

BULECHIP STOCKSPIN LIMITED**COPROATE GOVERNANCE****REPORT ON CORPORATE GOVERNANCE [For the year ended 31.03.2012]****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other shareholder. The following information is placed before the shareholders.

2. BOARD OF DIRECTORS

Company has five members on the Board of the Company. Composition of board of directors is as under:

- | | | |
|--------------------------|---|---------------------------------------|
| (1) Mr. Jignesh H. Shah | - | Director (Executive, Promoter) |
| (2) Mr. Ashit H. Vora | - | Director (Executive, Promoter) |
| (3) Mr. Jitendra N. Shah | - | Director (Non Executive, Independent) |
| (4) Mr. Biren L. Dave | - | Director (Non Executive, Independent) |
| (5) Mr. Yogesh K. Shah | - | Director (Non Executive, Independent) |

a) Numbers of Board Meeting held and the dates on which held:

During the year the Company has held 9 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:

7th April, 2011, 30th April, 2011, 2nd May, 2011, 18th July, 2011, 31st July, 2011, 1st September, 2011, 31st October, 2011, 7th February, 2012 and 15th March, 2012.

b) Director's presence in the Board Meeting held during the year:

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2012	Other Mandatory Committee** membership as at 31 st March 2012	
					Chairman	Member
Mr. Jignesh H. Shah	Chairman, Promoter, Executive	9	Yes	NIL	NIL	NIL
Mr. Yogesh K. Shah	Non Executive, Independent	9	Yes	1	NIL	NIL
Mr. Ashit H. Vora	Executive, Promoter	9	Yes	NIL	NIL	NIL
Mr. Jitendra N. Shah	Non Executive, Independent	9	Yes	NIL	NIL	NIL
Mr. Biren L. Dave	Non Executive, Independent	9	Yes	NIL	NIL	NIL

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

c) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

d) Committees of the Board

Currently the Board has three committees viz Audit Committee, Shareholders' / Investors' Grievance Committee and Remuneration Committee.

3. AUDIT COMMITTEE

a) Brief description of terms of reference:

Terms of Reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia, include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the Management and adequacy of internal audit functions, discussions with the auditors about the scope of audit including the observations of the auditors and discussion with internal auditor on any significant findings.

b) Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause - 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of three Non Executive & Independent Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Audit Committee meeting held on				
		30.04.2011	31.07.2011	01.09.2011	31.10.2011	07.02.2012
Mr. Biren Dave	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Jitendra N. Shah	Member	Yes	Yes	Yes	Yes	Yes
Mr. Yogesh Shah	Member	Yes	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. Company is trying its best to induct one more member having Financial background as a member of Audit Committee and to Become a part of Board of Directors of the Company to comply with the code of Corporate Governance.

4. REMUNERATION COMMITTEE

The remuneration committee consists of the following Directors:

- (1) Mr. Yogesh K. Shah
- (2) Mr. Jitendra N. Shah
- (3) Mr. Biren Dave

During the year No meeting of the committee was held.

Remuneration to Directors

Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the company except the Sitting Fees. The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors. The sitting fees paid to the Directors for the year ended on 31st March, 2012 are as under.

Name of the Non-executive Director	Amount of Sitting Fees paid (Rs.)
Mr. Biren Dave	45,000
Mr. Jitendra N. Shah	45,000
Mr. Yogesh Shah	45,000

Executive Directors

The salary paid for the year ended 31st March, 2012 to Executive Directors are as under.

Name of the Non-executive Director	Salary
Mr. Jignesh Shah	6,00,000
Mr. Ashit Vora	6,00,000

There is no other pecuniary relationship or transaction by the Company with Non Executive Directors. The Company does not have any scheme for grant of Stock Options to its Directors or Employee.

5. SHAREHOLDERS COMMITTEE

Shareholder's Committee consists of following Directors:

- (1) Mr. Yogesh K. Shah
- (2) Mr. Jitendra N. Shah++

During the year under review, Shareholders committee met Six times where all the members were present.

