BLUE CHIP INDIA LIMITED

27th

Annual Report

2011 - 2012

Twenty-Seventh Annual Report, 2012

BOARD OF DIRECTORS

SHRI ARIHANT JAIN
Managing Director
SHRI SANTOSH KUMAR JAIN
SHRI AMIYA KUMAR BASU
SHRI SUBHABRATA TALUKDAR

AUDITORS

AGRAWAL S. KUMAR & ASSOCIATES
Chartered Accountants

COMPANY SECRETARY

MISS RAKA BENERJEE

BANKERS

CANARA BANK
CITI BANK
HDFC BANK
ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

10, PRINCEP STREET, 2ND FLOOR
KOLKATA - 700 072
Phone : 4002-2880
E-mail : info@bluechipind.net
Website : www.bluechipind.net

REGISTRARS & SHARE TRANSFER AGENTS

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, KOLKATA-700 001
Phone : (033) 2243-5029 / 5809
Fax : (033) 2248-4787

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the company will be held on Tuesday, 25th day of September, 2012 at 11.00 a.m. at the "Somani Conference Hall", Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 to transact the business as mentioned in the notice being sent to the members individually.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Shri Subhabrata Talukdar who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint M/s Agarwal S.Kumar & Associates, Chartered Accountants, the retiring Auditors of the Company, as Auditors who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Registered Office :
10, Princep Street,
2nd Floor,
Kolkata - 700 072
Dated : 28th May, 2012

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

Raka Banerjee
Company Secretary

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may 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, 2nd Floor, Kolkata - 700 072, not less than forty-eight hours before the commencement of the Annual General Meeting.

2. Members/proxies should bring duly filled Attendance Slips along with copy of the Annual Report & Accounts to the Annual General Meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 18th day of September, 2012 to Tuesday, 25th day of September, 2012 (both days inclusive).

4. The Register of Directors Shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Anuual General Meeting.

5. 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, 2nd Floor, Kolkata - 700 001.

6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

7. Additional information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed / re-appointed, members are requested to kindly refer Para 2 of the Report on Corporate Governance forming part of this Annual Report.

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Twenty- Seventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL HIGHLIGHTS

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

	Year ended 31.03.2012 (in Rs.)	Year ended 31.03.2011 (in Rs.)
Profit/(Loss) Before Tax and Exceptional Items	(443,373.94)	(27,535,554.57)
Less : Exceptional Items	—	—
Less : Provision for Tax - Current	—	—
Deferred	7,269,082.00	7,989,335.00
Profit/(Loss) After Tax	7,712,455.94	(19,546,219.57)
Less : Previous year Adjustment	—	4,445.00
Profit/(Loss) for the year	**7,712,455.94**	**(19,550,664.57)**

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 seen a quantum leap but not up to the expectation due 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 Subhabrata Talukdar, retires by rotation and being eligible offers himself for re-appointment. The Board recommends his re-appointment for consideration of the shareholders.

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 31st March, 2012, 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 31st March, 2012 on a going concern basis.

7. AUDITORS' REPORT

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

8. AUDITORS

M/s. Agarwal S.Kumar & Associates, Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and have consented to continue in office, if appointed. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

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 this report.

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

ARIHANT JAIN
Managing Director

SANTOSH KUMAR JAIN
Director

Registered Office :
10, Princep Street,
2nd Floor,
Kolkata - 700 072
Dated : 28th May, 2012

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 2011-2012, 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 organisation 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 31st March, 2012 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	5	—	—
2	Shri Santosh Kumar Jain	Non-Executive	5	3	5
3	Shri Amiya Kumar Basu	Non-Executive & Independent	Nil	Nil	Nil
4	Shri Subhabrata Talukdar	Non-Executive & Independent	Nil	Nil	Nil

(+) 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 26th September, 2011
	Held	Attended	
Shri Arihant Jain - Managing Director	8	8	Yes
Shri Santosh Kumar Jain	8	8	Yes
Shri Amiya Kumar Basu	8	8	Yes
Shri Subhabrata Talukdar	8	8	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 Subhabrata Talukdar** (Re-Appointment)
Date of Birth	18.03.1971
Date of Appointment	20.02.2005
Qualification	Company Secretary
Expertise in specific functional area	Shri S. Talukdar is having wide experience in Corporate Law and other related matter.
Directorship of other Companies (*)	Nil
Chairman/Membership in the Committees	Nil
Shareholding in Equity Shares of the Company and % of holding	Nil

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

(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 2011-12, Board met 8 (Eight) times on 26/04/2011, 30/05/2011, 11/08/2011, 05/09/2011, 11/11/2011, 21/11/2011, 14/02/2012 and 14/03/2012. 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 Santosh Kumar Jain	Member	Non-Executive
Shri Amiya Kumar Basu	Member	Independent & Non-Executive

All the Members of the Audit Committee are financially literate and Shri Subhabrata Talukdar, Chairman possesses financial /accounting expertise.

(iii) Meetings held and attendance during the year :

During the financial year 2011-2012, the Audit Committee met 5 (Five) times on 25.04.2011, 28.05.2011, 10.08.2011, 10.11.2011 and 13.02.2012.

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

Para 4. REMUNERATION COMMITTEE

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

No remuneration/sitting fees has been paid to any Director during the year.

In view of this, no Remuneration Committee has been constituted.

Para 5. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Brief description of the terms of reference :

The Share Transfer and Investors' Grievance Committee administers the following :

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. Dematerialisation/Rematerialisation 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 Santosh Kumar Jain	Member	Non-Executive
Shri Subhabrata Talukdar	Member	Independent & Non-Executive

During the financial year 2011-12, no Share Transfer and Investors Grievance Committee meeting was held.

(ii) Name and designation of compliance officer :

As per the requirements of the Listing Agreement, Ms. Raka Banerjee, acts as the Compliance Officer.

(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2011-12 :

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 31st March 2012, 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
2010-11	26.09.2011	"Somani Conference Hall" Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	11.00 a.m.
2009-10	21.09.2010	"Somani Conference Hall" Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	11.00 a.m.
2008-09	15.09.2009	"Somani Conference Hall" Merchants Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700 001	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 2011-12 through the Postal ballot :

No special resolution was passed through postal ballot during the financial year 2011-12.

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

For the financial year 2012-13, 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 2011-12, 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.

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 2011-12. 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	25th September, 2012 at 11.00 a.m.
Venue	"Somani Conference Hall" Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001

(ii) Financial year :

Financial Year is 1st April, 2012 to 31st March, 2013 and the quarterly results will be declared as per the following schedule :

Tentative schedule	
Financial Results for the quarter ending June 30, 2012	End of July 2012
Financial Results for the quarter ending September 30, 2012	End of October 2012
Financial Results for the quarter ending December 31, 2012	End of January 2013
Financial Results for the year ending March 31, 2013	End of May 2013
AGM for the year ending March 31, 2013	Mid of September 2013

(iii) Date of Book closure :

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, 18th day of September, 2012 to Tuesday, 25th day of September, 2012 (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 31st March, 2012.

