	67,649.00
Trade payable	(4,146,022.49)	(1,494,189.20)
Other Current Liabilities	626,581.37	(53,748,360.25)
Other Long Term Liabilities	(8,717,932.85)	48,589,111.17
Other Non Current Liabilities	-	(2,642,029.00)
<b>Net Cash from Operating Activities (A)</b>	<b>(1,861,668.82)</b>	<b>648,078.78</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(21,253.00)	(22,506.00)
Sale of Fixed Assets	370,000.00	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>348,747.00</b>	<b>(22,506.00)</b>
<b>C. Cash Flow from Financing Activities</b>	-	-
	-	-
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,512,921.82)</b>	<b>625,572.78</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>2,340,331.02</b>	<b>1,714,758.24</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>827,409.20</b>	<b>2,340,331.02</b>

As per our Report of even date  
For **AGRAWAL S. KUMAR & ASSOCIATES.**

Chartered Accountants  
Firm Registration No: 322324E

**HITESH LILHA**

Place : Kolkata  
Date :- 30.05.2014

Partner  
Membership No : 069536

**Jyoti Gupta**  
Company Secretary

**Arihant Jain**  
Managing Director  
DIN NO: 00174557

**Pranab Chakraborty**  
DIN NO: 03568360

**Notes on Financial Statement for the year ended 31st March, 2014**

<u>Sr. No</u>	<u>Particulars</u>	<u>(Amount in ₹)</u>	
		<u>31-03-2014</u>	<u>31-03-2013</u>
<b>Notes : 1 Share Capital</b>			
1	<b>AUTHORIZED CAPITAL</b>		
	107,500,000 Equity Shares of Rs. 2/- each.	215,000,000.00	215,000,000.00
		<u>215,000,000.00</u>	<u>215,000,000.00</u>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	55,304,340 Equity Shares of Rs. 2/- each fully paid up in Cash.	110,608,680.00	110,608,680.00
	<b>Total</b>	<u>110,608,680.00</u>	<u>110,608,680.00</u>

**Notes : 1a Shareholdres holding more than 5%**

		<u>31-03-2014</u>		<u>31-03-2013</u>	
		<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
1	Bahubali Properties Ltd	3,982,980	7.20%	3,982,980	7.20%
	<b>Total</b>	<u>3,982,980</u>		<u>3,982,980</u>	

		<u>31-03-2014</u>	<u>31-03-2013</u>
		<b>Notes : 2 Reserve &amp; Surplus</b>	
1	Amalgamation Reserve	12,831,689.45	12,831,689.45
2	Reserve Fund	3,974,640.00	3,974,640.00
3	Share Premium	27,393,500.00	27,393,500.00
4	Surplus /(deficit) in statement of Profit & Loss		
	Balance as per last account	(142,410,960.58)	(143,926,561.82)
	Add: Net Profit/(loss) for the period	1,026,299.91	1,515,601.24
	<b>Total</b>	<u>(97,184,831.22)</u>	<u>(98,211,131.13)</u>

**Notes : 3 Long Term Borrowings**

		<u>31-03-2014</u>	<u>31-03-2013</u>
1	Secured Loans	-	7,373,377.85
	<b>Total</b>	<u>-</u>	<u>7,373,377.85</u>

**Notes : 4 Other Long Term Liabilities**

		<u>31-03-2014</u>	<u>31-03-2013</u>
1	Income Tax Payable	-	-
2	Outstanding Liabilities	-	-
3	Fringe Benefit Tax Payable	-	-
4	TDS Payable - IIFL	-	-
5	TDS Payable - Motilal	-	-
	<b>Total</b>	<u>-</u>	<u>-</u>

**Notes on Financial Statement for the year ended 31st March, 2014**

(Amount in ₹)

<u>Sr. No</u>	<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
<b>Notes : 5 Other Long Term Liabilities</b>			
1	Advance Received	52,376,305.00	53,720,860.00
	<b>Total</b>	<u>52,376,305.00</u>	<u>53,720,860.00</u>
<b>Notes : 6 Trades Payable</b>			
1	Trade Payables	11,571,524.71	15,717,547.20
	<b>Total</b>	<u>11,571,524.71</u>	<u>15,717,547.20</u>
<b>Notes : 7 Other Current Liabilities</b>			
1	Advance Received	-	-
2	Income Tax Payable	56,853.00	56,853.00
3	Outstanding Liabilities	286,991.12	180,535.75
4	Fringe Benefit Tax Payable	7,110.00	7,110.00
5	TDS Payable - IIFL	601,149.00	601,149.00
6	TDS Payable - Motilal	1,354,803.00	834,677.00
	<b>Total</b>	<u>2,306,906.12</u>	<u>1,680,324.75</u>
<b>Notes : 8 Short Term Provisions</b>			
1	Provision for Taxation	3,717,058.00	3,585,614.00
	Provision for Taxation (AY: 2014-15)	100,000.00	-
	Provision for Taxation (AY: 2013-14)	-	220,000.00
	<b>Total</b>	<u>3,817,058.00</u>	<u>3,805,614.00</u>

