

34th Annual Report 2009 - 2010

A photograph showing several hands in business attire pointing at documents and charts on a table. The scene is dimly lit, with a blue tint. The hands are positioned over various papers, including one with a line graph and another with a table of data. A pen is visible on the table.

**BLUE CIRCLE SERVICES
LIMITED**

BLUE CIRCLE SERVICES LIMITED

BOARD OF DIRECTORS

Anil Purohit	Chairman & Managing Director
Ashok Bothra	Wholetime Director
Dhruva Narayan Jha	Wholetime Director
Darshan Bhagat	Independent Director
Raj Kumar Mall	Independent Director
Chandresh N Shah	Independent Director

COMPLIANCE OFFICER

Mr. Pravin Sawant

AUDITORS

M/s. Pradeep Gupta
Chartered Accountant

BANKERS

Axis Bank Ltd

REGISTERED OFFICE

106, Sagar Shopping Centre
J. P. Road, Andheri (W),
Mumbai-400 058

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Indl. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011.

ANNUAL GENERAL MEETING

Date : 30th July 2010
Time : 1.30 P.M.
Venue : 106, Sagar Shopping Centre,
J. P. Road, Andheri (W)
Mumbai-400 058



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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of **BLUE CIRCLE SERVICES LIMITED** will be held on Friday, 30th day of July, 2010 at 1.30 P.M. at 106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058 to transact following business as:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2010.
2. To appoint Director in place of Mr. Ashok Bothra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Darshan Bhagat, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Dhruva Narayan Jha, who was appointed as an Additional Director of the Company at the Board meeting held on 10th August 2009 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Dhruva Narayan Jha for the office of Director of the Company be and is hereby appointed as Director of the Company."

6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Anil Purohit, who was appointed as an Additional Director of the Company at the Board meeting held on 2nd March 2010 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Anil Purohit for the office of Director of the Company be and is hereby appointed as Director of the Company."

7. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Raj Kumar Mall, who was appointed as an Additional Director of the Company at the Board meeting held on 17th March 2010 and who holds the office up to the date of this Annual General Meeting in terms of provision of section

260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Raj Kumar Mall for the office of Director of the Company be and is hereby appointed as Director of the Company."

8. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Chandresh N Shah, who was appointed as an Additional Director of the Company at the Board meeting held on 17th March 2010 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Chandresh N Shah for the office of Director of the Company be and is hereby appointed as Director of the Company."

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd July 2010 to 30th July 2010 (both days inclusive).
3. Dividend as recommended by the Directors for the year ended 31st March 2010, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 22nd July 2010 and in respect of shares held in dematerialized form, as per the list of Beneficial Owners furnished to the Company by NSDL/CDSL and from the Registrar and Share Transfer Agent of the Company, at the close of business on 22nd July 2010. The Dividend warrants will be posted before 20th August 2010.
4. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
5. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
6. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
7. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.

8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
12. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
13. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
14. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Ahmedabad Stock Exchange and Listing Fees for the financial year 2010-2011 have been paid to Bombay Stock Exchange Ltd.

Mumbai, May 31, 2010

By order of the Board
For **BLUE CIRCLE SERVICES LIMITED**

Registered Office :
106, Sagar Shopping Centre,
J. P. Road, Andheri (W),
Mumbai-400 058.

ANIL PUROHIT
Chairman & Managing Director

Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956**Item No. 5**

The Board of Directors of your Company appointed Mr. Dhruva Narayan Jha as an Additional Director of your Company at the Board meeting held on 10th August 2009 to broad base the Board.

Mr. Dhruva Narayan Jha, Age 49, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting & Taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Dhruva Narayan Jha for the office of Director of the Company.

Mr. Dhruva Narayan Jha does not hold any shares in his own name or in the name of his relatives.