The meetings were held on 31st May, 2011, 31st July,2011, 15th September, 2011, 31st October, 2011, 31st January, 2012, and 31st March, 2012.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI or shareholders were resolved satisfactory.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Jignesh Shah, Director, is the Compliance Officer of the Company.

6. GENERAL BODY MEETING

Date	Type	Time	Venue	Special resolution Passed Yes/Not
30/09/2011	AGM	11:30 A.M.	B/401, 4 th Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006	No
30/09/2010	AGM	11.30 A.M.	B/401, 4 th Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006	Yes
30/09/2009	AGM	11.30 A.M.	206, 2nd Floor, The Grand Mall, Opp. SBI Zonal Office, Ambawadi, Ahmedabad-380015	No

All the resolutions set out in the respective notices for the above meetings were duly passed by the Shareholders with the requisite majority in each case.

Passing of the Resolution by Postal Resolution: During the year under review, company has transacted the following Special resolutions through Postal Ballot.

1. For Change of Main Object Clause of the Company by adding new Clause (3) & (4) after existing Clause III(A)(2) of the Memorandum of Association.
2. To Create the Charge/Mortgage on the Company's Properties.
3. To borrow the funds in excess of paid up capital and free reserves.
4. To make loans/invest in other concern.

The matters mentioned hereinabove were resolved by voting through the postal ballot process under section 192A of the Companies Act, 1956 read with the Companies (Passing of resolution by Postal Ballot) Rules, 2011 with requisite majority as under.

Mr. Nimesh Shah, Partner, M/s Shah & Santoki Associates, Company Secretaries, Ahmedabad was appointed as Scrutinizer to conduct the Postal Ballot exercise. The Particulars of valid votes excluding neutral votes were as under:

Resolution Nos. 1 to 4

Particulars	No. of Ballots	No. of Shares/ (Votes)	% of total valid votes
Postal Ballot Forms in favor of Resolutions	23	2335100	99.98
Postal Ballot Forms against the Resolution	1	400	0.02
TOTAL	24	2335500	100.00

Special Resolutions passed in the previous three AGMs: Company has passed two Special Resolution at the Annual general Meeting held on 30.09.2010 for : (1) Appointment of Mr. Jignesh Shah as Managing Director (2) Appointment of Mr. Ashit Vora as whole time Director.

7. DISCLOSURE

a) Disclosures on materially significant related party transactions that have potential conflict with the interest of the Company at large

There are no materially significant related party transactions of the Company with key managerial personnel during the financial year 2011-12 which have potential conflict with the interest of the Company at large.

b) Disclosure of Accounting Standards

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable, in the preparation of the financial statement.

c) Disclosure of Risk Management

The company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

d) Details of non-compliance by the company, penalties, and strictures imposed on the company by stock exchange(s) or Securities and Exchange of Board of India (SEBI) or any other statutory authority or any matters related to Capital Markets.

There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2011 to 31st March 2012.

e) Details of Compliance with mandatory requirement

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or practicing company secretaries regarding compliance of conditions of Corporate Governance as stipulated in the clause and annex the certificate with the Director's Report, which is sent annually to all the Shareholders. The Company has obtained a certificate from its Auditors to this effect and the same is given as annexure to this report.

f) Unclaimed Dividends

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

g) Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same. The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner. All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

h) CEO Certification

Chief Executive Officer (CEO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

i) Details of shares held by non-executive directors as on 31st March, 2012:

Name of the Non-executive Director	Shares Held
Mr. Biren Dave	90000
Mr. Jitendra N. Shah	NIL
Mr. Yogesh Shah	NIL

8. GENERAL SHAREHOLDERS INFORMATION

Financial year	: 1 st April 2011 to 31 st March 2012
Date & Time of Annual General Meeting	: 29 th September 2012 at 11.30 a.m.
Venue	: B/401, 4 th Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006
Book closure date	: 24 th September 2012 to 29 th September 2012 (both days inclusive) for Annual General Meeting.
Dividend payment date	: N.A.
Registered office	: B/401, 4 th Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006
Compliance officer	: Mr. Jignesh Shah, Managing Director

Tentative Financial Calendar

Publication of Quarterly Results ending 30 th June, 2012	Last week of July 2012
Publication of Quarterly Results ending 30 th Sep. 2012	Last week of Oct. 2012
Publication of Quarterly Results ending 31 st Dec. 2012	Last week of Jan. 2013
Publication of Quarterly Results ending 31 st March 2013	Last week of April 2013

Means of Communication

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in one English newspaper circulating substantially in whole of India and one in the gujarati language as required by the listing agreement.

