

# **BLUE CHIP INDIA LIMITED**

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**26<sup>th</sup>**  

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**Annual Report**  

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**2010 - 2011**

# Twenty-Six Annual Report, 2011

## **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*

## **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](mailto:info@bluechipind.net)

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

## **REGISTRARS & SHARE TRANSFER AGENTS**

MAHESHWARI DATAMATICS PVT. LTD.

6, MANGO LANE, KOLKATA-700 001

Phone : (033) 2243-5029 / 5809

Fax : (033) 2248-4787

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## NOTICE

**NOTICE** is hereby given that the 26th Annual General Meeting of the company will be held on Monday, 26th day of September, 2011 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, 2011 and Profit and Loss Account 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 Amiya Kumar Basu, 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 : 30th May, 2011

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

**Arihant Jain**  
Managing Director

**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 Monday, 19th day of September, 2011 to Monday, 26th day of September, 2011 (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 Annual 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-Sixth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

### 1. FINANCIAL HIGHLIGHTS

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

	Year ended 31.03.2011 (in Rs.)	Year ended 31.03.2010 (in Rs.)
<b>Profit / (Loss) Before Tax</b>	<b>.(2,75,35,554.57)</b>	2,13,34,765.45
Provision for Tax :		
- Current	—	31,82,003.00
- Fringe Benefit Tax	—	—
- Deferred	<b>79,89,335.00</b>	4,34,11,041.00
- For Earlier Year	—	50,064.00
<b>Profit/(Loss) After Tax</b>	<b>(1,95,46,219.57)</b>	(2,53,08,342.55)
Less : Previous Year Adjustment	<b>4,445.00</b>	—
Balance brought forward from previous year	<b>(13,20,88,353.19)</b>	(10,67,56,295.64)
Securities Transaction Tax	—	—
Excess Provision of Income Tax written back	—	—
Income Tax Paid for Earlier Year	—	23,715.00
Balance carried to Balance Sheet	<b>(15,16,39,017.76)</b>	(13,20,88,353.19)

### 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 to high volatility in the market. Your Directors are making all efforts to improve the performance of the Company further in future.

### 4. FIXED DEPOSITS

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

**5. DIRECTORS**

As per the provisions of the Article of Association of the Company, Shri Amiya Kumar Basu, 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, 2011, 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, 2011 on a going concern basis.

**7. AUDITORS' REPORT**

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

**8. AUDITORS**

M/s. 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.

**Registered Office :**

10, Princep Street,  
2nd Floor,  
Kolkata - 700 072

Dated : 30th May, 2011

*On behalf of the Board of Directors*

For BLUE CHIP INDIA LIMITED

ARIHANT JAIN  
*Managing Director*

SANTOSH KUMAR JAIN  
*Director*

## 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 2010-2011, 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, 2011 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	6	—	—
2	Shri Santosh Kumar Jain	Non-Executive	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 21st September, 2010
	Held	Attended	
Shri Arihant Jain - Managing Director	5	5	Yes
Shri Santosh Kumar Jain	5	5	Yes
Shri Amiya Kumar Basu	5	5	Yes
Shri Subhabrata Talukdar	5	5	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 :**

<b>Name of the Director</b>	<b>Shri Amiya Kumar Basu (Re-appointment)</b>
Date of Birth	13.01.1954
Date of Appointment	21.12.2005
Qualification	Chartered Accountant
Expertise in specific functional area	Shri Basu is having vast experience in Corporate Finance, Audit and Taxation.
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 2010-11, Board met 5 (Five) times on 26/04/2010, 27/05/2010, 11/08/2010, 12/11/2010 and 14/02/2011. 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 :

- the appointment of statutory auditors of the Company,
- 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,
- it acts as a link between the management, statutory auditors and the Board of Directors,
- 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 2010-2011, the Audit Committee met 5 (Five) times on 24.04.2010, 26.05.2010, 10.08.2010, 11.11.2010 and 11.02.2011.

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.

The Company has paid total remuneration of Rs. 6,00,000/- to Shri Arihant Jain - Managing Director of the Company at various times, whose appointment and remuneration has been fixed by the Board and in terms of resolution passed by the shareholders of the Company.

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 2010-11, 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, Sri Naresh Kumar Mukherjee acts as the Compliance Officer.

**(iii) to (iv) Details of the shareholders' complaints received and resolved during the year 2010-11 :**

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 2011, 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
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.
2007-08	23.09.2008	"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 2010-11 through the Postal ballot :**

No special resolution was passed through postal ballot during the financial year 2010-11.

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

For the financial year 2011-12, 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 2010-11, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on Accounts.

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

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

**(iii) Whistle Blower Policy :**

The Company has not established whistle blower policy.

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

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

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

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

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

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

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

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

The Company has adopted a Code of Conduct for its Directors and Senior Management Personnel. The Directors and Senior Management Personnel have affirmed the compliance with the same for the financial year 2010-11. 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	26th September, 2011 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, 2011 to 31st March, 2012 and the quarterly results will be declared as per the following schedule :

Tentative schedule	
Financial Results for the quarter ending June 30, 2011	End of July 2011
Financial Results for the quarter ending September 30, 2011	End of October 2011
Financial Results for the quarter ending December 31, 2011	End of January 2012
Financial Results for the year ending March 31, 2012	End of May 2012
AGM for the year ending March 31, 2012	Mid of September 2012

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

The Company's Register of Members and Share Transfer Books will remain closed from Monday, 19th September, 2011 to Monday, 26th September, 2011 (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, 2011.

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 2011-12 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 (2010-11)	National Stock Exchange (in Rs.)		Bombay Stock Exchange (in Rs.)	
	High	Low	High	Low
April	1.25	1.10	1.30	1.05
May	1.85	1.05	1.88	1.10
June	1.30	1.15	1.31	1.15
July	1.20	1.05	1.20	1.08
August	1.20	1.05	1.22	1.05
September	1.55	1.05	1.55	1.00
October	1.70	1.45	1.71	1.43
November	1.70	1.55	1.70	1.55
December	1.75	1.30	1.74	1.30
January	1.95	1.50	1.93	1.45
February	1.50	1.25	1.52	1.25
March	1.65	1.25	1.62	1.30

**(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, 2011, pursuant to Clause 35 of the Listing Agreement is as under :

## A. Shareholding Pattern of Equity Shares as on 31st March, 2011 :-

	Categories	No. of Shares held	% of Shareholding
<b>A</b>	<b>PROMOTERS' HOLDING</b>		
1.	<b>Promoters :</b>		
	a) Indian Promoters	6378169	11.53
	b) Foreign Promoters	0	0.00
2.	<b>Persons Acting in concert</b>	0	0.00
	Sub-total	6378169	11.53
<b>B</b>	<b>NON PROMOTERS' HOLDING</b>		
3.	<b>Institutional Investors :</b>		
	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.	<b>Others</b>		
	a) Private Corporate Bodies	13654856	24.69
	b) Indian Public	35110307	63.49
	c) NRIs / OCBs	116517	0.21
	d) Any Other	44491	0.08
	Sub-total	48881680	88.47
	<b>GRANDTOTAL</b>	<b>55304340</b>	<b>100.00</b>

