



**COLORCHIPS  
(INDIA) LIMITED**

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**24<sup>th</sup>  
ANNUAL REPORT  
2013-2014**

**COLORCHIPS**  
(INDIA) LIMITED

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**COLORCHIPS****Board of Directors:**

Mr. Rama Krishna Bhaskar  
 Mr. Nyayapathi Sunder Raj  
 Mr. Kotturi Ravi Kumar  
 Mr. S.R. S.Srivastav  
 Mr. Prakash Tripathi

Executive Director (DIN 01620392)  
 Non-Executive & Independent Director (DIN 01679215)  
 Non-Executive & Independent Director (DIN 06363981)  
 Non-Executive Director (DIN 06558343)  
 Executive Director (DIN 06926812)

**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.

**Audit Committee:**

1. Mr. K. Ravi Kumar
2. Mr. Nyayapathi Sunder Raj
3. Mr. Rama Krishna Bhaskar

**Nomination & Remuneration Committee:**

1. Mr. Ravi Kumar
2. Mr. Nyayapathi Sunder Raj
3. Mr. S.R.S.Srivastav

**Stakeholders Relationship Committee:**

1. Mr. K. Ravi Kumar
2. Mr. Nyayapathi Sunder Raj
3. Mr. Rama Krishna Bhaskar

**Bankers:**

**ICICI 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

**ISIN:**

INE737B01033

**Website:**

[www.colorchipsindia.com](http://www.colorchipsindia.com)

**Investor Email:**

**cs@colorchipsindia.com**

**Corporate Identity Number:**

L36999TG1990PLC011129




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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COLOR CHIPS (INDIA) LIMITED WILL BE HELD ON SATURDAY, THE 20<sup>TH</sup> DAY OF SEPTEMBER, 2014 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 31<sup>st</sup> March, 2014 and the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2014 and the Reports of Board of Directors and Auditors thereon.
2. To consider and if thought it, to pass, with or without modification the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 as may be applicable, M/s. Niranjan & Narayan, Chartered Accountants (registration No. 005899S), be appointed as statutory auditors of the Company, in place of retiring auditors M/s. S.N.Murthy & Co, Chartered Accountants(registration No. 005899S), to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting (AGM) of the Company, on a remuneration (including terms of payment) to be fixed by the Board of Directors of the Company and based on the recommendation of the Audit Committee.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under and the Articles of Association of the Company, Mr. Rama Krishna Bhaskar, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26.07.2014 and who holds office until the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rama Krishna Bhaskar as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company.

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

“Resolved that in accordance with the provisions of Sections 196,197,203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and also subject to the approval of the Central Government, if required, the company hereby accords its approval to the appointment of Mr. Rama Krishna Bhaskar, as a Whole Time Director of the Company w.e.f 20.09.2014 on the terms and conditions including terms of remuneration as set out in the explanatory statement attached hereto and forming part of this notice with a liberty to Board of Directors to alter and vary the terms and conditions of the said appointment and/ or remuneration so as the total remuneration payable to him shall not exceed the limits specified in schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mr. Rama Krishna Bhaskar.

“Resolved further that notwithstanding anything contained to the contrary in the Companies Act, 2013 wherein any financial year the company has no profits or has inadequate profit, Mr. Rama Krishna Bhaskar will be paid minimum remuneration as stated in the Explanatory statement or such remuneration as may be approved by the Board within the ceiling prescribed under schedule V of the Companies Act, 2013 or any modification or re-enactment thereof at relevant time.

“ Resolved further that in the event of any statutory amendment or modification by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary and alter in terms of appointment including salary, commission, perquisites, allowances etc. payable to Mr. Rama Krishna Bhaskar within such prescribed limit or ceiling and as agreed by and between the Company and Mr. Rama Krishna Bhaskar without any further reference to the Company in General Meeting.”

“Resolved further that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Nyayapathi Sunder Raj (DIN 01679215), who was appointed ‘Additional Director’ in the Board of the



Company on 26.07.2014 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Nyayapathi Sunder Raj as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director upto 31<sup>st</sup> March, 2019."