Mr. Dhruva Narayan Jha is having Directorship and Committee Chairmanship in following Listed and Public Limited Cos. :-

Sr. No.	Name of the Company	Position as Committee Chairmanship	Position as Committee Membership
1.	Prime Capital Markets Ltd.	2	1
2.	Warner Multimedia Limited	Nil	4
3.	Bolton Properties Limited	1	3
4.	Denim Developers Limited	Nil	Nil
5.	Universal Multimedia Ltd.	Not Applicable	Not Applicable
6.	Chefair Impex Ltd.	Not Applicable	Not Applicable
7.	Bull Power Vyapar Ltd.	Not Applicable	Not Applicable
8.	Sargam Trade Link. Ltd.	Not Applicable	Not Applicable
9.	Celesst Mercandise Ltd.	Not Applicable	Not Applicable
10.	Thunder Traders Ltd.	Not Applicable	Not Applicable

Except Mr. Dhruva Narayan Jha in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 6

The Board of Directors of your Company appointed Mr. Anil Purohit as an Additional Director of your Company at the Board meeting held on 2nd March 2010 to broad base the Board.

Mr. Anil Purohit, Age 30, B. Com., Graduate, young guy has rich experience in Financial & Money market as well as expertise in Accounting & Taxation matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Anil Purohit for the office of Director of the Company.

Mr. Anil Purohit does not hold any shares in his own name or in the name of his relatives.

Mr. Anil Purohit is not among Directors in any of Listed or Un-listed Companies and thus is not having position of chairmanship or Membership of Committees in any of Listed Companies.

Except Mr. Anil Purohit in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 7

The Board of Directors of your Company appointed Mr. Raj Kumar Mall as an Additional Director of your Company at the Board meeting held on 17th March 2010 to broad base the Board.

Mr. Raj Kumar Mall, Age 41, B. Com. has vast knowledge and rich experience in Financial & Capital Market related activities as well as expertise in Accounting & Taxation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Raj Kumar Mall for the office of Director of the Company.

Mr. Raj Kumar Mall does not hold any shares in his own name or in the name of his relatives.

Mr. Raj Kumar Mall is not among Directors in any of Listed or Un-listed Companies And thus is not having position of chairmanship or Membership of Committees in any of Listed Companies.

Except Mr. Raj Kumar Mall in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Item No. 8

The Board of Directors of your Company appointed Mr. Chandresh N Shah as an Additional Director of your Company at the Board meeting held on 17th March 2010 to broad base the Board.

Mr. Chandresh N Shah, Age 50, B.Sc. has vast knowledge and rich experience in Capital Market related activities. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Chandresh N Shah for the office of Director of the Company.

Mr. Chandresh N Shah does not hold any shares in his own name or in the name of his relatives.

Mr. Chandresh N Shah is not among Directors in any of Listed or Un-listed Companies And thus is not having position of chairmanship or Membership of Committees in any of Listed Companies.

Except Mr. Chandresh N Shah in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Mumbai, May 31, 2010

By order of the Board
For **BLUE CIRCLE SERVICES LIMITED**

Registered Office :
106, Sagar Shopping Centre,
J. P. Road, Andheri (W),
Mumbai-400 058.

ANIL PUROHIT
Chairman & Managing Director

DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 34th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2010.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2010	Year Ended 31.03.2009
Income	16.77	14.26
Profit before Tax & extraordinary item	13.80	13.79
Less : Provision for Taxation	4.26	4.50
Profit after Tax	9.54	9.29
Less : Provision for Payment of Dividend	3.74	0.00
Less : Provision for Tax on Distribution of Dividend	0.63	0.00
Net Profit after Distribution of Dividend & Dividend Tax	5.17	9.29
Add : Profit brought forward from Previous Year	26.68	17.39
Balance carried forward	31.84	26.68

OPEATIONAL REVIEW

During the year under review, your Company has made a turnaround in its performance. The PBT of the Company stood at Rs. 13.80 Lacs which is highest since inception. The Company has worked hard to find new Clients and to satisfy them with the quality of services and continuous support in order to meet their requirements. Even Company has temporarily started to invest in funds in Securities and Commodities Market and major portion of Income was from this activities.

DIVIDEND

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2010 at 50 Paise (Fifty Paise) per share or (5 percent) on face value of Equity Shares of Rs. 10/- each, subject to approval of Members at the ensuing Annual General Meeting.