## B. Distribution of Equity Shareholding as on 31st March, 2011 :

No. of Equity Shares held	No. of shareholders holding shares in			No. of shares held			% age of equity capital held in		
	Physical	NSDL	CDSL	Physical	NSDL	CDSL	Physical	NSDL	CDSL
1 To 500	58	4254	2375	9695	1148327	626345	.0175	2.0764	1.1325
501 To 1000	10	2712	1385	7075	2583239	1317412	.0128	4.6710	2.3821
1001 To 2000	3	1537	694	6000	2742899	1219382	.0108	4.9596	2.2049
2001 To 3000	10	620	260	22800	1692310	711196	.0412	3.0600	1.2860
3001 To 4000	0	327	131	0	1240142	498072	.0000	2.2424	.9006
4001 To 5000	2	553	230	10000	2725541	1134025	.0181	4.9283	2.0505
5001 To 10000	8	551	179	55500	4473156	1416712	.1004	8.0883	8.0883
10001 To 99999999	7	415	143	196825	22058708	9408979	.3559	39.8860	17.0131
<b>Total :</b>	<b>98</b>	<b>10969</b>	<b>5397</b>	<b>307895</b>	<b>38664322</b>	<b>16332123</b>	<b>.5567</b>	<b>69.9120</b>	<b>29.5314</b>

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

As on 31st March, 2011, 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, 2011, 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 2010-11. 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 2010-11.

Place : Kolkata

Dated : 30th May, 2011

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, 2011, 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.

Place : Kolkata

Dated : 30th May, 2011

**For Agrawal S. Kumar & Associates**  
*Chartered Accountants*

**Mukesh Jhawar**

*Partner*

*Membership No. 61308*

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

We hereby certify that for the financial year, ending 31st March, 2011, 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, 2011 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d.
  - 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 : 30th May, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development - 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 GDP is growing at a rate of about 8.5% and with this high growth, it is expected that your company will also grow in future. The BSE Sensex has crossed the 20000 mark during the current year, which shows that there will be substantial growth in the equity investment and finance companies.

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

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

We witness that NBFC sector, in India are facing stiff competition from different banks and financial institutions. The cost of funds of banks is lower as compared to NBFC's. Not only this, they have a very wide network and huge capital base which makes them more attractive than NBFC'. 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. With the sensex touching its all time high at 20000 mark and the upsurge in financial sector the company is en route to a bright future. The independent finance industry issues debt and lends the proceeds to individuals (consumer finance companies) and corporations (commercial finance companies) on both a secured and unsecured basis. Unlike the commercial banks, whose deposit taking ability adds significantly to funding availability, finance companies rely almost exclusively on institutional borrowings and access to the public debt markets for funding. Consequently, the ability to access the short, medium and long-term markets at competitive rates is critical to their ongoing viability. Your company faces tough competition from Nationalized, Foreign and Private Sector Banks due to their inability to grant loan at a considerably low rate of interest.

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

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

The company has its own specific risks that are particular to its business including default risk, fluctuation

of interest rates, economic cycles etc. Moreover existing banks are moving into retail sector and regional banks like Assamese banks are coming into play, which poses major concern for your company. The volatility in the market is a matter of concern. However economic parameters being strong will unurge 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.

**Internal Control Systems and their adequacy :**

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

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

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

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

**Financial and Operational Performance :**

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

**Cautionary Statement :**

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

**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, 2011 and also the Profit & Loss Account 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 Profit & Loss Account 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 Profit & Loss account and the 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, 2011 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, 2011 and
    - ii. in the case of the Profit & Loss Account, of the loss 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 Registration No. 322324E  
**M. K. Jhavar**  
*Partner*  
Membership No. 061308

Place : Kolkata

Dated : The 30th day of May, 2011

**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, 2011.
7. In our opinion and according to the information and explanations given to us, the company have 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.

Place : Kolkata

Dated : The 30th day of May, 2011

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

STATEMENT

OF

ACCOUNTS



**BALANCE SHEET as at 31st March, 2011**

	Schedule.	As at 31.03.2011		As at 31.03.2010	
		Rs.	P.	Rs.	P.
<b>SOURCES OF FUNDS</b>					
<b>1. SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	A	11,06,08,680.00		11,06,08,680.00	
(b) Reserves & Surplus	B	4,41,99,829.45		4,41,99,829.45	
		<u>15,48,08,509.45</u>		<u>15,48,08,509.45</u>	
<b>2. LOAN FUNDS</b>					
(a) Secured Loan Fund	C	<u>21,878,753.21</u>		<u>50,00,000.00</u>	
<b>TOTAL :</b>		<u><u>17,66,87,262.66</u></u>		<u><u>15,98,08,509.45</u></u>	
<b>APPLICATION OF FUNDS</b>					
<b>1. FIXED ASSETS</b>	D				
(a) Gross Block	-	82,71,604.00		82,71,604.00	
(b) Less : Depreciation		<u>2791641.25</u>		<u>22,26,356.25</u>	
(c) Net Block		<u>54,79,962.75</u>		<u>60,45,247.75</u>	
<b>2. DEFERRED TAX ASSETS</b>		83,60,811.00		3,71,476.00	
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
(a) <b>CURRENT ASSETS</b>					
- Stock in Trade		7,30,68,569.48		9,29,21,717.54	
- Sundry Debtors	E	20,85,637.73		3,33,41,246.99	
- Cash & Bank Balances	F	7,87,837.19		27,86,163.08	
- Other Current Assets	G	47,65,769.48		14,28,328.48	
(b) <b>LOANS &amp; ADVANCES</b>	H	1,50,87,832.23		1,46,82,486.23	
		<u>9,57,95,646.11</u>		<u>14,51,59,942.32</u>	
<b>4. LESS : CURRENT LIABILITIES AND PROVISIONS</b>					
(a) Current Liabilities	I	8,10,02,560.96		12,02,70,895.81	
(b) Provisions	J	35,85,614.00		35,85,614.00	
		<u>8,45,88,174.96</u>		<u>12,38,56,509.81</u>	
<b>NET CURRENT ASSETS</b>		1,12,07,471.15		2,13,03,432.51	
<b>5. PROFIT &amp; LOSS A/C (Dr.)</b>		15,16,39,017.76		13,20,88,353.19	
<b>Total Utilisation of Funds</b>		<u><u>17,66,87,262.66</u></u>		<u><u>15,98,08,509.45</u></u>	