Listing on Stock Exchanges

1. Bombay Stock Exchange Limited
2. Ahmedabad Stock Exchange Limited
3. Vadodara Stock Exchange Limited

ADR/GDR

The Company has not issued any ADR/GDR.

Stock Code

At BSE : 531713

Stock Market Data

Month	High	Low
May-11	24.37	9.00
Jun-11	14.07	6.57
Jul-11	6.54	4.55
Aug-11	6.50	4.49
Sep-11	4.69	3.87
Oct-11	4.46	3.86
Nov-11	8.33	4.25
Dec-11	7.53	6.03
Jan-12	9.84	6.01
Feb-12	10.84	6.21
Mar-12	6.52	4.82

Trading in the shares of the company has been started on the Bombay stock Exchange Limited w.e.f. 10.05.2011.

Registrar and Share Transfer Agent

M/s Link Intime India Private Limited

211 Sudarshan Complex,

Nr. Mithakhali Under Bridge

Navrangpura, Ahmedabad - 390009

Contact Person : Mr. Hitesh Patel

Tel No. : 079-26465179

Fax No : 079-26465179

E-mail : ahmedabad@linkintime.co.in

Share Transfer System

Company is having connectivity with the depository viz. NSDL. A Committee of Directors - Share Transfer and Shareholders / Investors Grievance Committee, was constituted to approve the transfer and transmission of shares, issue of duplicate share certificates and allied matters. In addition to the above, to expedite that share transfer process Mr. Jignesh Shah, Compliance Officer of the Company and the Registrars and the /share Transfer Agent M/s. Link Intime India Private Limited have been authorised to approve transfers and transmissions, which are given effect to atleast every fortnight. The Company's Registrars, M/s. Link Intime India Private Limited have adequate infrastructure to the shareholders and process to share transfer.

Distribution of Shareholding as on March 31, 2012:

Shareholding Range	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Up to 500	3551	87.5709	1198000	23.7204
501 to 1000	209	5.1541	177100	3.5066
1001 to 2000	129	3.1813	202800	4.0154
2001 to 3000	35	0.8631	89700	1.7761
3001 to 4000	33	0.8138	116400	2.3047
4001 to 5000	22	0.5425	106200	2.1028
5001 to 10000	35	0.8631	276000	5.4648
10001 & above	41	1.0111	2884300	57.1092
Total	4055	100.0000	50,50,500	100.0000

Shareholding Pattern of the Company

	No. of Shares	Percentage (%)
Indian Promoters	9,40,500	18.62
Private Corporate Bodies	4,92,900	9.76
NRI	64,300	1.27
Clearing Members	500	0.01
Independent Director	90000	1.78
India Public	3462300	68.56
Total	5050500	100.00

Dematerialization Information

The company has entered into agreement with both National Securities Depository Ltd. (NSDL) whereby shareholders have an option to dematerialize their shares with the depositories. The ISIN granted to the equity shares of the company is INE337F01017. As March 31, 2012 a total of 13,90,600 equity shares of the company, constituting 27.53% of the paid-up share capital, stand dematerialised.

Plant Location: None

Address for correspondence:

Shareholders can do the correspondence at:

"B/401, 4th Floor, Wall Street-II, Opp. Orient Club,
Nr. Gujarat College Railway Crossing,
Ellisbridge, Ahmedabad - 380006"

Phone No. : +91-79-65219225

Email Id : bluchipstockspin@gmail.com

Place: Ahmedabad

Date: 17.08.2012

For and on behalf of the Board

Jignesh H Shah

**Jignesh Shah
Managing Director**