**Notes on Financial Statement for the year ended 31st March, 2014****Notes : 9 Fixed Assets**

(Amount in ₹)

Particulars	Gross Block				Depreciaton				Net Block	
	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
<b>Tangible Assets</b>										
Land	1,000,000.00	-	-	1,000,000.00	-	-	-	-	1,000,000.00	1,000,000.00
Computer	511,073.00	21,253.00	-	532,326.00	447,379.00	-	84,947.00	532,326.00	-	63,694.00
Electrical Install	252,163.00	-	-	252,163.00	62,882.00	-	11,984.00	74,866.00	177,297.00	189,281.00
Office Equipment	1,569,895.00	-	-	1,569,895.00	439,735.00	-	74,564.40	514,299.40	1,055,595.60	1,130,160
Vehicles	2,735,979.00	-	864,318.00	1,871,661.00	1,801,685.00	-	69,976.00	1,871,661.00	-	934,294
Furniture & Fixture	2,237,350.00	-	-	2,237,350.00	1,181,193.25	-	141,624.00	1,322,817.25	914,532.75	1,056,156.75
<b>TOTAL</b>	<b>8,306,460.00</b>	<b>21,253.00</b>	<b>864,318.00</b>	<b>7,463,395.00</b>	<b>3,932,874.25</b>	<b>-</b>	<b>383,095.40</b>	<b>4,315,969.65</b>	<b>3,147,425.35</b>	<b>4,373,585.75</b>

**Notes on Financial Statement for the year ended 31st March, 2014**

Sr. No	Particulars	(Amount in ₹)	
		31-03-2014	31-03-2013
<b>Notes : 10 Long term loans and Advances</b>			
	Others	25,497,295.22	24,817,451.23
	<b>Total</b>	<b>25,497,295.22</b>	<b>24,817,451.23</b>

Remarks: The above loans to body corporates and loan to others had been given at 9% per annum.

**Notes : 11 Inventories**

	No. of Share 31-03-2014	Amount 31-03-2014	No. of Share 31-03-2013	Amount 31-03-2013
Quoted Shares	1,527,578	33,004,865.27	1,744,407	42,322,149.04
Unquoted Shares	6,440	129,624.00	5,740	59,624.00
Mutual Funds	-	-	-	-
Debentures	-	-	-	-
<b>Total</b>	<b>1,534,018</b>	<b>33,134,489.27</b>	<b>1,750,147</b>	<b>42,381,773.04</b>
<b>Market Value of Quoted Share and Debenture</b>		<b>48,309,755.32</b>		<b>43,168,407.19</b>

(Amount in ₹)

31-03-2014	31-03-2013
------------	------------

**Notes : 12 Trade Receivables**

1	<b>Outstanding for less than six months</b>		
	a) Unsecured, Considered Good :	<b>561,010.09</b>	454,118.15
	<b>Total</b>	<b>561,010.09</b>	<b>454,118.15</b>

**Notes : 13 Cash & Cash Equivalent**

1	<b>Cash-in-Hand</b>		
	Cash Balance	639,274.34	1,789,594.34
	<b>Sub Total (A)</b>	<b>639,274.34</b>	<b>1,789,594.34</b>
2	<b>Bank Balance</b>		
	With Fixed Deposit	-	-
	With Canara Bank (Princep Street)	<b>70,955.44</b>	151,794.00
	With Oriental Bank of Commerce	<b>8,331.67</b>	8,331.67
	Citi Bank	<b>95,299.05</b>	104,411.45
	HDFC Bank	<b>13,548.70</b>	286,199.56
	<b>Sub Total (B)</b>	<b>188,134.86</b>	<b>550,736.68</b>
	<b>Total [ A + B ]</b>	<b>827,409.20</b>	<b>2,340,331.02</b>