INDUSTRY STRUCTURE AND DEVELOPMENT

Over the past few years, Blue Circle has consolidated itself with aggressive NPA recoveries and liability restructuring, whereby, in spite of overall adverse scenario, it has been able to move aggressively and register huge growth in the approval and disbursement of fresh assistance for project finance to stimulate various industries in India. Acquisition of NPAs from banks and their resolutions has also been embarked upon.

The corporate finance and financial services sectors in India are highly competitive. The global meltdown has affected the overall industrial and economic performance of the country. This has posed a special challenge to your Company, who has embarked upon substantial asset creation after a gap of 10 years.

Blue Circle Services Ltd. (BSCL) is in the area of project finance with banks and Financial/ Investment Institutions. Your Company has, in order to reduce credit risk, improved security coverage and higher marginal rate of return and increased its exposure in the area of Promoters' Funding, where it faced competition from NBFCs only.

Your Company has strengthened its operational areas, other than project finance. There had also been significant development in the areas of fee based activity and creation of value addition through its services.

OPPORTUNITIES & THREATS

With an upswing in its performance, mood and commitment of the Management team, your Company is well poised to expand its operations and performance in accordance with its business plan. Your Company will explore possibilities for new business for short term and medium term.

The overall economic scenario continues to be subdued in the short term perspective and as such, till the overall economy gets an upward momentum, the credit off-take and pressure on yield would remain. However, the Budget of 2009-10 has provided various stimuli for industrial growth in the country, particularly in the Infrastructure sector. Various measures announced are expected to provide positive impact on industries like Oil & Gas, Power, Construction, Textiles, Automobiles, Petrochemicals, Household Appliances and the like.

In addition to the normal lending activities, your Company is also concentrating on private equity participation, project development activities; non-fund based income from advisory services and thrust to the activities of subsidiaries/associate companies.

PERFORMANCE & CURRENT YEAR PROSPECTS

Your Company is providing Advisory Services to clients and also investing its surplus fund in Capital, Securities and Commodities Market. Looking to what happened in Capital Market, your Company has done well during the year under review and as promised, Board of Directors ready to deliver its shareholders and have recommended Dividend @ 50 Paise per Share of Rs. 10/- each to its Members. Members of Board have worked hard to find new Clients and to satisfy them with its integrated and personalized services. More important is that the Company has created faith among its Clients which is really a good sign and hoping for a bright future.

Although it cannot be denied that global slowdown and steep fall in the income of common man as well as of small and medium size Entrepreneurs, it is very difficult for the Company to find new clients and to grow, though the Company managed to deliver something to its members. The Company is hopeful to do better and better in coming days and thus will be able to deliver more in future.

BUSINESS SEGMENT

The Company was basically in the business of Advisory Services to Corporate & HNI Clients. Beside this the Company uses to invest its surplus fund, for the time being, in capital, securities and commodities market based on its own study as well as market information available on different sources. It cannot be denied that current business of the Company cannot be treated as long term business and thus is looking to diversify in such new business apart from current activities.

RISK & CONCERNS

In current scenario the Company is not in an established business and hence there is no guarantee to be in profit in coming days. In spite of working so hard, Board cannot guarantee to continue to deliver its members in future. The Company is trying to diversify its business in some other business activities which may not be a successful one or can earn regularly but all depends upon future development and market conditions.

OVERVIEW

The Company is planning to invest money in right line of business and looking to various aspects and the Company is hopeful to do better in coming years and will be in the established business in near future.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

BSCCL has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Company was having staff strength of 3 people during the year under review however the Company is recruiting more experienced employees during financial year 2010-11. Once the process of new recruitment will be over, the Company will be able to comment on this.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

MANAGEMENT

During the year the Management of Company has been changed via Open Offer by M/s. Prime Capital Market Limited after complying with all requisite SEBI Compliances. Mr. Dhruva Narayan Jha and Mr. Anil Purohit will be taking care of Business after Change in Management.