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

Listing fees upto the financial year 2012-13 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 :

Months (2011-12)	National Stock Exchange (In Rs.)		Bombay Stock Exchange (In Rs.)	
	High	Low	High	Low
April	1.65	1.40	1.61	1.37
May	1.55	1.10	1.65	1.10
June	1.40	1.00	1.50	1.04
July	1.20	1.00	1.30	1.03
August	1.15	0.95	1.17	0.91
September	1.10	0.85	1.12	0.85
October	1.00	0.80	0.98	0.77
November	1.05	0.85	1.17	0.85
December	1.10	0.85	1.12	0.81
January	1.10	0.85	1.06	0.85
February	1.20	0.80	1.20	0.87
March	1.20	0.75	1.10	0.70

(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, 2nd Floor,
Kolkata - 700 001
Tel. No. : (033) 2243-5029 / 5809
Fax No. : (033) 2248-4787

(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 31st March, 2012, pursuant to Clause 35 of the Listing Agreement is as under :

A. Shareholding Pattern of Equity Shares as on 31st March, 2012 :-

	Categories	No. of Shares held	% of Shareholding
A	**PROMOTERS' HOLDING**		
1.	**Promoters :**		
	a) Indian Promoters	6378169	11.53
	b) Foreign Promoters	0	0.00
2.	**Persons Acting in concert**	0	0.00
	Sub-total	6378169	11.53
B	**NON PROMOTERS' HOLDING**		
3.	**Institutional Investors :**		
	a) Mutual Funds and UTI	0	0.00
	b) Banks, FIs, Insurance Companies	0	0.00
	c) Foreign Institutional Investors	0	0.00
	Sub-total	0	0.00
4.	**Others**		
	a) Private Corporate Bodies	14238049	25.74
	b) Indian Public	34526517	62.43
	c) NRIs / OCBs	116517	0.21
	d) Any Other	44491	0.08
	Sub-total	48881680	88.46
	GRAND TOTAL	**55304340**	**100.00**

B. Distribution of Equity Shareholding as on 31st March, 2012 :

	No. of Shareholders holding shares in			No. of Shares held			% age of Equity Capital held in		
No. of Equity Shares held	Physical	NSDL	CDSL	Physical	NSDL	CDSL	Physical	NSDL	CDSL
1 To 500	58	4166	2372	9695	1107432	607536	.0175	2.0024	1.0985
501 To 1000	10	2583	1313	7075	2463647	1252916	.0128	4.4547	2.2655
1001 To 2000	3	1463	692	6000	2603855	1207873	.0108	4.7085	2.1840
2001 To 3000	10	597	249	22800	1627810	679600	.0412	2.9434	1.2288
3001 To 4000	0	310	129	0	1175517	484637	.0000	2.1255	.8763
4001 To 5000	2	519	226	10000	2559453	1116392	.0181	4.6279	2.0186
5001 To 10000	8	555	177	55500	4508000	1376980	.1004	8.1513	8.1513
10001 To above	7	413	143	196825	21872685	10352112	.3559	39.5497	18.7184
Total :	**98**	**10606**	**5301**	**307895**	**37918399**	**17078046**	**.5567**	**68.5634**	**30.8799**

(xii) Dematerialisation of shares and liquidity :

As on 31st March, 2012, 99.44% of the total equity capital was held in dematerialised 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, 2012, 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,
   2nd Floor,
   Kolkata - 700 072.
   Tel No. : 033 4002-2880
   E-mail : info@bluechipind.net

2. Registrar & Transfer Agent
   Maheshwari Datamatics Private Limited
   6, Mangoe Lane,
   2nd Floor,
   Kolkata - 700 001.
   Tel No. : (033) 2243-5029 / 5809
   Fax No. : (033) 2248-4787

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

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 2011-12. 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, 2nd 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 2011-12.

Place : Kolkata

Dated : 28th May, 2012

Sd/-
Arihant Jain
Managing Director

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 31st March, 2012, 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 **Agrawal S. Kumar & Associates**
Chartered Accountants
Mukesh Jhawar
Partner
Membership No. 61308

Place : Kolkata

Dated : 28th May, 2012

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year, ending 31st March, 2012, 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 our 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 31st March, 2012 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 we 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.

Arihant Jain
Managing Director

Manoj Saraogi
Chief Financial Officer

Place : Kolkata

Dated : 28th May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Overview :

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 6.7% in 2012-13, marginally better than the 6.5% pace at which India grew in 2011-12.

Industry Structure and Development - Overview :

NBFC's play a vital role in the context of Indian economy. Private financing plays a predominant role 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 then NBFC'. 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 company's 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 Nationalized, Foreign and Private Sector Banks as they provide loans at a very low rate of interest.

Risk Management :

The nature of your company business exposes it to a wide variety of risks and if not managed properly it can affect the workings of the company.

Economy risk is there because any slow down or recession in the economy has direct impact on the turnover and performance.

To manage Interest Rate Risk of the Company is very well within the overall unit of Debt Equity Ratio and cost of borrowing is also very low. Company is also not using short term borrowings to fund long term assets.

To manage default risk, most of the customers are repeat customers or referred by existing customers with a good track record who stands as a guarantor mitigating the default risk.

Given the sensitive nature of the sector, funding is closely linked to the overall image of the sector as well as the regulatory environment. Any change in these factors could affect the overall liquidity risk for the Company. 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.

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. 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.

Again, the need for micro credit by a significant part of the society continues to remain underserved by the banks. The scope for Micro Finance companies to supplement the banking channel remains high.

However this segment also remains a sensitive segment given the profile of the clients, typically from the low-income groups. Hence it is of utmost importance that the NBFC sector deals with clients in a very fair and transparent manner. The recent RBI Regulations in this regard would go a long way in ensuring fair play by NBFCs.

Internal Control Systems and their adequacy :

The Processes and internal control system plays a critical role in the health of the Company. The Company has well defined documented policy guidelines and has an adequate internal control system commensurate with its size and nature of business and suitable internal control procedures that ensures efficiency of operations and safe guards of its assets.

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 primary asset and key to the success and growth. Looking after people makes good business sense because, if people are motivated, service excellence will follow. The relation remains cordial throughout the year between employees and the management. Here people work in synergy to contribute towards the achievement of the business objectives. The importance of providing training and development opportunities to our employees is recognized by our company to enhance their skills and experience, which in turn enables the Company to achieve its business objectives.

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.