**Notes :14 Other Current Assets**

	Tax Deducted at Sources	1,378,322.48	1,378,322.48
	Income Tax Paid	3,269,792.00	3,269,792.00
	Fringe Benefit Tax Paid	50,006.00	50,006.00
	<b>Total</b>	<b>4,698,120.48</b>	<b>4,698,120.48</b>



**Notes on Financial Statement for the year ended 31st March, 2014**

		(Amount in ₹)	
<u>Sr. No</u>	<u>Particulars</u>	<u>31-03-2014</u>	<u>31-03-2013</u>
<b>Notes : 15 Revenue from Operations</b>			
1	Sale of Shares	<b>40,170,232.49</b>	335,216,617.62
	<b>Total</b>	<b>40,170,232.49</b>	335,216,617.62
<b>Notes : 16 Other Income</b>			
1	Interest Received	-	-
2	Profit & Loss on Share Dealing	<b>77,399.63</b>	2,211,526.46
3	Dividend Received	<b>896,773.75</b>	1,024,747.25
	<b>Total</b>	<b>974,173.38</b>	3,236,273.71
<b>Notes : 17 Cost of shares Purchased</b>			
<b>a) Purchases of Shares</b>			
1	Quoted Shares & Unquoted Shares	<b>26,800,897.48</b>	326,075,586.69
	<b>Total</b>	<b>26,800,897.48</b>	326,075,586.69
<b>Notes : 18 Change in Inventories</b>			
1	Opening Stock	<b>42,381,773.04</b>	47,621,430.04
2	Closing Stock	<b>33,134,489.27</b>	42,381,773.04
	<b>Total</b>	<b>9,247,283.77</b>	5,239,657.00
<b>Notes : 19 Employment Benefit Expenses</b>			
1	Employment expenses	<b>1,034,237.00</b>	856,131.00
	<b>Total</b>	<b>1,034,237.00</b>	856,131.00
<b>Notes : 20 Depreciation &amp; Amortised Cost</b>			
1	Depreciation	<b>383,095.40</b>	574,520.00
	<b>Total</b>	<b>383,095.40</b>	574,520.00
<b>Notes : 21 Other Expenses</b>			
1	Advertisement	<b>92,850.00</b>	83,075.00
2	Audit fees	<b>36,719.00</b>	36,719.00
3	Bank Charges	<b>17,917.40</b>	4,163.00
4	Business Promotion	-	10,113.00
5	Computer Stationery	<b>70,055.00</b>	98,406.00
6	Custodian Charges	<b>151,809.46</b>	154,484.89
7	Delay Charges	<b>13,133.94</b>	4,473.68
8	Electricity Charges	<b>101,710.00</b>	85,410.00
9	Filing Fees	<b>2,000.00</b>	2,000.00
10	Insurance Charges	<b>14,500.00</b>	13,500.00

**Notes on Financial Statement for the year ended 31st March, 2014**

<b>Sr. No</b>	<b>Particulars</b>	<b>(Amount in ₹)</b>	
		<b>31-03-2014</b>	<b>31-03-2013</b>
11	Interest Paid	276,459.10	1,791,458.46
12	Loss on Sale of Car	494,318.00	-
13	Listing Fees	110,450.00	121,348.80
14	Membership & Subscription	10,113.00	-
15	Postage & Courier charges	19,426.00	8,750.00
16	Previous Year Adjustment	-	66,968.00
17	Printing & Stationery	88,032.00	34,997.00
18	Professional Charges	10,467.00	22,198.00
19	Professional Tax	2,500.00	-
20	Profit/(Loss) Share Dealing	-	-
21	Rent Rates & Taxes	417,134.00	373,960.00
22	Repair & Maintenance	27,956.00	134,755.92
23	Share Trading & Statutory & Other Expenses	85,568.53	973,953.84
24	Software Expenses	2,200.00	-
25	Telephone Charges	191,110.88	178,570.56
26	Travelling & Conveyance	19,900.00	18,201.00
	<b>Total</b>	<b>2,256,329.31</b>	<b>4,217,506.15</b>

As per our Report of even date  
For **AGRAWAL S. KUMAR & ASSOCIATES.**  
Chartered Accountants  
Firm Registration No: 322324E  
**HITESH LILHA**

**Arihant Jain**  
Managing Director  
DIN NO: 00174557

Place : Kolkata  
Date :- 30.05.2014

Partner  
Membership No : 069536

**Jyoti Gupta**  
Company Secretary

**Pranab Chakraborty**  
DIN NO: 03568360

(Annexed to and forming part of the accounts for the year ended 31st March, 2014)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES :**

**(22) Basis of Accounting :**

The Financial Statements have been prepared under the Historical Cost Convention and one on accrual basis.