Significant Accounting Policies &  
Notes on Accounts

P

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

**Arihant Jain**  
Managing Director

Place : Kolkata

**M. K. Jhawar**  
Partner

**Santosh Kumar Jain**  
Director

Dated : The 30th day of May, 2011

Membership No. 61308

**PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011**

	Schedule	For the year ended 31.03.2011		For the year ended 31.03.2010	
		Rs.	P.	Rs.	P.
<b>INCOME :</b>					
Sales		1,48,16,82,289.81		1,08,60,78,940.76	
Dividend	K	15,98,903.46		21,01,960.60	
Other Income	L	—		17,04,653.17	
Increase/(Decrease) in Stock	M	(1,98,53,148.06)		1,85,39,132.61	
		<u>1,46,34,28,045.21</u>		<u>1,10,84,24,687.14</u>	
<b>EXPENDITURE :</b>					
Purchases		1,47,87,56,661.08		1,07,63,93,411.02	
Administrative & Other Expenses	N	1,11,10,290.69		55,53,281.38	
Interest Paid		5,09,363.01		45,60,899.29	
Auditors' Remuneration		22,000.00		17,045.00	
		<u>1,49,03,98,314.78</u>		<u>1,08,65,24,636.69</u>	
<b>PROFIT BEFORE NON CASH CHARGES</b>		(2,69,70,269.57)		2,19,00,050.45	
Less : Non Cash Charges	O	5,65,285.00		5,65,285.00	
<b>PROFIT BEFORE TAX</b>		(2,75,35,554.57)		2,13,34,765.45	
Provision for Taxation - Current Tax		—		31,82,003.00	
- For Earlier Year		—		50,064.00	
- Deferred Tax		79,89,335.00		4,34,11,041.00	
<b>PROFIT AFTERTAX</b>		(1,95,46,219.57)		(2,53,08,342.55)	
Less : Previous Year Adjustment		4,445.00		—	
Balance Brought Forward from Previous Year		(13,20,88,353.19)		(10,67,56,295.64)	
		<u>(15,16,39,017.76)</u>		<u>(13,20,64,638.19)</u>	
<b>APPROPRIATIONS</b>					
Income Tax Paid for Earlier Year		—		23,715.00	
Balance Carried to Balance Sheet		(15,16,39,017.76)		(13,20,88,353.19)	
		<u>(15,16,39,017.76)</u>		<u>(13,20,64,638.19)</u>	
Significant Accounting Policies & Notes on Accounts	P				
<b>Basic &amp; Diluted Earning per Share</b>			(0.35)		(0.46)
<b>Face Value per Share</b>					2.00

As per our Report of even date

For **Agrawal S. Kumar & Associates**  
Chartered Accountants**Arihant Jain**  
Managing Director

Place : Kolkata

**M. K. Jhawar**  
Partner**Santosh Kumar Jain**  
Director

Dated : The 30th day of May, 2011

Membership No. 61308

**CASH FLOW STATEMENT**

<u>DESCRIPTION</u>	<u>Year ended 31st March, 2011 (Rs.)</u>	<u>Year ended 31st March, 2010 (Rs.)</u>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Interest, Tax & Extraordinary Items	(2,75,35,554.57)	2,12,77,085.45
Depreciation	5,65,285.00	5,65,285.00
Dividend Received	(15,98,903.46)	(21,01,960.60)
Earlier year adjusted	(4,445.00)	(23,715.00)
Provision for Taxation & FBT	—	(31,82,003.00)
Security Transaction Tax	—	—
Previous Year Adjustment	—	(50,064.00)
<b>Operating Profit before Working Capital Changes</b>	<b>(2,85,73,618.03)</b>	<b>1,64,84,627.85</b>
<b>Changes in :-</b>		
Inventories	1,98,53,148.06	(1,85,39,132.61)
Trade and Other Receivables	3,12,55,609.26	(1,96,36,794.94)
Other Current Assets	(33,37,441.00)	8,12,698.67
Loans & Advances	(4,05,346.00)	14,56,957.44
Trade and other Payables	(3,92,68,334.85)	2,74,07,806.92
<b>Net Cash From Operating Activities</b>	<b>(A) (2,04,75,982.56)</b>	<b>79,86,163.33</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	—	—
Interest Received	—	57,680.00
Dividend Received	15,98,903.46	21,01,960.00
<b>Net Cash Flow from Investing Activities</b>	<b>(B) 15,98,903.46</b>	<b>21,59,640.00</b>
<b>C. Cash Flow from Financing Activities</b>		
Secured Loan	1,68,78,753.21	(79,66,167.33)
<b>Net Cash Flow from Financing Activities</b>	<b>(C) 1,68,78,753.21</b>	<b>(79,66,167.33)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) (19,98,325.89)</b>	<b>21,79,636.00</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>27,86,163.08</b>	<b>6,06,527.08</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>7,87,837.19</b>	<b>27,86,163.08</b>

As per our Report of even date

For **Agrawal S. Kumar & Associates**  
Chartered Accountants**Arihant Jain**  
Managing Director

Place : Kolkata

**M. K. Jhavar**  
Partner**Santosh Kumar Jain**  
Director

Dated : The 30th day of May, 2011

Membership No. 61308

Schedules forming part of the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011

	As at 31.03.2011		As at 31.03.2010	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - A</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
107,500,000 Equity Shares of Rs. 2/- each	21,50,00,000.00		21,50,00,000.00	
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
55,304,340 Equity Shares of Rs. 2/- each	11,06,08,680.00		11,06,08,680.00	
	<u>11,06,08,680.00</u>		<u>11,06,08,680.00</u>	
 <b>SCHEDULE - B</b>				
<b>RESERVES &amp; SURPLUS</b>				
Amalgamation Reserve	1,28,31,689.45		1,28,31,689.45	
Reserve Fund	39,74,640.00		39,74,640.00	
Share Premium	2,73,93,500.00		2,73,93,500.00	
	<u>4,41,99,829.45</u>		<u>4,41,99,829.45</u>	
 <b>SCHEDULE - C</b>				
<b>SECURED LOANS</b>				
NBFC - Motilal	1,73,78,753.21		—	
Citi Corp Finance India Ltd.	45,00,000.00		50,00,000.00	
	<u>2,18,78,753.21</u>		<u>50,00,000.00</u>	

SCHEDULE - D

FIXED ASSETS

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K			
	BALANCE AS ON 01.04.2010	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL AS ON 31.03.2011	AS ON 01.04.2010	DURING THE YEAR	ADJUST- MENT	TOTAL AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
LAND	10,00,000.00	—	—	10,00,000.00	—	—	—	—	10,00,000.00	10,00,000.00
COMPUTER	4,76,217.00	—	—	4,76,217.00	2,05,125.00	77,195.00	—	2,82,320.00	1,93,897.00	2,71,092.00
ELECTRICAL INSTALL.	2,52,163.00	—	—	2,52,163.00	26,942.00	11,978.00	—	38,920.00	2,13,243.00	2,25,221.00
OFFICE EQUIPMENTS	15,69,895.00	—	—	15,69,895.00	2,16,031.00	74,570.00	—	2,90,601.00	12,79,294.00	13,53,864.00
VEHICLES	27,35,979.00	—	—	27,35,979.00	10,21,937.00	2,59,918.00	—	12,81,855.00	14,54,124.00	17,14,042.00
FURNITURE & FIXTURE	22,37,350.00	—	—	22,37,350.00	7,56,321.25	1,41,624.00	—	8,97,945.25	13,39,404.75	14,81,028.75
TOTAL :	82,71,604.00	—	—	82,71,604.00	22,26,356.25	5,65,285.00	—	27,91,641.25	54,79,962.75	60,45,247.75
PREVIOUS YEAR :	82,71,604.00	—	—	82,71,604.00	10,95,786.25	5,65,285.00	—	22,26,356.25	60,45,247.75	—

