

**BULECHIP STOCKSPIN LIMITED**

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**CORPORATE GOVERNANCE**

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**REPORT ON CORPORATE GOVERNANCE [For the year ended 31.03.2014]**

**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 6 Board Meetings as against the minimum requirement of 4 meeting. The meetings were held on:

30<sup>th</sup> May, 2013, 12<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013, 27<sup>th</sup> January, 2014, 5<sup>th</sup> February, 2014, 31<sup>st</sup> March, 2014

**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 <sup>st</sup> March 2014	Other Mandatory Committee** membership as at 31 <sup>st</sup> March 2014	
					Chairman	Member
Mr. Jignesh H. Shah	Chairman, Promoter, Executive	6	Yes	NIL	NIL	NIL
Mr. Ashit H. Vora	Executive, Promoter	6	Yes	NIL	NIL	NIL
Mr. Maulik Atulbhai Shah	Non Executive, Independent	6	N.A	1	1	1
Mr. Jitendra N. Shah	Non Executive, Independent	6	Yes	NIL	NIL	NIL

\*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.

**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			
		30.05.2013	12.08.2013	14.11.2013	05.02.2014
Mr. Jitendra N. Shah	Chairman	Yes	Yes	Yes	Yes
Mr. Maulik A. Shah	Member	Yes	Yes	Yes	Yes
Mr. Ashit H. Vora	Member	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. 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 31<sup>st</sup> March, 2014 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

During the year under review, Shareholders committee met Six times where both the members were present. The meetings were held on 30<sup>th</sup> May, 2013, 31<sup>st</sup> July, 2013, 31<sup>st</sup> August, 2013, 31<sup>st</sup> October, 2013, 31<sup>st</sup> January, 2014, and 31<sup>st</sup> March, 2014.

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
30/09/2013	AGM	11:30 A.M.	B/401, 4 <sup>th</sup> Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006
29/09/2012	AGM	11:30 A.M.	B/401, 4 <sup>th</sup> Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006
30/09/2011	AGM	11:30 A.M.	B/401, 4 <sup>th</sup> Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006

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 Ballot:** During the year under review, company has not passed any resolution through Postal Ballot.

## 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 2013-14 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 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.

**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 31<sup>st</sup> March, 2014:**

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

**8. GENERAL SHAREHOLDERS INFORMATION**

Financial year	: 1 <sup>st</sup> April 2013 to 31 <sup>st</sup> March 2014
Date & Time of Annual General Meeting	: 29 <sup>th</sup> September 2014 at 11.30 a.m.
Venue	: B/401, 4 <sup>th</sup> Floor, Wall Street-II, Opp. Orient Club, Nr. Gujarat College Railway Crossing, Ellisbridge, Ahmedabad - 380006
Book closure date	: 27 <sup>th</sup> September 2014 to 29 <sup>th</sup> September 2014 (both days inclusive) for Annual General Meeting.
Dividend payment date	: N.A.
Registered office	: B/401, 4 <sup>th</sup> 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 <sup>th</sup> June, 2014	Last week of July 2014
Publication of Quarterly Results ending 30 <sup>th</sup> Sep. 2014	Last week of Oct. 2014
Publication of Quarterly Results ending 31 <sup>st</sup> Dec. 2014	Last week of Jan. 2015
Publication of Quarterly Results ending 31 <sup>st</sup> March 2015	Last week of April 2015

**Means of Communication**

The means of communication between the Shareholders and Company are transparent and investor friendly.

**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-13	10.98	10.98
May-13	----	----
Jun-13	----	----
Jul-13	----	----
Aug-13	----	----
Sep-13	----	----
Oct-13	----	----
Nov-13	----	----
Dec-13	----	----
Jan-14	12.61	10.88
Feb-14	15.00	11.99
Mar-14	13.55	12.24

**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, 2014:**

Category	No of Shareholders	Percentage %	No. of Shares	Percentage %
Up to 500	3433	87.1984	1136500	22.5027
501 to 1000	210	5.334	178400	3.5323
1001 to 2000	127	3.2258	199200	3.9442
2001 to 3000	33	0.8382	85100	1.6850
3001 to 4000	29	0.7366	101700	2.0137
4001 to 5000	24	0.6096	115700	2.2909
5001 to 10000	37	0.9398	289100	5.7242
10001 & above	44	1.1176	2944800	58.3071
<b>Total</b>	<b>3937</b>	<b>100.0000</b>	<b>50,50,500</b>	<b>100.0000</b>

**Shareholding Pattern of the Company as on March 31, 2014:**

	No. of Shares	Percentage (%)
Indian Promoters	9,40,500	18.62
Private Corporate Bodies	4,40,700	8.73
NRI	64,300	1.27
Clearing Members	100	0.00
India Public	36,04,900	71.38
<b>Total</b>	<b>50,50,500</b>	<b>100.00</b>

**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, 2014 a total of 15,31,800 equity shares of the company, constituting 30.33% of the paid-up share capital, stand dematerialised.

**Plant Location:** None

**Address for correspondence:**

Shareholders can do the correspondence at:

"B/401, 4<sup>th</sup> 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](mailto:bluchipstockspin@gmail.com)

**Place:** Ahmedabad

**Date:** 30.05.2014

**For and on behalf of the Board**

**Jignesh Shah**  
Managing Director