**(23) INCOME RECOGNITION:**

All revenues/incomes except Dividend, Interest on Debentures are recognised on accrual basis of accounting

**(24) PRINCIPAL ACCOUNTING POLICIES:**

Accounting Policies unless specifically stated to be otherwise, and are consistent and are in consonance with generally accepted accounting principles.

**(25) GRATUITY**

The Company has taken Group Gratuity Policy from LIC of India for its employees and contribution paid during the year has been charged to Profit & Loss Account

**(26) STOCK IN TRADE:**

Stock in Trade are valued at lower of Cost and Market Value

**(27) FIXED ASSETS:**

Fixed Assets are stated at cost of acquisition less depreciation

**(28) DEPRECIATION:**

Depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956

**(29) CONTINGENT LIABILITIES:**

Contingent liabilities are generally not provided for in the books of accounts of accounts and are separately shown in the Notes on Accounts.

**(30) NOTES ON ACCOUNTS**

**(A) Quantitative details of goods traded :**

	S H A R E S		S H A R E S	
	As at 31st March 2014		As at 31st March 2013	
	Quantity	Amount	Quantity	Amount
	(Nos.)	Rs.	(Nos.)	Rs.
Opening Inventory	1,750,147	42,381,773.04	2,389,683	47,621,436.04
Purchase	480,789	26,800,897.48	5,173,588	326,075,586.69
Sales	696,918	40,170,232.49	5,813,124	335,446,320.12
Closing Inventory	1,534,018	33,134,489.27	1,750,147	42,381,773.04

**(B)** In the opinion of the Management, the Sundry Debtors, Loan & Advances and Current Assets have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet.

- (C) Earning & Expenditure in foreign currency
- (D) Certain balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subjects to confirmation
- (E) Since the company has operated only in one segment, i.e. Trading Shares & Securities, provision relating to segment wise Report as per AS- 17 are not applicable

(F) **Related Party Disclosures**

**List of Related parties with whom transactions have been taken place during the year.**

(a) **Key Management Personnel, Directors Relatives**

1	Arihant Jain	Managing Director
2	Pranab Chakarboty	Director
3	Amiya Kumar Basu	Director
4	Subhabrata Talukdar	Director

(b) **Enterprises over which above person has signification influence: N I L**

(c) **Transaction with the persons mentioned in(A) above:**

Remuneration NIL

(d) **Transaction with the persons mentioned in (A) above :-**

Purchase of Shares during the year -

Sale of Shares during the Year -

(G) **Deferred Tax**

In view of no vertual certainty of future profits to set off losses, no provision for deferred tax has been made as required.

(H) Information Pursuant to paragraph 9BB Non Banking Financial Companies Prudential Norms (Reserve Bank) Direction 1998 has been given in Annexure -II

(I) **Retirement Benefits :**

Provision for retirement benefits has been made as no employee has put in the qualifying period of service for entitled of the benefit.

(J) **Earning per Share :**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard - 20 Earning per Share issued by the Institute of Chartered Accountants of India.

	<u>2013 - 2014</u>	<u>2012 - 2013</u>
a) Numerator used : Profit after Tax	1,026,299.91	1,515,601.24
b) Denominator used : No of Equity Shares of Rs. 10/- each outstanding during the year	55,304,340	55,304,340
c) Earning Per Share	0.02	0.03

(L) Figures in brackets represent previous year figures.

(M) Schedule "A" TO "R" annexed here with are forming part of the Balance Sheet and the Profit & Loss Account.

As per our Report of even date  
For **AGRAWAL S. KUMAR & ASSOCIATES.**  
Chartered Accountants  
Firm Registration No: 322324E  
**HITESH LILHA**

**Arihant Jain**  
Managing Director  
DIN NO: 00174557

Place : Kolkata  
Date :- 30.05.2014

Partner  
Membership No : 069536

**Jyoti Gupta**  
Company Secretary

**Pranab Chakarboty**  
DIN NO: 03568360

## ANNEXURE - II

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**(as required in terms of **paragraph 13** on Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		<i>(Rs. In Lakhs)</i>	
<b>Liabilities side :</b>			
<b>( 1 )</b>	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
	(a) Debentures : Secured	NIL	NIL
	: Unsecured	NIL	NIL
	(other than failing within the meaning of public deposits*)		
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	248.17	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
	* Please see Note 1 below		
<b>Assets side :</b>			
		<b>Amount outstanding</b>	
<b>( 2 )</b>	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured	NIL	
	(b) Unsecured	NIL	
<b>( 3 )</b>	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	