	As at 31.03.2011		As at 31.03.2010	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - E</b>				
<b>SUNDRY DEBTORS</b>				
(Unsecured, Considered Good)				
Exceeding Six Months		—		73,54,154.95
Others		<b>20,85,637.73</b>		2,59,87,092.04
		<b>20,85,637.73</b>		<b>3,33,41,246.99</b>
<b>SCHEDULE - F</b>				
<b>CASH &amp; BANK BALANCES :</b>				
<b>1. Cash-in-Hand</b>				
(As per Cash Book and as Certified by the Management)		<b>2,88,536.18</b>		2,91,792.28
<b>2. With Scheduled Banks</b>				
In Current Account		<b>3,99,301.01</b>		23,94,370.80
In S.I.F.D. Account		<b>1,00,000.00</b>		1,00,000.00
		<b>7,87,837.19</b>		<b>27,86,163.08</b>
<b>SCHEDULE - G</b>				
<b>OTHER CURRENT ASSETS</b>				
Tax Deducted at Source		<b>13,78,322.48</b>		13,78,322.48
Income Tax		<b>33,37,441.00</b>		—
Fringe Benefit Tax Paid		<b>50,006.00</b>		50,006.00
		<b>47,65,769.48</b>		<b>14,28,328.48</b>
<b>SCHEDULE - H</b>				
<b>LOANS &amp; ADVANCES</b>				
Loans (Unsecured, Considered Good)				
To Bodies Corporate		<b>1,44,98,122.23</b>		1,44,98,122.23
To Others		—		—
To Deposits (CSEC Ltd.)		<b>7,282.00</b>		—
Advance Recoverable in cash or in kind or for value to be received		<b>5,82,428.00</b>		1,84,364.00
		<b>1,50,87,832.23</b>		<b>1,46,82,486.23</b>
<b>SCHEDULE - I</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors		<b>24,68,516.50</b>		7,10,97,042.95
Other Liabilities		<b>7,85,34,044.46</b>		4,91,73,852.86
		<b>8,10,02,560.96</b>		<b>12,02,70,895.81</b>

	As at 31.03.2011		As at 31.03.2010	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - J</b>				
Provision for Income Tax	35,61,974.00		35,61,974.00	
Provision for Fringe Benefit Tax	23,640.00		23,640.00	
	<u>35,85,614.00</u>		<u>35,85,614.00</u>	

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	P.	Rs.	P.

**SCHEDULE - K****INTEREST & DIVIDEND**

Dividend	15,98,903.46		21,01,960.60	
	<u>15,98,903.46</u>		<u>21,01,960.60</u>	

**SCHEDULE - L****OTHER INCOME**

Interest Received from IT Refund	—		57,680.00	
Profit on Share Dealings	—		16,46,973.17	
	<u>—</u>		<u>17,04,653.17</u>	

**SCHEDULE - M****INCREASE/(DECREASE) IN STOCK**

Closing Stock	7,30,68,569.48		9,29,21,717.54	
Less : Opening Stock	9,29,21,717.54		7,43,82,584.93	
	<u>(1,98,53,148.06)</u>		<u>1,85,39,132.61</u>	

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - N</b>				
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>				
Advertisement	51,475.00		52,025.00	
Bank Charges	2,872.30		110.15	
Debit Balance Written Off	62,356.47			
Business Promotion	1,73,586.04		25,011.67	
Computer Stationery	35,580.00		1,748.77	
Custodian Charges	1,51,202.81		1,57,833.78	
Director's Remuneration & Perquisites	—		6,00,000.00	
Electricity Charges	67,404.00		59,730.00	
Filing Fees	2,900.00		1,000.00	
HRA & Other Allowance	1,55,291.00		1,10,573.00	
Internal Audit Fees	12,000.00		12,000.00	
Insurance Charges	16,918.00		—	
Listing Fees	1,21,330.00		1,21,330.00	
Loss on Sale of Shares	19,88,949.16		—	
Members & Subscriptions	1,10,427.00		9,927.00	
Miscellaneous Expenses	1,41.00		7,650.00	
Motor Car Expenses	2,07,710.00		1,75,609.00	
P. F. Contribution	12,327.00		11,808.00	
Postage & Telegrams	9,940.00		7,650.00	
Printing & Stationery	19,620.00		19,650.00	
Professional Charges	6,001.00		9,305.00	
Rent, Rate & Taxes	3,76,690.00		3,40,350.00	
Repairs & Maintenance	39,022.00		15,227.50	
Salary & Other Allowances	1,31,140.00		1,89,056.00	
Share Register & Transfer Charges	11,030.00		11,030.00	
Share Trading Statutory & Other Expenses	71,39,851.71		31,96,865.86	
Software Expenses	—		1,29,713.00	
Telephone Expenses	1,90,031.20		2,08,249.88	
Travelling & Conveyance	14,495.00		79,827.77	
	<b>1,11,10,290.69</b>		<b>55,53,281.38</b>	
<b>SCHEDULE - O</b>				
<b>NON CASH CHARGES</b>				
Depreciation	5,65,285.00		5,65,285.00	
	<b>5,65,285.00</b>		<b>5,65,285.00</b>	



**SCHEDULE - P**

(Annexed to and forming part of the Accounts for the year ended 31st March, 2011)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****1. SIGNIFICANT ACCOUNTING POLICIES :****a) Accounting Convention :**

The Financial Statements have been prepared under the historical cost convention and are in accordance with the provisions of the Companies Act, 1956 and accounting standards issued by ICAI. Accounting has been done on Accrual basis.

**b) Fixed Assets & Depreciation :**

- Fixed Assets of the Company have been valued at their cost of acquisition less depreciation.
- Depreciation has been charged on straight line basis in accordance with the rates prescribed under Schedule XIV to the Companies Act, 1956.

**c) Inventory and Valuation thereof :**

Inventories are stated at lower of Cost or Market Value for quoted shares and at cost for unquoted shares. Cost is calculated at FIFO basis.

**d) Retirement Benefit :**

The Company has taken Group Gratuity policy from Life Insurance Corporation of India for its employees and contribution relating to previous year liability is being paid in five annual instalments.

**e) Taxation :**

Consequent to mandatory Accounting Standard issued by ICAI on accounting for taxes on income, the Company has recorded cumulative net deferred tax Assets of Rs. 3,71,609/- till 31st March, 2010 as an addition to Revenue Reserves. Deferred tax adjustment for the year ended 31st March, 2011 amount to Rs. 4,34,10,908/-.

Significant component of deferred tax assets (liability) as shown in Balance Sheet are as follows :

	(Rs.)		
	DTA	DTL	Net DTA
Carry forward of Loss	3,71,609.00	83,60,944.00	(79,89,335.00)
Depreciation Differences	—	—	—
<b>Total</b>	<b>3,71,609.00</b>	<b>83,60,944.00</b>	<b>(79,89,335.00)</b>

**2. NOTES ON ACCOUNTS :**

- a) Estimated amount of Capital Contracts remaining to be executed (Advance paid) NIL NIL
- b) Earning/Expenditure in Foreign Currency NIL NIL
- c) Since the company has operated in only one segment i.e. Fund Based Financial Activities during the year, like Granting Loan & Advances and Trading in Shares & Securities, the provision relating to segment wise reports are not applicable.

