



COLORCHIPS
(INDIA) LIMITED
(And Reduced)

23rd
ANNUAL REPORT
2012-2013



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Board of Directors:

Mr.PTVM Suresh	Managing Director
Mr.D.S. Subrahmanyam	Director
Mr.Manthena Krishnam Raju	Independent Director
Mr.Gurdu Chandra Bhushan	Independent Director
Mr.Kandala Ch AVSN Murthy	Independent Director
Mr.Jagannadha Sastry Rani	Independent Director
Mr.Kotturi Ravi Kumar	Independent Director

Registered Office:

Plot No.91 Road no.7-B
Jubilee Hills, Hyderabad – 500 033
Tel No. 040 – 23550268, 23544862.

Auditors:

M/s. S.N.MURTHY & CO.
Chartered Accountants
1-8-30, Upstairs,
Chikkadpally, Hyderabad- 500 020.

Bankers:

HDFC Bank Limited
Jubilee Hills Branch
Hyderabad

Registrars & Share Transfer Agents:

Venture Capital and Corporate Investments Private Ltd
12-10-167
Bharat Nagar
Hyderabad-500018
Ph: 040-23818475/476
Fax: 040-23868024

URL: www.colorchipsindia.com

Email Id for Investor Related Matters: cs@colorchipsindia.com



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF COLOR CHIPS (INDIA) LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF DECEMBER, 2013 AT 09.00 AM AT PLOT NO 91, ROAD NO 7B, WOMENS HOUSING CO OPERATIVE SOCIETY, JUBILEE HILLS, HYDERABAD – 500033 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2013 and the Profit and Loss Account for the year ended 30th June, 2013 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jagannadha Sastry Rani who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Kotturi Ravi Kumar who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass, with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to section 224 of the Companies Act 1956, M/s S.N.MURTHY & CO., Chartered Accountants, Hyderabad, the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company”

By Order Of the Board

Sd/-

Penugonda TVM Suresh
Managing Director

Hyderabad
August 29th, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID SHALL BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 27th December, 2013 to Monday, 30th December, 2013, (both days inclusive).
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting as the same will not be distributed at the Meeting.
5. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Share Transfer Agents at M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad- 500018.
6. The Company has designated exclusive e-mail Id called cs@colorchipsindia.com for redressal of shareholders' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at above said mail IDs.
7. The Ministry of Corporate Affairs has taken a corporate "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies vide circular bearing No.18/2011 dated 29.04.2011. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 53 of the Companies Act, 1956. In view of the above, notice is hereby given to every member of the Company including NRI shareholders to get their e-mail addresses registered with their respective Depository Participants (DP) in case shares are held in Demat form and with the Registrar & Share Transfer Agent (RTA) viz. M/s. Venture Capital & Corporate Investments Private Limited, Hyderabad, if the shares are held by them in physical mode. Further, it is also clarified that Company would be in compliance of provisions of Section 219(1) of the Companies Act, 1956, in case, a copy of Balance Sheet etc., is sent by electronic mail to its members subject to the above cited compliance.
8. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment at the meeting are annexed.
9. It is also noticed that many members holding shares in physical mode are holding insignificant shares under multiple folios. In order to provide cost effective, faster and prompt service, all Members concerned are requested under relevant clause of Listing Agreement to get their shareholding consolidated in one folio only.



10. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company/RTA.
11. All mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

a	Name	Mr. Jagannadha Sastry Rani	Mr. Kotturi Ravi Kumar
b	Brief Resume		
	i) Age	49 years	47 years
	ii) Qualification	M.Com	B.com
	iii) Experience & Nature of expertise in specific functional Areas	He has over 20 years experience in Finance sector	He has over 15 years experience in Finance sector
	iv) Date of appointment on the Board of the Company	August 14th, 2012	August 14th, 2012
c)	Names of other companies in which directorship held (as per Section 275 and 278 of the Companies Act, 1956)	NIL	NIL
d)	Name(s) of companies in which NIL committee Membership(s) held	NIL	
e)	No. of shares of Rs.10/- each held by the Director	NIL	NIL
f)	Relationship between Directors inter se (As per section 6 and schedule 1A of the Companies Act, 1956)	NA	NA

DIRECTORS' REPORT

To
 The Members
 Color Chips (India) Limited (And Reduced)

Your Directors have pleasure in placing before you the 23rd Annual Report of the Company with Audited Financial Statements for the year ended 30th June 2013.

