

BULECHIP STOCKSPIN LIMITED

=====

CORPORATE GOVERNANCE

=====

REPORT ON CORPORATE GOVERNANCE [For the year ended 31.03.2013]

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. Maulik A. Shah | - | Director (Non-Executive, Independent) |

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

During the year the Company has held 7 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:

30th April, 2012, 14th May, 2012, 31st July, 2012, 11th August, 2012, 17th August, 2012, 31st October, 2012, and 28th January, 2013.

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 2013	Other Mandatory Committee** membership as at 31 st March 2013	
					Chairman	Member
Mr. Jignesh H. Shah	Chairman, Promoter, Executive	7	Yes	NIL	NIL	NIL
Mr. Yogesh K. Shah	Non Executive, Independent	1	Yes	1	NIL	NIL
Mr. Ashit H. Vora	Executive, Promoter	7	Yes	NIL	NIL	NIL
Mr. Jitendra N. Shah	Non Executive, Independent	7	Yes	NIL	NIL	NIL
Mr. Biren L. Dave	Non Executive, Independent	3	Yes	NIL	NIL	NIL
Mr. Maulik A. Shah	Non Executive, Independent	4	N.A	1	1	1

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

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 two Non-Executive & Independent Directors and one executive Director. 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				
		30.04.2012	11.08.2012	17.08.2012	31.10.2012	28.01.2013
Mr. Biren Dave*#	Chairman	Yes	N.A.	N.A.	N.A.	N.A.
Mr. Jitendra N. Shah#	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Maulik A. Shah*	Member	N.A.	Yes	Yes	Yes	Yes
Mr. Ashit H. Vora*	Member	N.A.	Yes	Yes	Yes	Yes

* Due to resignation of Mr. Biren Dave from the Directorship of the Company w.e.f. 03.08.2012 and Mr. Yogesh Shah from the Directorship of the Company w.e.f. 14.05.2012., Audit Committee was reconstituted and Mr. Maulik Shah and Mr. Ashit Vora were appointed as Members of the Committee.

#Due to resignation of Mr. Biren Dave from the Directorship of the w.e.f 03.08.2012, Audit Committee was reconstituted and Mr. Jitendra Shah was appointed as Chairman of the Committee.

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. Jitendra N. Shah
- (2) Mr. Maulik Shah
- (3) Mr. Ashit Vora

Due to change in the Board of Directors during the year, Remuneration committee was reconstituted.

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. Also no Sitting fee was paid during the year.

Executive Directors

The salary paid for the year ended 31st March, 2013 to Executive Directors are as under.

Name of the executive Director	Salary
Mr. Jignesh Shah	Rs. 12,00,000
Mr. Ashit Vora	Rs. 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. SHARE TRANSFER AND SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Share Transfer and Shareholders' / Investors' Grievance Committee consists of following Directors:

- (1) Mr. Maulik A. Shah
- (2) Mr. Jitendra N. Shah

Due to change in the Board of Directors during the year, Shareholders committee was reconstituted.

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

The meetings were held on 31st May, 2012, 31st July, 2012, 15th September, 2012, 31st October, 2012, 31st January, 2013, and 30th March, 2013.

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 and / or shareholders were resolved satisfactory. No requests for share transfers are pending except those that are disputed or sub-judice.

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

6. GENERAL BODY MEETING

Date	Type	Time	Venue	Special resolution Passed Yes / Not
29/09/2012	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
30/09/2011	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

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 not passed any resolution through Postal Ballot.

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 2012-13 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 2012 to 31st March 2013.

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, 2013:

Name of the Non-executive Director	Shares Held
Mr. Maulik A. Shah	NIL
Mr. Jitendra N. Shah	NIL

8. GENERAL SHAREHOLDERS INFORMATION

Financial year	:	1 st April 2012 to 31 st March 2013
Date & Time of Annual General Meeting	:	30th September 2013 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	:	21st September 2013 to 30th September 2013 (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, 2013	Last week of July 2013
Publication of Quarterly Results ending 30 th Sep. 2013	Last week of Oct. 2013
Publication of Quarterly Results ending 31 st Dec. 2013	Last week of Jan. 2014
Publication of Quarterly Results ending 31 st March 2014	Last week of April 2014

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
April-12	5.10	4.40
May-12	8.86	4.39
Jun-12	8.69	8.69
Jul-12	12.65	8.86
Aug-12	13.34	10.84
Sep-12	12.22	11.61
Oct-12	11.59	9.12
Nov-12	9.54	6.72
Dec-12	10.14	8.28
Jan-13	13.15	10.49
Feb-13	13.05	10.46
Mar-13	11.47	10.46

Registrar and Share Transfer Agent

M/s Link Intime India Private Limited
 303, Shopper's Plaza, Opp. Municipal Market,
 Off C. G. Road, Navrangpura, Ahmedabad - 390009
 Contact Person : Mr. Hitesh Patel
 TeleFax 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, 2013:

Category	No of Shareholders	Percentage %	No. of Shares	Percentage %
Up to 500	3526	87.4721	1186500	23.4927
501 to 1000	207	5.1352	175700	3.4789
1001 to 2000	127	3.1506	199300	3.9461
2001 to 3000	38	0.9427	96900	1.9186
3001 to 4000	31	0.7690	108600	2.1503
4001 to 5000	25	0.6202	120100	2.3780
5001 to 10000	36	0.8931	282000	5.5836
10001 & above	41	1.0171	2881400	57.0518
Total	4031	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	4,90,600	9.71
NRI	64,300	1.27
Clearing Members	100	0.00
India Public	35,55,000	70.40
Total	50,50,500	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, 2013 a total of 14,49,100 equity shares of the company, constituting 28.69% 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"

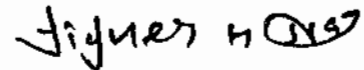
Phone No. : +91-79-65219225

Email Id : bluchipstockspin@gmail.com

Place: Ahmedabad

Date: 30.05.2013

For and on behalf of the Board



Jignesh Shah
Managing Director