## d) Quantitative Details of Goods Traded :

	<b>SHARES &amp; DEBENTURES</b>			
	<u>As on 31.03.2011</u>		<u>As on 31.03.2010</u>	
	Qty. (Nos.)	Amount (Rs.)	Qty. (Nos.)	Amount (Rs.)
Opening Stock	24,32,312	9,29,21,717.54	25,92,154	7,43,82,584.93
Purchases	1,18,58,243	1,47,87,56,661.08	81,24,474	1,07,63,93,411.02
Sales	1,23,35,536	1,48,16,82,289.81	82,84,316	1,08,60,78,940.76
Closing Stock	19,55,019	7,30,68,569.48	24,32,312	9,29,21,717.54

e) STOCK IN TRADE :

Name of the Company	<u>As on 31.03.2011</u>			<u>As on 31.03.2010</u>		
	No. of Shares	Amount Rs.	P.	No. of Shares	Amount Rs.	P.

i) QUOTED SHARES :

Ambuja Cements Ltd.	—	—	—	2,000	2,48,256.99	—
3I Infotech Ltd.	—	—	—	5,000	3,92,500.00	—
ABG Shipyard Ltd.	35	12,731.25	—	—	—	—
Acc Limited	—	—	—	1,000	9,50,450.00	—
Aftek Infosys Ltd.	5,000	61,500.00	—	5,000	83,000.00	—
Akar Laminators Ltd.	400	340.00	—	400	960.00	—
Amara Raja Batteries Ltd.	918	1,18,598.53	—	1,000	1,29,192.30	—
Amtek Auto Ltd.	1,296	1,95,242.40	—	1,296	2,03,472.00	—
Arcotech Ltd.	100	2,445.00	—	100	2,445.00	—
Ashiana Agro Industries Ltd.	2,000	14,020.00	—	2,000	12,080.00	—
Associated Pigment Ltd.	1,400	14,000.00	—	1,400	14,000.00	—
ATN International Ltd.	90,341	1,26,477.40	—	90,341	1,37,318.32	—
Avaya Global Connect Ltd.	—	—	—	2,042	4,72,417.97	—
B. L. Kashyap & Sons Ltd.	600	13,140.00	—	—	—	—
Bajaj Hindustan Ltd.	12,000	8,20,991.15	—	12,000	16,27,800.00	—
Balaji Telefilms Ltd.	2,000	65,840.00	—	2,000	1,02,000.00	—
Balrampur Chini Mills Ltd.	15,000	10,39,800.00	—	14,500	13,37,625.00	—
Bartonics India Ltd.	2,590	1,56,759.58	—	22,500	34,97,625.00	—
BCC Fuba India Ltd.	—	—	—	1,940	15,520.00	—
Bhan Eng. Pol	29,025	9,28,800.00	—	—	—	—
Bharat Bijlee Ltd.	427	4,04,667.90	—	427	3,91,708.45	—
Bharti Shipyard Ltd.	7,500	10,89,750.00	—	5,000	12,50,750.00	—
Black Rose Industries Ltd.	—	—	—	1,400	8,036.00	—
Blow Plast Ltd.	3,361	3,55,929.90	—	3,361	3,55,929.90	—
Blue Star Ltd.	—	—	—	2,000	7,26,000.00	—
BRG Energy Ltd.	289	1,04,158.84	—	1,500	5,37,623.10	—
BST Ltd.	300	600.00	—	300	600.00	—
Burnpur Cement Ltd.	2,064	16,862.88	—	—	—	—
C & C Construction Ltd.	225	28,530.00	—	—	—	—
Can Fin Homes Ltd.	5,000	5,35,750.00	—	—	—	—
Cauvery Software Engg. Sys. Ltd.	1,200	780.00	—	1,200	1,680.00	—
Century Textiles & Ind. Ltd.	—	—	—	1,000	5,09,000.00	—
CFL Capital Financial Ltd.	200	462.00	—	200	592.00	—

Name of the Company	As on 31.03.2011		As on 31.03.2010	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Chambal Fertilizers Ltd.	—	—	5,000	3,07,250.00
Chennai Petroleum Corporation Ltd.	1,000	2,15,751.35	1,000	2,15,751.35
Cinemax India Ltd.	180	7,569.00	—	—
CMS Infotech Ltd.	1,000	23,500.00	10,000	23,500.00
Compact Disc. (I) Ltd.	6,900	2,39,430.00	6,900	5,38,200.00
Consolidated Construction	320	16,160.00	—	—
Coromondal Fertilizer Ltd.	—	—	100	—
D. S. Kulkarni Developers Pvt. Ltd.	20	1,027.00	—	—
Deccan Chronicle Holdings Ltd.	918	73,669.50	1,000	1,54,150.00
Dhanlaxmi Bank Ltd.	—	—	5,000	6,64,500.00
Dhanus Technologies Ltd.	88	1,214.40	—	—
Digjam Ltd.	66	620.40	66	280.50
Dish TV India Ltd.	—	—	15,000	5,49,000.00
Dynamatic Technologies Ltd.	—	—	299	3,20,856.90
Eldweiss Cap. Ltd.	120	12,768.00	—	—
Elecon Engineering Co. Ltd.	5,000	3,28,850.00	7,500	5,44,125.00
Essar Securities Ltd.	97	5,000.35	97	5,208.90
Everonn Education Ltd.	50	17,000.00	—	—
Fame India Ltd.	10,169	5,68,955.55	10,125	2,84,411.25
Fine Line Circuit Ltd.	—	—	1,000	7,000.00
Firstsource Solutions Ltd.	272	4,896.00	—	—
Future Capital Holdings Ltd.	16	2,227.20	—	—
Gallant Metal Ltd.	3,948	71,656.20	—	—
Garden Silk Mills Ltd.	—	—	2,000	1,37,800.00
Gati Ltd.	15,000	8,51,865.50	—	—
Gayatri Projects Ltd.	162	37,762.20	—	—
Gee Gee Granites Ltd.	3,600	21,780.00	3,600	21,780.00
Genus Power Ltd.	12,310	2,32,659.00	1,341	2,27,433.60
Geodesic Information Systems Ltd.	—	—	5,000	5,59,750.00
GHCL Ltd.	—	—	2,32,461	85,57,252.51
Godrej Industries Ltd.	2,853	4,68,532.24	3,000	4,20,900.00
Great Offshore Ltd.	900	3,68,235.00	900	3,68,235.00
Great Eastern Shipping Co. Ltd.	—	—	2,691	7,41,034.47
GTL Infra Ltd.	—	—	15,000	6,27,750.00
Gtoffsrore	1,000	2,57,700.00	—	—
Gujarat Borosil Ltd.	—	—	5,100	67,167.00
Gujarat Heavy Chemicals Ltd.	251,099	94,65,268.30	—	—
Gujarat Industrial Power Co. Ltd.	—	—	200	15,410.00
Gujrat NRE Coke Ltd.	1,101	54,444.45	1,200	90,794.32
Gujnredver	110	3,256.00	—	—
Gulf Oil Corporation Ltd.	—	—	10,070	8,35,810.00
HCL Technologies Ltd.	—	—	700	2,50,460.00
Helios & Matheson Tech. Ltd.	25,000	8,38,750.00	15,000	6,69,000.00
Hexaware Tech Ltd.	—	—	19,000	12,97,700.00
Himachal Futuristic Comm. Ltd.	79,599	857,519.00	50,725	6,30,004.50
Hindalco Industries Ltd.	10,000	20,91,500.00	—	—
Hinduja Venture Ltd.	13,811	35,89,478.90	13,811	43,47,012.25
Hindustan Organic Chemical Ltd.	18,075	5,93,763.75	25,000	9,28,750.00