	Particulars	Amount outstanding
( 4 )	<b>Break-up of Investments :</b>	
	<b>Current Investments :</b>	
	<b>1. Quoted :</b>	
	(i) Shares : (a) Equity	330.05
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	<b>2. Unquoted :</b>	
	(i) Shares : (a) Equity	1.3
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	<b>Long Term Investments :</b>	
	<b>1. Quoted :</b>	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	<b>2. Unquoted :</b>	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

<b>( 5 )</b>	<b>Borrower group-wise classification of assets financed as in (2) and (3) above :</b> Please see Note 2 below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	(a) Subsidiaries	NIL	NIL	NIL
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	2. Other than related parties	NIL	254.97	254.97
	<b>Total</b>	NIL	254.97	254.97
<b>( 6 )</b>	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b> Please see note 3 below			
	<b>Category</b>	<b>Market Value / Break up or fair value or NAV</b>	<b>Book Value (Net of Provisions)</b>	
	1. Related Parties **			
	(a) Subsidiaries	NIL		NIL
	(b) Companies in the same group	NIL		NIL
	(c) Other related Parties	NIL		NIL
	2. Other than related parties			
	<b>Total</b>			
	** As per Accounting Standard of ICAI (Please see Note 3)			
<b>( 7 )</b>	<b>Other information</b>			
	<b>Particulars</b>	<b>Amount</b>		
<b>(i)</b>	<b>Gross Non-Performing Assets</b>			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
<b>(ii)</b>	<b>Net Non-Performing Assets</b>			
	(a) Related parties	NIL		
	(b) Other than related parties	NIL		
<b>(iii)</b>	<b>Assets acquired in satisfaction of debt</b>			

**Notes :**

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value /NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

## BLUE CHIP INDIA LIMITED

Registered Office: 10, Princep Street, 2nd Floor, Kolkata - 700 072,  
E-mail: info@bluechipind.net, Website: www.bluechipind.net,  
Phone: 033-40022880, Fax: 91-33-2237 9053  
CIN: L65991WB1993PLC060597

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member(s): ..... Registered Address: .....

Email id: ..... Folio No./DP ID-Client ID No. : .....

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

(1) Name : ..... Address : .....  
E-mail Id : ..... Signature : ..... or failing him

(2) Name : ..... Address : .....  
E-mail Id : ..... Signature : ..... or failing him

(3) Name : ..... Address : .....  
E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 29<sup>th</sup> Annual general meeting of the company,

to be held on the Friday of September 26, 2014 at 9.30 a.m. at "Somani Conference Hall", Merchants' Chamber of Commerce,  
at 15B, Hemanta Basu Sarani, Kolkata - 700 001 and at any adjournment thereof in respect of such resolutions as are  
indicated below:

Resolution No.	Resolution proposed	Optional	
		For	Against
	<b>Ordinary Business</b>		
1	Adoption of Financial Statements, Reports of the Board of Directors' and Auditors'		
2	Re-appointment of Director		
3	Re-appointment of Auditors		
	<b>Special Business</b>		
4	Appointment of Shri Pranab Chakraborty as an Independent Director		
5	Appointment of Shri Subhabrata Talukdar as an Independent Director		
6	Appointment of Shri Amiya Kumar Basu as an Independent Director		

Signed this ..... day of ..... 2014.

Signature of shareholder..... Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered  
Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Ninth Annual  
General Meeting.

## BLUE CHIP INDIA LIMITED

Registered Office: 10, Princep Street, 2nd Floor, Kolkata - 700 072  
E-mail: info@bluechipind.net, Website: www.bluechipind.net,  
Phone: 033-40022880, Fax: 91-33-2237 9053  
CIN: L65991WB1993PLC060597

### ATTENDANCE SLIP

#### ANNUAL GENERAL MEETING

Registered Folio No. : ..... DP ID No. ....

No. of Shares: ..... Client ID No. : .....

I hereby record my presence at 29<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at the "Somani Conference Hall",  
Merchants' Chamber of Commerce, at 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Friday of September 26, 2014 at  
9.30 a.m.

Member's/Proxy's Name in Block Letters

Member's /Proxy's Signature

Notes: Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the  
entrance of the Meeting Hall. Please also bring your copy of the Annual Report.

### ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
140816008	Please refer to Note No. 11. I. in the Notice	