AUDITORS' REPORT

TO THE MEMBERS OF BLUE CHIP INDIA LIMITED

1. We have audited the attached Balance Sheet of **M/s. BLUE CHIP INDIA LIMITED** as at 31st March, 2012 and also the Statement of Profit & Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require us to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on test check basis, evidence supporting the amounts and disclosures of the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Further to our comments in the Annexure referred to in paragraph (1) above :

   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, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account as submitted to us.

   d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis of written representation received from the directors of the company as at 31st March, 2012 and taken on records by the Board of Directors, we report that no director is disqualified from being appointed as Director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of account read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

      i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and

      ii. In the case of the Statement of Profit & Loss, of the profit for the year ended on the date.

      iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Agrawal S. Kumar & Associates**
Chartered Accountants
Firm Regn No. 322324E
M. K. Jhawar
Partner
Membership No. 061308

Place : Kolkata

Dated : The 28th day of May, 2012

Annexure to the Auditor's Report referred to in paragraph 3 of our report of even date

As required by the Companies (Auditors' Report) Order, 2003, (as amended) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as were considered appropriate and according to the information and explanations given to us, we report that :

1. (a) The company is maintaining proper records to show full particulars including quantitative details and situation of fixed Assets.

   (b) The fixed Assets of the company are physically verified by the management at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets, a physical verification was carried out during the year and this revealed no material discrepancies.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year.

2. The company is dealing in shares and has maintained proper records in respect thereof and has made timely entries therein of the transactions and contracts entered in to during the year. The company is holding the shares in its own name. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.

3. (a) The Company has not given any loan to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

   (b) The Company has not taken any loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to explanation given to us, there is adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit no major weakness has been noticed in the internal control.

5. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

6. Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any public deposits so far up to 31st March, 2012.

7. In our opinion and according to the information and explanations given to us, the company has an adequate Internal Audit System commensurate with the size and 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 our opinion, no comment is required on maintenance of cost record.

9. According to the record of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Wealth Tax, Sales Tax, Service Tax, Cess and other statutory dues applicable to the Company.

10. The Company has not incurred cash losses during the financial year covered by our audit. Hence no comment is required.

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 bank.

12. According to the records, the Company has not granted any loans on the basis of security or pledge of shares, debentures or other securities.

13. As the Company is neither a Chit fund or a nidhi mutual benefit society. Hence the requirement under Para 4(xiii) is not applicable.

14. According to informations and explanations provided by the management, the Company deals in share and securities and proper records have been maintained by the company for the transactions and contracts and the investments made are held in the name of the company itself.

15. According to the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to the records of the Company, the Company has not obtained any term loans.

17. We have been informed by the management that the fund raised on short term basis have not been used for long-term investment.

18. According to the records of the Company, 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.

19. According to the records of the Company, the Company has not issued any debentures.

20. The Company has not raised any public issues during the period covered by our audit report.

21. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we report that no frauds on or by the Company has been noticed or reported during the course of our audit.

For **Agrawal S. Kumar & Associates**
Chartered Accountants
Firm Regn No. 322324E
M. K. Jhawar
Partner
Membership No. 061308

Place : Kolkata

Dated : The 28th day of May, 2012

STATEMENT

OF

ACCOUNTS

BALANCE SHEET as at 31st March, 2012

(In ₹)

Particulars	Notes No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	110,608,680.00	110,608,680.00
(b) Reserves and Surplus	2	(99,726,732.37)	(107,439,188.31)
(2) Non-Current Liabilities			
(a) Long Term Borrowings	3	12,505,126.68	21,878,753.21
(b) Other Non Current Liabilities	4	2,642,029.00	2,233,703.56
(3) Current Liabilities			
(a) Trade Payables	5	17,211,736.40	78,768,857.40
(b) Other Current Liabilities	6	55,428,685.00	—
(c) Short-Term Provisions	7	3,585,614.00	3,585,614.00
	Total	**102,255,138.71**	**109,636,419.86**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8	4,925,599.75	5,479,962.75
(b) Deferred tax assets (net)		15,629,893.00	8,360,811.00
(c) long term Loans & Advances	9	13,419,009.23	15,087,832.23
(2) Current Assets			
(a) Inventories	10	47,621,430.04	73,068,569.48
(b) Trade receivables	11	14,178,678.97	2,085,637.73
(c) Cash and cash equivalents	12	1,714,758.24	787,837.19
(d) Short-term loans and advances	13	—	—
(e) Other current assets	14	4,765,769.48	4,765,769.48
	Total	**102,255,138.71**	**109,636,419.86**

Significant Accounting Policies
Nots to Accounts 30

As per our Report of even date
For **Agrawal S. Kumar & Associates**
Chartered Accountants
M. K. Jhawar
Partner
Membership No. 61308

Place : Kolkata
Dated : The 28th day of May, 2012

Arihant Jain
Managing Director
Santosh Kumar Jain
Director
Raka Banerjee
Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2012

(In ₹)

Sr. No.	Particulars	Notes No.	As at 31.03.2012	As at 31.03.2011
I.	Revenue from operations	15	605,389,825.38	1,481,682,289.81
II.	Other Income	16	3,282,938.28	1,598,903.46
III.	**Total Revenue**		**608,672,763.66**	**1,483,281,193.27**
IV.	**Expenses**			
	Cost of shares purchased	17	575,804,669.00	1,478,756,661.08
	Changes in inventories of Shares	18	25,447,139.44	19,853,148.06
	Employee Benefit Expense	19	459,836.00	298,758.00
	Depreciation & Amortised Cost	20	566,713.00	565,285.00
	Other Expenses	21	5,951,032.28	11,342,895.70
	Total Expenses		**608,229,389.72**	**1,510,816,747.84**
V.	Profit before tax and exceptional items	(III - IV)	443,373.94	(27,535,554.57)
VI.	Exceptional Items		—	—
VII.	**Profit before tax**	(V - VI)	**443,373.94**	**(27,535,554.57)**
VIII.	**Tax expense :**			
	(1) current Tax		—	—
	(2) Deferred tax		7,269,082.00	7,989,335.00
IX.	**Profit(Loss) after tax**	(VII - VIII)	**7,712,455.94**	**(19,546,219.57)**
	Less: Previous Year Adjustment		—	4,445.00
X.	**Profit/(Loss) for the year**	(VIII - IX)	**7,712,455.94**	**(19,550,664.57)**
XI.	Earning per equity share:			
	(1) Basic & Diluted (in Rs.)		0.14	(0.35)
	Significant Accounting Policies			
	Nots to Accounts	30		

As per our Report of even date
For **Agrawal S. Kumar & Associates**
Chartered Accountants