DIRECTORS

During the year the Company has appointed Mr. Dhruva Narayan Jha as an Additional, Wholetime Director, Mr. Anil Purohit as Chairman & Managing Director, Mr. Raj Kumar Mall and Mr. Chandresh N. Shah as Independent Directors of the Company, all from new acquirer to participate and manage its business and to broad-base its board.

Further, during the year Mr. Biren Shah has resigned from the Board of Directors w.e.f. 17th March 2010. The Board appreciates their valuable services during the course of their tenure.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Dhruva Narayan Jha, Mr. Anil Purohit, Mr. Raj Kumar Mall and Mr. Chandresh N Shah are liable to retire after conclusion of forthcoming Annual General Meeting and are eligible, offers themselves for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Mr. Dhruva Narayan Jha, Mr. Anil Purohit, Mr. Raj Kumar Mall and Mr. Chandresh N Shah themselves, none other Directors are interested in their respective re-appointments.

Further, non of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

CORPORATE GOVERNANCE

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

HUMAN RESOURCES

Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of its managing body. Objective appraisal systems are in place for management system.

STATUTORY INFORMATION

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

AUDITORS

The Auditors M/s Pradeep Gupta, Chartered Accountants, Mumbai hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT :

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There were no employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company is having no business during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information

required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2010, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 at the end of the financial year and of the profit of the Company for that period.
3. The Directors had 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.
4. The Directors had prepared the annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Mumbai, May 31, 2010

By order of the Board
For **BLUE CIRCLE SERVICES LIMITED**

Registered Office :
106, Sagar Shopping Centre,
J. P. Road, Andheri (W),
Mumbai-400 058.

ANIL PUROHIT
Chairman & Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for Blue Circle Services Limited (BSCL) is passion, motto and culture. To attain growth in all facets and at the same time ensuring welfare of the society at large is only possible by adhering to high standards of Corporate Governance.

We are proud that we believe in Corporate Governance not only a law but in spirit too. Our endeavor is to maximize the wealth of the stakeholders by managing the affairs of the Company with pre-eminent level of accountability, transparency and integrity.

We believe that accurate and timely disclosures improve public understanding on the activities of the Company which consequently attracts investors towards the Company. We aim to adopt best International practices in Corporate Governance and are confident of achieving it.

BSCL has during its way towards growth, adopted the BSCL Code of Conduct and BSCL Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

BOARD OF DIRECTORS

Composition of Directors

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of five Directors out of which three members are Independent Directors.

The Board of Directors met 7 times on 30th June, 31st July, 10th August and 30th October in year 2009, on 29th January, 2nd March and 17th March in the year 2010 during the financial year 2009-2010.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Biren Shah*	Chairman	7	Yes	2	1	Nil
Darshan Bhagat	Independent Director	7	Yes	1	2	Nil
Ashok Bothra	Whole time Director	7	Yes	5	4	4
Dhruva Narayan Jha+	Whole time Director	4	Yes	5	2	3
Anil Purohit@	Managing Director	Nil	No	Nil	Nil	Nil
Raj Kumar Mall#	Independent Director	Nil	No	Nil	Nil	Nil
Chandresh N. Shah#	Independent Director	Nil	No	Nil	Nil	Nil

*Chairman of the Board

@Appointed w.e.f. 2nd March 2010

+Appointed w.e.f. 10th August 2009

Appointed w.e.f. 17th March 2010

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Blue Circle Services Ltd., (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Authority and Responsibilities

1. The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor;

The members of Audit Committee met four times on 30th June, 31st July & 30th October in year 2009 and on 29th January in year 2010 during the financial year ended on 31st March 2010.

Name	Number of Meetings Held	Meetings Attended
Mr. Biren Shah	4	4
Mr. Darshan Bhagat*	4	4
Mr. Ashok Bothra	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2009-2010.

No Stock option has been allotted to any of the Directors during the financial year 2009-2010.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Darshan Bhagat; Independent, Promoter Director with two other Directors namely Mr. Biren Shah & Mr. Ashok Bothra.

The members of Share Transfer Committee met 5 times on 30th June, 31st July and 31st October in year 2009, on 30th January and 17th March in year 2010 during the financial year ended on 31st March 2010.