Financial Results:

(Rupees in Lakhs)

Particulars	2012-13	2011-12
Gross Total Income from Operations	40.82	38.88
Profit before Depreciation, Interest and Taxes	(34.79)	(900.26)
Depreciation	12.68	12.75
Finance expenses	-	-
Profit Before Tax	(22.11)	(913.01)
Provision for Tax	--	--
Net Profit / (Loss)	(27.00)	(1563.94)
Balance Carry forward to Balance Sheet	(27.00)	(2268.16)

Dividend:

Your directors have not recommended any dividend for the financial year.

Directors:

During the year under review, Mr. Jagannadha Sastry Rani and Mr. Kotturi Ravi Kumar, retire by rotation and being eligible, offer themselves for re-appointment and brief particulars of these gentlemen, are given in the annexure to the Notice of this Meeting.

The Board commends the re-appointment of these persons as Directors of the Company.

Auditors' & Auditor's Report:

M/s. S.N.Murthy & Co., Chartered Accountants, the present Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and is eligible for re-appointment as Statutory Auditors. The Company has received letter from them to the effect that their re-appointment, if

made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Audit Committee of the Board has recommended their re-appointment and the Board of Directors commends the Resolution for their re-appointment.

Comprehensive Capital/Financial Restructure Plan:

An Extra ordinary General Meeting was held on 3rd of November 2012 as per the directives of Hon'ble AP High Court and in the meeting the shareholders' have given their approval for the 'comprehensive restructure' scheme. The final approval was given by the Hon'ble High Court on and on 21st January 2013 and on 26th February 2013 which is the effective date of scheme , the equity shares were reduced and reconsolidated to result 1,74,68,872 shares of Rs 10 each.

The Honorable High Court of Andhra Pradesh has approved the Scheme of Arrangement between the Company and its shareholders and its unsecured lenders through its order dated January 21st, 2013:

Directors' Responsibility Statement Pursuant to Sec. 217(2AA):

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility statement, it is hereby confirmed that:

In the preparation of the annual accounts for the year ended June 30th , 2013, the applicable accounting standards read with requirements set out under Schedule VI of the Companies Act, 1956 have been followed along with proper explanation relating to material departures;

The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on June 30th , 2013 and of the profit or loss of the company for that period;

The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The directors have prepared the annual accounts of the Company on a going concern basis.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Sec. 217(1)(e) of the Act read with rule 2 of Companies (disclosure of particulars in the report of board of directors) Rules, 1988 are set out in Annexure-A to this Report.

Management Discussion & Analysis:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges in India, and forms part of this Annual report as Annexure-B

Report On Corporate Governance:

The Company is committed to maintain the standards of Corporate Governance and adhere to the Corporate Governance requirements as set out by SEBI. Your Directors re-affirm their commitment to these standards and a detailed report on Corporate Governance along with a certificate from statutory auditors on its compliance forms a part of this Annual Report as Annexure-C

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report as Annexure-D

CEO'S Declaration As Required Under Clause 49 Of the Listing Agreement:

Declaration as required under clause 49(I) (D) (ii) of the listing agreement with regard to compliance with the code of conduct of the company is set out as Annexure- E to this report.

Particulars of Employees - Pursuant To Sec. 217(2A) Of The Companies Act, 1956:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, there are no employee in the Company who is drawing the remuneration worth Rs. 5,00,000 per month or Rs. 60,00,000 per annum during the financial year .

Stock Exchange Listing:

The Equity Shares of the company are listed and traded on the Bombay Stock Exchange Limited. The listing fee for the year 2012-13 has been paid to the Bombay Stock Exchange Limited. The Company has also paid custodial fee for the year 2012-13 to both the depositories' viz. NSDL and CDSL on the basis of number of beneficial folios maintained by them as on 30th June 2013.

The Company has been suspended from trading from the National Stock Exchange of India Limited.

Fixed deposits:

Your company has not accepted / renewed any fixed deposits under Section 58A of the Companies Act, 1956 during the year 2012-2013.

Acknowledgements:

The Directors wish to place on record their appreciation for the continued co-operation and support by the Banks, Government authorities, Business Partners, Customers and other Stakeholders and more importantly, more specifically to the contribution made by all the Executives, Staff members of the Company in the achievements of the Company during the year under review.

Hyderabad
August 29th, 2013

BY ORDER OF THE BOARD

Sd/-
PENUGONDA TVM SURESH
CHAIRMAN OF THE MEETING