M. K. Jhawar
Partner
Membership No. 61308

Arihant Jain
Managing Director

Santosh Kumar Jain
Director

Place : Kolkata

Dated : The 28th day of May, 2012

CASH FLOW STATEMENT

DESCRIPTION		Year ended 31st March, 2012 (Rs.)	Year ended 31st March, 2011 (Rs.)
A. Cash Flow from Operating Activities			
Net Profit, Before Tax & Extraordinary Items		443,373.94	(29,138,903.03)
Depreciation		566,713.00	565,285.00
Operating Profit before Working Capital Changes		**1,010,086.94**	**(28,573,618.03)**
Changes in Working Capital			
Inventories		25,447,139.44	19,853,148.06
Trade Receivables		(12,093,041.24)	31,255,609.25
Short Term Loan and Advances		-	-
Long Term Loan and Advances		1,668,823.00	(405,346.00)
Other Current Assets (Deferred Tax Liabilities)		-	(3,337,441.00)
Trade payable		(61,557,121.00)	7,671,814.45
Other Current Liabilities		55,428,685.00	-
Other Long Term Liabilities		(9,373,626.53)	(30,715,232.64)
Other Non Current Liabilities		408,325.44	653,836.56
Net Cash from Operating Activities	**(A)**	**939,271.05**	**(3,597,229.35)**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(12,350.00)	-
Dividend Received		-	1,598,903.46
Net Cash Flow from Investing Activities	**(B)**	**(12,350.00)**	**1,598,903.46**
C. Cash Flow from Financing Activities		-	-
		-	-
Net Increase in Cash and Cash Equivalents	**(A+B+C)**	**926,921.05**	**(1,998,325.89)**
Cash and Cash Equivalents (Opening Balance)		**787,837.19**	**2,786,163.08**
Cash and Cash Equivalents (Closing Balance)		**1,714,758.24**	**787,837.19**

As per our Report of even date
For **Agrawal S. Kumar & Associates**
Chartered Accountants

M. K. Jhawar
Partner
Membership No. 61308

Arihant Jain
Managing Director

Santosh Kumar Jain
Director

Place : Kolkata
Dated : The 28th day of May, 2012

Notes on Financial Statement for the year ended 31st March, 2012

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
Notes : 1 Share Capital			
1	**AUTHORIZED CAPITAL**		
	107,500,000 Equity Shares of Rs. 2/- each.	215,000,000.00	215,000,000.00
		215,000,000.00	**215,000,000.00**
2	**ISSUED, SUBSCRIBED & PAID UP CAPITAL**		
	55,304,340 Equity Shares of Rs. 2/- each fully paid up in Cash	110,608,680.00	110,608,680.00
	Total	**110,608,680.00**	**110,608,680.00**

Notes : 1a Shareholdres holding more than 5%

		31-03-2012		31-03-2011	
		No. of Shares	%	No. of Shares	%
1	Bahubali Properties Ltd	3,982,980	7.20%	3,982,980	7.20%
2	Lalita Jain	179,600	0.32%	-	
3	Herald Commerce Ltd	1,885,441	3.41%	-	
4	Silicon Valley Infotech Ltd	330,145	0.60%	-	
	Total	**6,378,166**		**3,982,980**	

(In ₹)

		31.03.2012	31.03.2011
Notes : 2 Reserve & Surplus			
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 /(defecit) in statement of Profit & Loss		
	Balance as per last account	(151,639,017.76)	(132,088,353.19)
	Add : Net Profit/(loss) for the period	7,712,455.94	(19,550,664.57)
	Total	**(99,726,732.37)**	**(107,439,188.31)**

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
	Notes : 3 Long Term Borrowings		
	Secured Loans	12,505,126.68	21,878,753.21
	Total	**12,505,126.68**	**21,878,753.21**
	Notes : 4 Other Long Term Liabilities		
	Income Tax Payable	56,853.00	56,853.00
	Outstanding Liabilities	361,611.00	153,520.56
	Fringe Benefit Tax Payable	7,110.00	7,110.00
	TDS Payable - IIFL	601,149.00	601,149.00
	TDS Payable - Motilal	1,615,306.00	1,415,071.00
	Total	**2,642,029.00**	**2,233,703.56**
	Notes : 5 Trades Payable		
	Trade Payables	17,211,736.40	78,768,857.40
	Total	**17,211,736.40**	**78,768,857.40**
	Notes : 6 Other Current Liabilities		
	Advance Received	55,428,685.00	-
	Total	**55,428,685.00**	**-**
	Notes : 7 Short Term Provisions		
	Provision for Taxation	3,585,614.00	3,585,614.00
	Total	**3,585,614.00**	**3,585,614.00**

Notes : 8

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				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 31.03.2012	WDV as on 31.03.2011
Tangible Assets										
Land	10,00,000.00	—	—	10,00,000.00	—	—	—	—	10,00,000.00	10,00,000.00
Computer	4,76,217.00	12,350.00	—	4,88,567.00	282,320.00	—	78,623.00	3,60,943.00	1,27,624.00	1,93,897.00
Electrical Install	2,52,163.00	—	—	2,52,163.00	38,920.00	—	11,978.00	50,898.00	2,01,265.00	2,13,243.00
Office Equipment	15,69,895.00	—	—	15,69,895.00	2,90,601.00	—	74,570.00	3,65,171.00	12,04,724.00	12,79,294.00
Vehicles	27,35,979.00	—	—	27,35,979.00	12,81,855.00	—	2,59,918.00	15,41,773.00	11,94,206.00	14,54,124.00
Furniture & Fixture	22,37,350.00	—	—	22,37,350.00	8,97,945.25	—	1,41,624.00	10,39,569.25	11,97,780.75	13,39,404.75
TOTAL	**82,71,604.00**	**12,350.00**	—	**82,83,954.00**	**27,91,641.25**	—	**5,66,713.00**	**33,58,354.25**	**49,25,599.75**	**54,79,962.75**

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
	Notes : 9 Long term loans and Advances		
	Others	13,419,009.23	15,087,832.23
	Total	**13,419,009.23**	**15,087,832.23**