Name of the Company	As on 31.03.2011		As on 31.03.2010	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Hotel Leela Ventures Ltd.	30,000	11,15,885.75	—	—
Idea Cellular Ltd.	6,767	4,56,772.50	7,000	4,58,150.00
Idl-Salzbau India Ltd.	1,700	25,500.00	1,700	25,500.00
iL & FS Transportation Networks Ltd.	316	74,196.00	—	—
Impex Ferro Tech Ltd.	500	5,525.00	—	—
India Bulls Financial Services Ltd.	—	—	3,390	3,55,611.00
India Bulls Power Ltd.	8,400	1,89,420.00	—	—
India Bulls Real Estate Ltd.	500	62,225.00	8,000	12,20,000.00
India Bulls Retail Services Ltd.	—	—	2,000	95,159.75
India Bulls Securities Ltd.	7,000	1,12,000.00	7,000	1,94,950.00
India Cement Capital Fin. Ltd.	700	2,415.00	700	2,415.00
Indian Hotel Co. Ltd.	2,302	1,80,368.84	12,302	12,35,332.71
Indianivesh Ltd.	577	2,20,702.50	—	—
Indo Rama Synthetics (India) Ltd.	—	—	1,800	64,890.00
Industrial Dev. Bank of India Ltd.	—	—	22,000	25,96,000.00
Infotech Enterprise India Ltd.	—	—	143	42,099.92
Infrastructure Development Fin. Co. Ltd.	143	22,994.40	—	—
Inox Leisure Ltd.	15,200	6,77,160.00	15,000	9,42,000.00
Insilco Ltd.	800	11,080.00	800	14,360.00
Intrasoft Technologies Ltd.	209	13,877.60	—	—
IPCL Limited	—	—	799	81,498.00
IRB	459	97,147.35	—	—
ISMT Limited	2,746	1,38,123.80	2,746	—
Jaiprakash Associates Ltd.	470	39,067.34	9,487	14,19,729.55
Jaypee Infratech Ltd.	3,400	1,97,710.00	—	—
JMG Corporation Ltd.	15,000	39,150.00	20,000	1,06,000.00
Kale Consultants Ltd.	73,000	6,876.60	5,073	4,45,155.75
Kalindee Rail Nirman	15,000	15,39,000.00	—	—
Kalyani Sharp Ltd.	2,790	87,187.50	—	—
Kalyani Steel Ltd.	5,000	4,06,500.00	—	—
Kapur KCP Packaging Ltd.	1,436	50,547.20	1,565	67,295.00
Kernex Microsystem Ltd.	84	6,594.00	—	—
Kesoram Industries Ltd.	2,294	4,72,908.10	—	—
Kilburn Chemicals Ltd.	2,000	20,000.00	2,000	20,000.00
Kingfisher Airlines Ltd.	—	—	15,000	7,01,250.00
Kirloskar Electric Co. Ltd.	1,000	45,750.00	1,000	85,300.00
Kolte Patil Developers Ltd.	10,176	4,43,164.80	10,000	5,40,000.00
Lawreshwar Polymers Ltd.	4,052	23,501.60	—	—
LCC Infotech Ltd.	71,330	64,197.00	71,330	53,497.50
Lokesh Machiners Ltd.	150	6,067.50	—	—
Mahaan Foods Ltd.	8,200	1,04,140.00	8,200	94,300.00
Mahanagar Telephone Nigam Ltd.	14,500	6,16,878.34	14,996	10,97,707.20
Mahindra Satyam Ltd.	—	—	3,000	2,77,800.00
Man Infracnstruction Ltd.	82	11,549.70	—	—
Mangalam Cement Ltd.	—	—	13,471	22,67,639.82
Mangalore Refinery Petro Ltd.	—	—	10,000	7,52,835.00
Maral Overseas Ltd.	100	1,455.00	100	1,377.00
Marson's Ltd.	2,500	3,963.33	2,000	3,963.33

Name of the Company	As on 31.03.2011		As on 31.03.2010	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Marsons Power & Infra. Devp. Ltd.	18,800	33,464.00	18,800	33,464.00
Mega Soft Ltd.	3,125	77,031.25	3,125	—
Menon Bearings Ltd.	—	—	2,400	85,200.00
Mercator Lines Ltd.	40,000	15,30,000.00	15,000	8,34,750.00
MOIL Ltd.	2,500	9,86,375.00	—	—
Monica Electronics Ltd.	50	385.00	50	385.00
Moserbaer India Ltd.	14,767	6,06,923.70	14,973	10,93,029.00
Mount Everest Mineral Water Ltd.	10,000	1,00,000.00	10,000	1,00,000.00
Mundra Port	300	33,380.01	—	—
Murudeshwar Ceramics Ltd.	5,017	93,567.05	4,561	1,10,591.81
Nagarjuna Fertilizer Ltd.	—	—	40,000	12,28,000.00
National Fertilizer Ltd.	14,647	15,05,020.06	—	—
Navin Flourine International Ltd.	2,500	6,28,375.00	2,500	7,49,750.00
NECTAR Lifescience Ltd.	750	17,925.00	10,000	3,62,000.00
NEPC Agro Foods Ltd.	363	417.45	363	417.45
Network 18 Media & Inv. Ltd. (14my1)	39	5,224.05	43	4,085.00
Network 18 Media & Inv. Ltd. (24ag12)	262	35,094.90	—	—
Networking Med. & Inv. Co. Ltd.	—	—	286	32,160.70
NHPC Ltd.	2,852	72,298.20	—	—
NIIT Ltd.	—	—	20,000	11,53,000.00
NMDC Ltd.	900	2,38,725.00	—	—
Omaxe Ltd.	52	4,721.60	—	—
Oswal Chemicals & Fertilizer Ltd.	—	—	30,000	5,13,000.00
P. H.Capital Ltd.	1,500	10,875.00	1,500	10,875.00
Pace Textiles Ltd.	2,551	38,859.89	2,551	38,859.89
PBA Infrastructure Ltd.	524	33,199.07	5,000	3,30,250.00
PCS Industries Ltd	10,000	2,09,000.00	—	—
PCS Technology Ltd.	—	—	10,000	3,33,400.00
Peninsula Land Ltd.	—	—	25,000	18,36,250.00
Pennar Aqua Exports Ltd.	38,500	59,675.00	38,500	59,675.00
Piramal Glass Ltd.	5	—	5	—
Piramal Healthcare Ltd.	100	33,980	—	—
Polymech Plast Machines Ltd.	4,000	38,800	5,000	36,250.00
Pradip Overseas Ltd.	190	13,585.00	—	—
Pratibha Industries Ltd.	1,000	67,350.00	3,264	11,88,290.21
Pricol Limited	18,000	2,92,500.00	42,907	10,61,948.25
Prithvi Information Systems Ltd.	15,811	4,67,215.05	24,000	22,10,400.00
Prudential Mouli Sugar Ltd.	2,800	3,836.00	2,800	3,836.00
Pyramid Saimira Theatre Ltd.	62	327.98	—	—
Radico Khaitan Finance Ltd.	11,300	80,975.00	11,300	80,975.00
Radico Khaitan Ltd.	—	—	4,728	4,55,722.93
Rajesh Sugar & CHE	8,000	4,29,200.00	—	—
Rastriya Chemicals Ltd.	25,000	19,87,500.00	25,000	19,87,500.00
Raymond Synthetics Ltd.	4,900	1,17,600.00	4,900	1,17,600.00
Recron Synthetic Ltd.	—	—	100	400.00
Reliance Capital Ltd.	200	1,16,270.00	2,452	18,50,401.80
Reliance Communications Ltd.	4,844	5,21,456.60	4,845	8,27,041.50
Reliance Indus.Infrastructure Limited	4,300	25,85,590.00	300	13,500.00
Reliance Industries Ltd.	14	14,343.70	—	—