6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Sai Ramakrishna Srivastav Sadasivuni (DIN 06558343), who was appointed 'Additional Director' in the Board of the Company on 19.01.2014 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company to retire by rotation."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Prakash Tripathi (DIN 06926812), who was appointed 'Additional Director' in the Board of the Company on 14.08.2014 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company to retire by rotation."

8. To consider and if thought it, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, approval of the



shareholders be and is hereby accorded to the Company to amend the Articles of Association of the Company in the following manner;

To insert the following in place of Article 1:

The regulations contained in Table F of Schedule I of the Companies Act, 2013, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company.

“Resolved further that the Board of Directors of the Company be and is hereby authorized to do all acts and take necessary, to give effect to this resolution.”

#### 9. **EMPLOYEE STOCK OPTION SCHEME – 2014:**

To consider and if thought fit, to pass, the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreement entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration / Compensation Committee of the Board) approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue, in one or more tranches, to such permanent employees (including joining employees) of the Company whether working in India or out of India and directors of the company whether whole-time directors or otherwise (hereinafter collectively referred as the “Employees”) who are eligible to participate as per the Guidelines and as may be decided by the Board/Committee, under a plan titled “**CCIL- ESOP Scheme 2014**” (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the explanatory statement, such number of options which could rise to the issue of equity shares of the Company not exceeding 10,00,000 equity shares at such price and on such terms and conditions as may be



determined by the Board/Committee in accordance with the ESOP Guidelines or any other applicable provisions as may be prevailing at that time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modification(s), change(s), variation(s), alternation(s) or revision(s) in the terms and conditions of Scheme from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan.”

“RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall Rank pari-passu inter se with the then existing equity shares of the Company in all respects.”

“RESOLVED FURTHER THAT in case Color Chips (India) Limited equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the grant of option, the Board / Compensation Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under the Scheme on the Stock Exchanges where the shares of the Company are listed as per the provisions of the Listing Agreement with the Stock Exchange concerned, the Guidelines and other applicable laws and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”





## 10. **GRANT OF OPTIONS TO THE EMPLOYEES OF SUBSIDIARY AND STEP DOWN SUBSIDIARY COMPANY UNDER EMPLOYEE STOCK OPTIONS SCHEME – 2014:**

To consider and if thought fit, to pass, the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Compensation Committee of the Board) approval of the members be and is hereby accorded to the Board/Committee of Directors to extend the benefits of the “**CCIL- ESOP Scheme 2014**” referred to in the resolution under item No.9 in this Notice and duly passed at this meeting, also to such permanent employees (including joining employees) of the subsidiary companies including step down subsidiary companies whether working in India or out of India and directors of the company whether whole-time directors or otherwise, as may be decided by the Board and / or Committee or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board”.

“RESOLVED FURTHER THAT in case Color Chips (India) Limited equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the Grant of option, the Board / Compensation Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected”.



“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**11. ALLOTMENT OF EQUITY SHARES EXCEEDING 1% OF THE PAID UP CAPITAL OF THE COMPANY UNDER ESOP SCHEME – 2014:**

To consider and if thought fit, to pass, the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under and the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations and Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Compensation Committee of the Board) approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue of options or equity shares equal to or exceeding 1% of the paid up capital including outstanding warrants and conversions) of the Company, in one or more tranches, the benefits of the Employees Stock Option Scheme-2014 referred to in the Resolutions under item nos. 9 and 10 in this notice and duly passed at this meeting, to such key permanent employees (including joining employees) of the Company as may be identified by the Compensation Committee for their outstanding performance / contribution at the time of grant of options whether working in India or out of India and Directors of the company whether whole-time directors or otherwise (hereinafter collectively as the “Employees”) who are eligible to participate as per SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, Options exercisable by the Employees under a plan titled “CCIL- ESOP Scheme 2014”, as may from time to time, be allowed under