Notes : 10 Inventories

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
QUOTED SHARES				
31 Infotech Ltd.	5000	77,500.00	-	-
ABG Shipyard Ltd	35	13,338.50	35	12,731.25
Adani Ports & Special Eco. Zone Ltd.	300	35,181.00	-	-
Advance Power Infratech Ltd.	18800	42,864.00	-	-
Aftek Infosys Ltd	5000	49,900.00	5000	61,500.00
Akar Laminator Ltd	400	340.00	400	340.00
Amara Raja Batteries Ltd	918	118,596.42	918	118,598.53
Amtek Auto Ltd	1296	171,396.00	1296	195,242.40
Arcotech Ltd	100	2,445.00	100	2,445.00
Ashiana Agro Industries Ltd	2000	3,740.00	2000	14,020.00
Associated Pigment Ltd	1400	14,000.00	1400	14,000.00
ATN International Ltd	90341	81,306.90	90341	126,477.40
B.L.Kashyap & Sons Ltd.	600	6,174.00	600	13,140.00
Bajaj Hindustan Ltd	24000	745,200.00	12000	820,991.15
Balaji Telefilms Ltd	-	-	2000	65,840.00
Balrampur Chini Mills Ltd	-	-	15000	1,039,800.00
Bartonics India Ltd	22590	797,427.00	2590	156,759.58
Bhan Engg.Pol	29025	698,051.25	29025	928,800.00
Bharat Bijlee Ltd	427	255,815.70	427	404,667.90
Bharti Shipyard Ltd	5000	399,000.00	7500	1,089,750.00
Blow Plast Ltd	3361	355,929.90	3361	355,929.90
BRG Energy Ltd	289	94,430.75	289	104,158.84
BST Ltd	300	600.00	300	600.00
Burnpur Cement Ltd	2064	13,911.36	2064	16,862.88
C&C Construction Ltd	225	19,327.50	225	28,530.00
Can Fin Homes Ltd.	-	-	5000	535,750.00
Cauvery Software Engg Sys Ltd	1200	780.00	1200	780.00
CFL Capital Financial Ltd	200	398.00	200	462.00
Chennai Petrolium Corporation Ltd	1000	154,000.00	1000	215,751.35
Cinemax India Ltd	180	6,120.00	180	7,569.00

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
CMS Infotech Ltd	10000	23,500.00	1000	23,500.00
Compact Disc (I) Ltd	6900	169,740.00	6900	239,430.00
Consolidated Construction Ltd	320	5,024.00	320	16,160.00
D.S.Kulkarni Developers Ltd	20	1,055.00	20	1,027.00
Decaan Chronicle Holdings Ltd	918	31,716.90	918	73,669.50
Dhanush Technologies Ltd	299	654.81	88	1,214.40
Digjam Ltd	66	472.56	66	620.40
Edlweiss cap Ltd	320	8,784.00	120	12,768.00
Elecon Engg Co Ltd	10000	609,100.00	5000	328,850.00
Eskay Kn'nt (India) Ltd.	500	5,000.00	-	-
Essar Securities Ltd	97	3,550.20	97	5,000.35
Everonn Education Ltd	20	5,210.40	50	17,000.00
Fame India Ltd	169	9,220.64	10169	568,955.55
First Source Solution Ltd	272	2,603.04	272	4,896.00
Future Capital Holdings Ltd	16	1,931.20	16	2,227.20
Gallant Metal Ltd	3948	71,458.80	3948	71,656.20
Gati Ltd	20000	630,000.00	15000	851,865.50
Gayatri Projects Ltd	162	20,217.60	162	37,762.20
Gee Gee Granits Ltd	3600	21,780.00	3600	21,780.00
Genus Power Ltd	12310	131,840.10	12310	232,659.00
Godavari Power Ltd.	37	3,233.80	-	-
Godrej Industries Ltd	2753	468,533.07	2853	468,532.24
Gtoffsrore	1500	145,275.00	1000	257,700.00
Gujrat Heavy Chemicals Ltd	251099	8,537,366.00	251099	9,465,268.30
Gujrat NRE Coke Ltd	1101	24,332.10	1101	54,444.45
Gujneredver	110	1,534.50	110	3,256.00
Helious & Matheson Tech Ltd	-	-	25000	838,750.00
Herald Commerce Ltd.	217050	412,395.00	-	-
Himachal Futuristic Comm Ltd	699	8,255.19	79599	857,519.00
Hindalco Industries Ltd	-	-	10000	2,091,500.00
Hinduja Ventures Ltd	13811	4,835,231.10	13811	3,589,478.90
Hindusthan Organic Chemical Ltd	25000	453,750.00	18075	593,763.75
Hotel Leela Ventures Ltd	30000	994,500.00	30000	1,115,885.75
Idea Cellular Ltd	-	-	6767	456,772.50
IDL - Salzbau India Ltd	1700	25,500.00	1700	25,500.00
IL & FS Transportation Networks Ltd	316	61,003.80	316	74,196.80
Impex Ferrotech Ltd	500	3,500.00	500	5,525.00
India Bulls Infrastructure & Power Ltd	30975	0.00	-	-
India Bulls Power Ltd	8400	132,300.00	8400	189,420.00
India Bulls Real Estate Ltd	20500	1,307,900.00	500	62,225.00
India Bulls Securities Ltd	7000	64,400.00	7000	112,000.00

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
India Bulls Whole Sale Service Ltd	62	95.48	-	-
India Cement Capital Fin Ltd	700	2,415.00	700	2,415.00
Indian Hotel Co.Ltd	2302	133,654.12	2,302	180,368.84
Indianivesh Ltd.	577	220,702.50	577	220,702.50
Infotech Enterprises India Ltd.	143	21,364.20	-	-
Infrastructure Development Fin. Co. Ltd.	-	-	143	22,994.40
Inox Leisure Ltd.	200	9,010.00	15,200	677,160.00
Insilco Ltd.	800	11,200.00	800	11,080.00
Intrasoft Technologies Ltd.	209	11,191.95	209	13,877.60
IRB	-	-	459	97,147.35
ISMT Limited	2746	138,123.80	2,746	138,123.80
Jaiprakash Associates Ltd	450	14,220.00	470	39,067.34
Jaypee Infratech Ltd.	3400	171,190.00	3,400	197,710.00
JMG Corporation Lrd	15000	48,300.00	15,000	39,150.00
Kale Consultants Ltd	-	-	73,000	6,876.60
Kalindee Rail Nirman	-	-	15,000	1,539,000.00
Kalyani Sharp Ltd.	2790	-	2,790	87,187.50
Kalyani Steels Ltd.	-	-	5,000	406,500.00
Karur KCP Packaging Ltd.	1436	37,048.80	1,436	50,547.20
Kernex Microsystem Ltd.	84	4,926.60	84	6,594.00
Kesoram Industries Ltd.	-	-	2,294	472,908.10
Khaitan Chemical & Fertilizer Ltd.	80	1,205.60	-	-
Kilburn Chemicals Ltd.	2000	20,000.00	2,000	20,000.00
Kirloskar Electric Co Ltd	1000	28,550.00	1,000	45,750.00
Kolte Patil Developers Ltd	3176	123,546.40	10,176	443,164.80
Lawreshwar Polymers Ltd.	4052	23,501.60	4,052	23,501.60
LCC Infotech Ltd.	71330	126,967.40	71,330	64,197.00
Lokesh Machiners Ltd.	150	5,662.50	150	6,067.50
Mahaan Foods Ltd.	3200	66,272.00	8,200	104,140.00
Mahanagar Telephone Nigam Ltd	22496	615,265.60	14,500	616,878.34
Man Infraconstruction Ltd.	82	14,567.30	82	11,549.70
Maral Overseas Ltd	100	952.00	100	1,455.00
Marson's Ltd.	2500	3,975.00	2,500	3,963.33
Marsons Power & Infra.Devp.Ltd	-	-	18,800	33,464.00
Mega Soft Ltd	3125	78,906.25	3,125	77,031.25
Mercator Lines Ltd.	50000	1,262,500.00	40,000	1,530,000.00
MOIL Ltd.	-	-	2,500	986,375.00
Monica Electronics Ltd.	50	545.00	50	385.00
Moserbaer India Ltd	14767	241,440.45	14,767	606,923.70
Mount Everest Mineral Water Ltd.	10000	100,000.00	10,000	100,000.00
Mundra Port	-	-	300	33,380.01