Name of the Company	As on 31.03.2011		As on 31.03.2010	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
Reliance Infrastructure Ltd.	374	2,55,674.65	812	7,41,812.81
Reliance Mediaworks Ltd.	500	75,425.00	500	1,08,075.00
Reliance Natural Resources Ltd.	—	—	3,500	2,17,875.00
Reliance Power Ltd.	979	1,26,976.30	—	—
Repro India Ltd.	122	11,327.70	—	—
Rico Agrolis Ltd.	2,400	3,960.00	2,400	3,960.00
Rishi Laser Ltd.	3,670	1,79,096.00	4,000	2,13,000.00
Rolta India Ltd.	325	40,331.75	325	40,331.75
Royal Orchid Hotels Ltd.	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.	3,000	1,97,250.00	—	—
Sharp India Ltd.	—	—	3,040	1,01,688.00
Shasun Finance Ltd.	200	2,000.00	200	2,000.00
Shiva Cement Ltd.	16,500	10,59,300.00	—	—
Shree Krishna Petroyarns Ltd.	500	5,000.00	500	5,000.00
Shree Sponge Steel & Forg. Ltd.	1,800	18,000.00	1,800	18,000.00
Shreyans Industries Ltd.	—	—	500	1,250.00
Siemens Ltd.	48	32,429.31	553	4,09,524.15
Silicon Valley Infotech Ltd.	1,41,000	46,530.00	1,41,000	91,650.00
Silverline Technology Ltd.	2,300	7,268.00	2,300	12,305.00
Simbhaoli Suger Mill Ltd.	—	—	13,500	6,07,500.00
SJVN Ltd.	5,073	1,12,113.30	—	—
SM Dyechem Ltd.	29	29.00	1,461	1,461.00
Sobha Developers Ltd.	30	8,835.00	—	—
Spartek Ceramic India Ltd.	369	2,583.00	369	2,583.00
Spentex Industries Ltd.	5,215	85,265.25	5,215	58,981.65
Srei Infrastructure Finance Ltd.	—	—	204,96	14,98,843.93
SRF Limited	980	43,561.00	—	—
Sterling Holiday Resorts India Ltd.	—	—	10,000	9,41,500.00
Store One	2,000	29,300.00	—	—
Sumeet Synthetics Ltd.	1,800	20,250.00	1,800	11,142.00
Sumitra Pharmaceutical & Chem.Ltd.	260	6,630.00	260	6,630.00
Sun Pharma Adv. Res. Co. Ltd.	1,000	72,000.00	1,000	—
Sunil Hitech Engineering Ltd.	8,106	8,63,289.00	—	—
Supriya Pharmaceutical Ltd.	3,700	74,000.00	3,700	38,110.00
Surya Morphy Richards Ltd.	600	600.00	600	600.00
Susken Communication Ltd.	—	—	5,000	8,68,020.78
Suzlon Energy Ltd.	—	—	20,000	14,38,000.00
T.T. Ltd.	6,500	1,30,000.00	31,000	4,23,150.00
Take Solutions Ltd.	180	4,833.00	—	—
Talbros Automation Tech Ltd.	1,091	70,369.50	1,031	54,488.35
Tamilnadu Telecom Ltd.	—	—	1	7.80
Tanla Solutions Ltd.	140	2,345.00	—	—
Tantia Constructions Ltd.	1,501	1,05,370.20	6,500	7,76,750.00
Tata Communication Ltd.	6,000	14,33,400.00	6,000	16,82,400.00
Tata Consultancy Services Ltd.	—	—	520	4,01,060.40
Tata Steels Ltd.	—	—	200	1,14,207.00
Technocraft Industries Ltd.	363	17,666.00	—	—
Terrygold India Ltd.	13,600	14,960.00	13,600	14,960.00