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
Murudeshwar Ceramics Ltd	5017	87,044.95	5,017	93,567.05
National Fertilizer Ltd.	-	-	14,647	1,505,020.06
Nagarjuna Fertilizer Ltd.	39875	0.00	-	-
Nagarjuna Oil Refinery Ltd.	36250	785,900.00	-	-
Navin Fluorine International Ltd	-	-	2,500	628,375.00
NECTAR Lifescience Ltd.	750	18,037.50	750	17,925.00
NEPC Agro Foods Ltd.	363	417.45	363	417.45
Network 18 Media & Inv.Ltd.(14my13)	39	4,876.95	39	5,224.05
Network 18 Media & Inv.Ltd.(24ag12)	555	20,396.25	262	35,094.90
NHPC Ltd.	2852	56,041.80	2,852	72,298.20
NMDC Ltd.	900	144,990.00	900	238,725.00
Omaxe Ltd.	52	4,721.60	52	4,721.60
P.H.Capital Ltd.	1500	10,875.00	1,500	10,875.00
Pace Textiles Ltd	-	-	2,551	38,859.89
PBA Infrastructure Ltd	5524	198,035.40	524	33,199.07
PCS Industries Ltd.	10000	165,500.00	10,000	209,000.00
Pennar Aqua Exports Ltd.	38500	59,675.00	38,500	59,675.00
Peninsula Land Ltd.	18236	593,581.80	-	-
Piramal Glass Ltd	5	-	5	-
Plethico Phermaceticals Ltd.	100	34,410.00	-	-
Piramal Healthcare Ltd.	-	-	100	33,980.00
Polymech Plast Machines Ltd.	4000	41,000.00	4,000	38,800.00
Pradip Oversea Ltd.	190	13,452.00	190	13,585.00
Pratibha Industries Ltd.	1000	67,350.00	1,000	67,350.00
Pricol Limited	18000	307,800.00	18,000	292,500.00
Prism Cement Ltd.	10000	507,500.00	-	-
Prithvi Information Solutions Ltd	15811	329,659.35	15,811	467,215.05
Prudential Mouli Sugar Ltd.	2800	3,836.00	2,800	3,836.00
Pyramid Saimira Theatre Ltd.	62	327.98	62	327.98
Radico Khaitan Finance Ltd.	11300	80,908.00	11,300	80,795.00
Rajesh Sugar & CHE	9000	341,100.00	8,000	429,200.00
Rastriya Chemicals Ltd.	-	-	25,000	1,987,500.00
Recron Synthetics Ltd.	4900	117,600.00	-	-
Raymond Synthetics Ltd.	-	-	4,900	117,600.00
Reliance Capital Ltd	200	16,810.00	200	116,270.00
Reliance Communications Ltd	14745	1,239,317.25	4,844	521,456.60
Reliance Indus. Infrast. Ltd.	1300	547,976.00	4,300	2,585,590.00
Reliance Industries Ltd.	14	10,475.50	14	14,343.70
Reliance Infrastructure Limited	221	104,787.15	374	255,974.65
Reliance Media World Ltd.	24762	492,268.56	24,762	492,365.13
Reliance Mediaworks Ltd.	500	38,400.00	500	75,425.00
Reliance Power Ltd.	979	114,445.10	979	126,976.30

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
Repro India Ltd.	122	12,376.90	122	11,327.70
Rico Agroils Ltd.	2400	3,960.00	2,400	3,960.00
Rishi Laser Ltd.	3670	91,933.50	3,670	179,096.00
Rolta India Ltd.	325	30,420.00	325	40,331.75
Royal Orchid Hotels Ltd.	80	3,896.00	80	5,204.00
S. & S. Industries Ltd.	166	456.50	166	456.50
S. & S. Power Ltd.	80	644.00	80	644.00
Satyam Computer Ltd.	3000	240,600.00	3,000	197,250.00
Saurashtra Chemical Ltd.	41	656.00	-	-
Sharp India Ltd.	2790	83,700.00	-	-
Shasun Finance Ltd.	200	2,000.00	200	2,000.00
Shiva Cement Ltd.	165000	848,100.00	16,500	1,059,300.00
Shree Krishna Petroyarns Ltd.	-	-	500	5,000.00
Shree Sponge Steel & Forg. Ltd.	1800	18,000.00	1,800	18,000.00
Siemens Ltd	-	-	48	32,429.31
Silicon Valley Infotech Ltd.	141000	32,430.00	141,000	46,530.00
Silverline Technology Ltd.	2300	4,899.00	2,300	7,268.00
SJVN Ltd.	5073	99,938.10	5,073	112,113.30
SM Dyechem Ltd.	29	216.63	29	29.00
Sobha Developers Ltd.	30	8,979.00	30	8,835.00
Source Industries (I) Ltd.	5500	39,050.00	-	-
Spartek Ceramic India Ltd.	369	2,173.41	369	2,583.00
Spentex Industries Ltd	5215	34,940.50	5,215	85,265.25
Srei Infrastructures Ltd.	980	25,431.00	-	-
SRF Limited	-	-	980	43,561.00
Starlite Industries Ltd.	10000	1,111,000.00	-	-
Store One	2000	32,500.00	2,000	29,300.00
Sumeet Synthetics Ltd.	1800	11,142.00	1,800	20,250.00
Sumitra Pharmaceutical & Chem.Ltd.	260	6,630.00	260	6,630.00
Sun Pharma Adv Res. Co.Ltd	1000	74,650.00	1,000	72,000.00
Sunil Hitech Engineering Ltd.	8106	519,594.60	8,106	863,289.00
Supriya Pharmaceutical Ltd.	3700	38,110.00	3,700	74,000.00
Suzlon Energy System Ltd.	10000	253,000.00	-	-
SVC Resourecs Ltd.	2551	38,851.73	-	-
Surya Morphy Richards Ltd.	600	600.00	600	600.00
T. T. Ltd	6500	124,150.00	6,500	130,000.00
Take Solutions Ltd.	180	4,833.00	180	4,833.00
Talbros Automation Tech Ltd	1091	43,203.60	1,091	70,369.50
Tanla Solutions Ltd.	140	957.60	140	2,345.00
Tantia Constructions Ltd	3001	120,040.10	1,501	105,370.20
Tata Communication Ltd.	-	-	6,000	1,433,400.00
Technocraft Industies I Ltd.	363	12,723.15	363	17,666.00

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

Particulars	No. of Share 31.03.2012	Amount 31.03.2012	No. of Share 31.03.2011	Amount 31.03.2011
Terrygold India Ltd.	13600	14,960.00	13,600	14,960.00
The Simbhaoli Sugar Mills Ltd.	13500	392,175.00	13,500	556,875.00
Thermax Ltd	-	-	1,778	933,567.60
Tirumala Textile Proc. Ltd.	5500	44,000.00	5,500	14,025.00
Torrent Power Ltd.	2700	544,725.00	-	-
Transformers & Rectifiers Ltd.	97	15,597.60	97	23,837.75
TV 18 Ltd.	-	-	2,256	174,952.80
United Bank of India	300	21,720.00	300	23,160.00
Universal Media Network Ltd.	43900	10,975.00	43,900	10,975.00
Uniworth International Ltd.	100	80.00	100	80.00
Usha Ispat Ltd.	19400	23,280.00	19,400	151,320.00
Viceroy Hotels Ltd	3000	49,200.00	3,000	98,400.00
Videocon Industries Ltd.	630	108,045.00	630	120,456.00
VIP Industries Ltd	1000	21,000.00	200	21,000.00
Warner Multimedia Ltd.	3	5.10	3	5.10
Welspun Globbal	127	4,013.20	127	5,410.20
Welspun Investment	63	2,047.50	63	4,410.00
Wires & Fabriks Ltd	200	13,474.00	200	13,474.91
XL Telecom & Energy Ltd.	192	1,027.20	192	2,582.40
Zoom Industrial Serv. Ltd.	2000	30,000.00	2,000	30,000.00
	1,895,622	**38,759,569.15**	**1,579,152**	**55,586,708.58**
UNQUOTED SHARES				
JMD Sounds Ltd	240	15,624.00	240	15,624.00
Bankebihari Vincom Pvt. Ltd.	10	5,000.00	3,690	1,845,000.00
Gigantic Banijya Pvt. Ltd.	4370	2,185,000.00	17690	8,845,000.00
	4620	**2,205,624.00**	**21,620**	**10,705,624.00**
MUTUAL FUNDS				
Prudential ICICI FMCG Fund	89,221	2,499,999.99	89,221	2,500,000.00
Reliance long Term Euity Fund	200,000	2,000,000.00	200,000	2,000,000.00
SBI Blue Chip Fund	200,000	2,154,000.00	200,000	2,274,000.00
	489,221	**6,653,999.99**	**489,221**	**6,774,000.00**
DEBENTURE				
Spartek Ceramic Ltd.	210	1,236.90	210	1,236.90
Timken India Ltd.	10	1,000.00	10	1,000.00
	220	2,236.90	220	2,236.90
Total	**2,389,683**	**47,621,430.04**	**2,090,213**	**73,068,569.48**
MARKET VALUE OF QUOTED SHARE AND DEBENTURE		**43,168,407.19**		**80,557,377.89**

Notes on Financial Statement for the year ended 31st March, 2012 (Contd.)

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
	Notes : 11 Trade Recievables		
1	**Outstanding for less than six months**		
	a) Unsecured, Considered Good :	14,178,678.97	2,085,637.73
	Total	**14,178,678.97**	**2,085,637.73**
	Notes : 12 Cash & Cash Equivalent		
1	**Cash-in-Hand**		
	Cash Balance	231,570.34	288,536.18
	Sub Total (A)	231,570.34	288,536.18
2	**Bank Balance**		
	With Fixed Deposit	100,000.00	100,000.00
	With Canara Bank (Princep Street)	317,558.82	(279,709.76)
	With Oriental Bank of Commerce	5,991.08	34,055.94
	Citi Bank	107,800.78	128,436.81
	HDFC Bank	951,837.22	516,518.02
	Sub Total (B)	1,483,187.90	499,301.01
	Total [A + B]	**1,714,758.24**	**787,837.19**
	Notes : 13 Short Terms Loans and Advances		
1	Others	-	-
	Total	-	-

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

	Notes : 14 Other Current Assets		
1	Tax Deducted at Sources	1,378,322.48	1,378,322.48
2	Income Tax Paid	3,337,441.00	3,337,441.00
3	Fringe Benefit Tax Paid	50,006.00	50,006.00
	Total	**4,765,769.48**	**4,765,769.48**

Notes on Financial Statement for the year ended 31st March, 2012 (Contd.)

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
	Notes : 15 Revenue from Operations		
1	Sale of Shares	605,389,825.38	1,481,682,289.81
	Total	**605,389,825.38**	**1,481,682,289.81**
	Notes : 16 Other Income		
1	Interest Received	1,065.21	-
2	Profit & Loss on Share Dealing	1,724,590.00	-
3	Dividend Received	1,557,283.07	1,598,903.46
	Total	**3,282,938.28**	**1,598,903.46**
	Notes : 17 Cost of shares Purchased		
a)	**PURCHASES OF Shares**		
1	Quoted Shares & Unquoted Shares	575,804,669.00	1,478,756,661.08
	Total	**575,804,669.00**	**1,478,756,661.08**
	Notes : 18 Change in Inventories		
1	Opening Stock	73,068,569.48	92,921,717.54
2	Closing Stock	47,621,430.04	73,068,569.48
	Total	**25,447,139.44**	**19,853,148.06**
	Notes : 19 Employement Benefit Expenses		
1	Employee expenses	459,836.00	298,758.00
	Total	**459,836.00**	**298,758.00**
	Notes : 20 Depreciation & Amortised Cost		
1	Depreciation	566,713.00	565,285.00
	Total	**566,713.00**	**565,285.00**

Notes on Financial Statement for the year ended 31st March, 2012 *(Contd.)*

(In ₹)