Name of the Company	As on 31.03.2011		As on 31.03.2010	
	No. of Shares	Amount Rs. P.	No. of Shares	Amount Rs. P.
The Simbhaoli Sugar Mills Ltd.	13,500	5,56,875.00	—	—
Thermax Ltd.	1,778	9,33,567.60	—	—
Timken India Ltd.	—	—	310	3,100.00
Tirumala Textile Proc. Ltd.	5,500	14,025.00	5,500	14,025.00
Torrent Power Ltd.	—	—	5,000	14,44,250.00
Transformers & Rectifiers Ltd.	97	23,837.75	89	32,525.05
TV 18 Ltd.	2,256	1,74,952.80	2,256	1,70,440.80
United Bank of India	300	23,160.00	—	—
United Van Der Horst Ltd.	—	—	825	11,550.00
Universal Media Network Ltd.	43,900	10,975.00	43,900	10,975.00
Uniworth International Ltd.	100	80.00	100	80.00
Usha Ispat Ltd.	19,400	1,51,320.00	19,400	2,13,400.00
Vadilal Industries Ltd.	—	—	600	9,000.00
Viceroy Hotels Ltd.	3,000	98,400.00	3,000	1,27,200.00
Videocon Industries Ltd.	630	1,20,456.00	500	1,13,700.00
VIP Industries Ltd.	200	21,000.00	200	21,000.00
Warner Multimedia Ltd.	3	5.10	3	5.10
Welspun Globbal	127	5,410.20	—	—
Welspun Investment	63	4,410.00	—	—
Wipro Ltd.	—	—	500	3,43,688.75
Wires & Fabriks Ltd.	200	13,474.91	200	13,474.91
XL Telecom & Energy Ltd.	192	2,582.40	—	—
Zoom Industrial Serv. Ltd.	2,000	30,000.00	2,000	30,000.00
	<u>15,79,152</u>	<u>5,55,86,708.58</u>	<u>17,22,722</u>	<u>8,48,88,387.42</u>
<b>ii) UNQUOTED SHARES :</b>				
JMD Sounds Ltd.	240	15,624.00	240	15,624.00
Bankebihari Vincom Pvt. Ltd.	3,690	18,45,000.00	—	—
Gigantic Baniya Pvt. Ltd.	17,690	88,45,000.00	—	—
	<u>21,620</u>	<u>1,07,05,624.00</u>	<u>240</u>	<u>15,624.00</u>
<b>iii) MUTUAL FUNDS :</b>				
Prudential ICICI FMCG Fund	89,221	25,00,000.00	89,222	12,39,293.36
Reliance Long Term Equity Fund	2,00,000	20,00,000.00	2,00,000	14,16,640.00
Reliance Medium Term Fund - Ret.	—	—	2,19,908	39,95,535.86
SBI Blue Chip Fund	2,00,000	22,74,000.00	2,00,000	13,64,000.00
	<u>4,89,221</u>	<u>67,74,000.00</u>	<u>7,09,130</u>	<u>80,15,469.22</u>
<b>iv) DEBENTURE</b>				
Spartek Ceramic Ltd.	210	1,236.90	210	1,236.90
Timken India Ltd.	10	1,000.00	10	1,000.00
	<u>220</u>	<u>2,236.90</u>	<u>220</u>	<u>2,236.90</u>
Aggregate Value of Quoted & Unquoted Shares & Debentures	<u>20,90,213</u>	<u>7,30,68,569.48</u>	<u>24,32,312</u>	<u>9,29,21,717.54</u>
Market Value of Quoted Shares & Debentures		<u>8,05,57,377.89</u>		<u>10,10,36,079.71</u>

- f) The Company has not made provision for Non-performing assets amounting to Rs. 1,44,98,122.23 as per Prudential Norms issued by Reserve Bank of India.

**g) Related Party Disclosures :**

**List of Related Parties with whom transactions have taken place and Relationships :**

**\*(A) Key Management Personnel & Relatives :**

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
1) Arihant Jain	Managing Director
2) Santosh Kumar Jain	Director
3) Amiya Kumar Basu	Director
4) Subhabrata Talukdar	Director

**(B) Transaction with parties mentioned in (A) above :**

Remuneration & Perquisites Rs. NIL (Rs. 6,00,000/-)

**h. 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 :

	<u>2010 - 11</u>	<u>2009 - 10</u>
Numerator used : Profit for the year	(1,95,46,219.57)	(2,53,08,342.55)
Denominator used : No. of Shares of Rs. 2/- each	5,53,04,340	5,53,04,340
EPS	(0.35)	(0.46)

- i) In terms of AS-17 of the ICAI, Segment information has not been given as the entire business activities of investing and finance considered as one business segment.
- j) Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 has been given in Annexure - I.
- k) Information pursuant to paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 has been given in Annexure - II.

**l. Auditors' Remuneration :**

	<u>2010-11</u>	<u>2009-10</u>
For Audit Fees	15,000.00	11,030.00
For Tax Audit	7,000.00	5,515.00
For Certification	—	500.00
	<u>22,000.00</u>	<u>17,045.00</u>

- m) Previous year's figures have been regrouped/rearranged wherever necessary.
- n) Schedule "A" to "P" annexed to herewith are forming part of the Balance Sheet and Profit & Loss Account.

**Signed for Identification Schedule 'A' to 'P'**

As per our Report of even date

For **Agrawal S. Kumar & Associates**  
Chartered Accountants

**M. K. Jhavar**  
Partner

Membership No. 61308

**Arihant Jain**  
Managing Director

**Santosh Kumar Jain**  
Director

Place : Kolkata

Dated : The 30th day of May, 2011



## ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI OF COMPANIES ACT, 1956

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I. REGISTRATION DETAILS

Registration No.  State Code   
 Balance Sheet Date

## II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lakhs)

Public Issue (Allotment Money)  Right Issue   
 Bonus Issue  Private Placement

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities  Total Assets

## Sources of Funds

Paid-up Capital  Reserve & Surplus   
 Secured Loans  Unsecured Loans

## Application of Funds

Net Fixed Assets  Deferred Tax Assets   
 Net Current Assets  Investments   
 Accumulated Losses  Miscellaneous Expenditure

## IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover  Total Expenditure   
 Profit Before Tax (-)  Profit After Tax (-)   
 Earning Per Share (in Rs.) (-)  Dividend Rate (%)

## V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

Item Code No. (ITC Code)

NOT APPLICABLE

Product Description

GRANTING LOANS & ADVANCES  
&  
TRADING IN SHARES & SECURITIES

As per our Report of even date

For **Agrawal S. Kumar & Associates**  
Chartered Accountants

**Arihant Jain**  
Managing Director

Place : Kolkata

**M. K. Jhawar**  
Partner

**Santosh Kumar Jain**  
Director

Dated : The 30th day of May, 2011

Membership No. 61308

## 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			
<b>Liabilities Side :</b>			
<b>1.</b>	<b>Loans and advances availed by the Non-banking Financial Company inclusive of interest accrued thereon but not paid :</b>	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	218.78	NIL
	(d) Inter-corporate Loans and Borrowings	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
	<i>*Please see Note 1 below</i>		
<b>Assets Side :</b>			
		Amount Outstanding	
<b>2.</b>	<b>Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :</b>		
	(a) Secured		NIL
	(b) Unsecured		150.88
<b>3.</b>	<b>Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors :		
	(a) Assets on hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Other loans counting towards AFC activities :		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL

	Particulars	Amount Outstanding
4.	<b>Break-up of Investments :</b>	
	<b>Current Investments :</b>	
	1. <b>Quoted :</b>	
	(i) <b>Shares :</b> (a) Equity	555.89
	(b) Preference	NIL
	(ii) Debentures and Bonds	0.02
	(iii) Units of Mutual Funds	67.74
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. <b>Un-Quoted :</b>	
	(i) <b>Shares :</b> (a) Equity	107.06
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Please specify)	NIL
	<b>Long Term Investments :</b>	
	1. <b>Quoted :</b>	
	(i) <b>Shares</b> (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. <b>Un-Quoted :</b>	
	(i) <b>Shares</b> (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

5. Borrower group-wise classification of assets financed as in (2) and (3) above : Please see Note 2 below			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	150.88	150.88
<b>Total</b>	<b>NIL</b>	<b>150.88</b>	<b>150.88</b>

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	805.57	730.71
<b>Total</b>	<b>805.57</b>	<b>730.71</b>

\*\* 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	8.77
(ii) Net Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	8.77
(iii) Assets acquired in satisfaction of debt	NIL

**Notes :**

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

# BLUE CHIP INDIA LIMITED

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-SIXTH 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 Monday, 26th September, 2011 at 11.00 a.m.

Signed this ..... day of ..... 2011.

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-SIXTH 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 Monday, 26th September, 2011 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.