Sr. No.	Particulars	31.03.2012	31.03.2011
Notes : 21	**Other Expenses**		
1	Advertisement	54,425.00	51,475.00
2	Audit fees	34,000.00	34,000.00
3	Bank Charges	4,510.90	2,872.30
4	Business Promotion	-	173,586.04
5	Computer Stationery	193,560.00	35,580.00
6	Custodian Charges	146,477.15	151,202.81
7	Debit Balance Written Off	-	62,356.47
8	Electricity Charges	71,798.00	67,404.00
9	Filling Fees	2,000.00	2,900.00
10	Insurance Charges	16,000.00	16,918.00
11	Interest Paid	2,515,200.97	509,363.01
12	Listing Fees	146,148.00	121,330.00
13	Membership & Subcription	18,354.00	110,427.00
14	Miscellaneous Expenses	9,962.00	141.00
15	Motor Car Expenses	-	207,710.00
16	Postage & Courier charges	7,490.00	9,940.00
17	Previous Year Adjustment	31,640.00	-
18	Printing & Stationery	49,986.00	19,620.00
19	Professional Charges	3,700.00	6,001.00
20	Professional Tax	3,300.00	-
21	Profit/(Loss) Share Dealing	-	1,988,949.16
22	Rent Rates & Taxes	373,410.00	376,690.00
23	Registrar & Depository Fees	-	11,030.00
24	Repaire & Maintenance	58,411.00	39,022.00
25	Share Trading Statutory & Other Expenses	1,835,776.22	7,139,851.71
26	Software Expenses	141,360.00	-
27	Telephone Charges	200,733.04	190,031.20
28	Travelling & Conveyance	32,790.00	14,495.00
	Total	**5,951,032.28**	**11,342,895.70**

(Annexed to and forming part of the Accounts for the year ended 31st March, 2012)

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 RECOGNATION :

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 pescribed in Schedule XIV to the Companies Act,1956.

(29) CONTINGENT LIABILITES :

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

(30) NOTES ON ACCOUNTS

(A) Quantitative details of goods traded :

	SHARES As on 31.03.2012		SHARES As on 31.03.2011	
	Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Opening Stock	19,55,019	7,30,68,569.48	24,32,312	9,29,21,717.54
Purchases	6826746	57,58,04,669.00	1,18,58,243	1,47,87,56,661.08
Sales	6392082	60,53,89,825.38	1,23,35,536	1,48,16,82,289.81
Closing Stock	2389683	4,76,21,436.04	19,55,019	7,30,68,569.48

(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) The company has not made any provision for interest amonnting to Rs. 41.50 lakhs (Rs.41.50 Lacs) in respect of losn tsken from Rec during the year.

(F) Since the company has operated only in one segment, I.e. Trading in Shares & Securities, provision relating to segment wise Report as per AS- 17 are not applicable.

(G) 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)	Santosh Kumar Jain	Director
3)	Amiya Kumar Basu	Director
4)	Subhabrata Talukdar	Director

(b) Enterprises over which above person has signification infulence :

NIL

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

Remuneration **NIL**

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

Purchase of Shares durinh the year	—
Sale of Shares during thr Year	—

(H) 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.

(I) The company has made no provision for interest accured amounting to Rs. 35.54 lacs (Previous Year Rs. 35.54) as the matter is Subjudice before Hon'ble Recovery Tribunal of amount payable to Rural Electification.

(J) Information pursuant to Part IV Schedule VI to the companies Act, 1956 has been given in Annexure - 1.

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

(L) 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.

(M) Earnings per Share :

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

	2011 - 12	2010 - 11
a) Numerator used : Profit after Tax	77,12,455.94	(1,95,46,219.57)
b) Denominator used : No. of Equity Shares of Rs. 2/- each outstanding during the year	5,53,04,340	5,53,04,340
c) Earning per Share	0.14	(0.35)

(N) Figures in brackets represent previous year figures.

(O) 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

M. K. Jhawar
Partner
Membership No. 61308

Arihant Jain
Managing Director

Santosh Kumar Jain
Director

Place : Kolkata
Dated : The 28th day of May, 2012

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)

(Rs. in Lakhs)

	Particulars		
	Liabilities Side :		
1.	**Loans and advances availed by the Non-banking Financial Company inclusive of interest accrued thereon but not paid :**	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	NIL	NIL
	Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	125.05	NIL
	(d) Inter-corporate Loans and Borrowings	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
	**Please see Note 1 below*		

	Assets Side :	
		Amount Outstanding
2.	**Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**	
	(a) Secured	NIL
	(b) Unsecured	134.09
3.	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :**	
	(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.	**Break-up of Investments :**	
	Current Investments :	
	1. **Quoted :**	
	(i) **Shares :** (a) Equity	18.95
	(b) Preference	NIL
	(ii) Debentures and Bonds	0.02
	(iii) Units of Mutual Funds	4.89
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. **Un-Quoted :**	
	(i) **Shares :** (a) Equity	0.05
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please specify)	NIL
	Long Term Investments :	
	1. **Quoted :**	
	(i) **Shares** (a) Equity	83.61
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. **Un-Quoted :**	
	(i) **Shares** (a) Equity	630.86
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

5.	**Borrower group-wise classification of assets financed as in (2) and (3) above :** Please see Note 2 below			
		Amount net of provisions		
	Category	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	134.09	134.09
	Total	**NIL**	**134.09**	**134.09**

6.	**Investor group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) :** Please see Note 3 below		
	Category	Market Value/Break-up or Fair Value or NAV	Book Value (Net of Provisions)
	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		
	Total		

** As per Accounting Standard of ICAI (Please see Note 3).

7.	**Other Information :**	
	Particulars	Amount
	(i) Gross Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(ii) Net Non-Performing Assets	
	(a) Related Parties	NIL
	(b) Other than related parties	NIL
	(iii) Assets acquired in satisfaction of debt	NIL

Notes :

1. As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
3. 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

Regd. Office : 10, Princep Street, 2nd Floor, Kolkata - 700 072

PROXY FORM

Shares held | DP ID No.

Registered Folio No. | Client ID No.

I/We ..... of

..... being a member/(s) of

the above Company, hereby appoint .....

..... of .....

or failing him/her .....

of .....

as my/our Proxy to vote for me/us and on my/our behalf at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company, to be held at "Somani Conference Hall", Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Tuesday, 25th September, 2012 at 11.00 a.m.

Signed this.....day of.....2012.

Signed by the said..... Affix Rs. 1/- Revenue Stamp .....

NOTE : The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

BLUE CHIP INDIA LIMITED

Regd. Office : 10, Princep Street, 2nd Floor, Kolkata - 700 072

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Shares held | DP ID No.

Registered Folio No. | Client ID No.

..... (Please write your name in BLOCK Letters)

I hereby record my presence at the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company, to be held at "Somani Conference Hall", Merchants Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Tuesday, 25th September, 2012 at 11.00 a.m.

Member's/Proxy's Signature
(To be signed at the time of handing over the slip)

NOTES :

1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the Meeting.
2. 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.