Name	Number of Meetings Held	Meetings Attended
Mr. Darshan Bhagat*	5	5
Mr. Biren Shah	5	5
Mr. Ashok Bothra	5	5

*Chairman of Committee

INVESTORS' GRIEVANCE COMMITTEE

The Board of BLUE CIRCLE SERVICES LIMITED has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Pravin Sawant as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 1, May 4, June 1, July 1, August 3, September 1, October 1, November 2, and December 1st in year 2009 and on January 4, February 1 and March 2 in year 2010.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Ashok Bothra*	Chairman	Independent, Non-Executive	12
Mr. Darshan Bhagat	Member	Independent, Promoter Director	12
Mr. Biren Shah	Member	Chairman & Managing Director	10
Mr. Dhruva Narayan Jha	Member	Executive, Wholetime Director	2

Details of Shareholders' Complaints

During the year the Company received 2 complaints from its Members which were asking for providing procedure of issue of duplicate shares. The Company has asked Complainants to provide proof of their holdings which was not provided by them during the year. Thus the Complaints remained unresolved at the end of the Year.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
33rd Annual General Meeting	28th September 2009, 10.00 AM	105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058
32nd Annual General Meeting	29th September 2008, 4.00 PM	The Nest, 6th Road, Santacruz (E), Mumbai-400 055
31st Annual General Meeting	29th September 2007, 4.00 PM	Same as Above Address

Location and time of last two Extra-Ordinary General Meetings :

No Extra-Ordinary General Meeting has been held during last three financial years.

POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

Special Resolution was passed in last Annual General Meeting held on 28th September 2009 for shareholders' approval for appointment of Mr. Ashok Bothra as Director of the Company. The resolutions were passed unanimously and no voting was required to pass these resolutions.

No Special Resolutions have been passed during remaining two financial years.

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Office has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays

down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.

- (d) Secretarial Audit : A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) The Company has failed to comply with the various provisions of Listing Agreement during year 2007 which have been complied in Year 2009 and now the Company is regular in complying with the provisions of Listing Agreement. Further, no penalties have been levied or actions have been taken by BSE or ASE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.
- f) The Company has not adopted a Whistle Blower Policy till date.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company is not yet started to post its Quarterly Results/Half Yearly/ Nine Months & Annual Results on its website.
- The Company is yet to setup its website and Official News releases are also yet to be posted on such proposed website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION**a. Next Annual General Meeting**

The information regarding 34th Annual General Meeting for the financial year ended on 31st March 2010 is as follows :-

Day & Date : Friday, 30th July, 2010

Time : 1.30 P.M.

Venue : 106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058

b. Financial Year : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2010	13th August, 2010
Financial Reporting of 2nd Quarter ended on 30th September 2010	15th November, 2010
Financial Reporting of 3rd Quarter ended on 31st December 2010	15th February 2011
Financial Reporting of 4th Quarter ended on 31st March 2011	30th May 2011
Date of Annual General Meeting	During August 2011

d. Date of Book Closure : July 23 to July 30, 2010. (Both days inclusive)

e. Dividend Payment Date : The Board of Directors are pleased to recommend the payment of Dividend 50 Paise per Equity Share of Rs. 10/- each (i.e. 5 Percent of paid-up Capital) Subject to approval of Shareholders) to be paid within the prescribed time period. This Dividend, if approved at the Annual General Meeting, shall be paid to all eligible Members whose names appear on the Register of Members on July 22, 2010.

f. Listing of Shares : Bombay & Ahmedabad Stock Exchanges

g. Listing Fees : Company has paid Annual listing Fees to BSE and Custodial Fees to NSDL & CDSL for year 2010-11.

h. Stock Code & ISIN : Scrip Code 508939 on BSE.
ISIN INE526K01015 on NSDL & CDSL

i. Market Price Data :

The equity shares of the Company are under suspension for trading hence market price data for the year under review is not applicable. Further, the Company has filed requisite documents with BSE for revocation of suspension and the Company is hopeful of withdrawal of suspension from trading in shares soon.

j. Registrar & Share Transfer Agent.

M/s. Purva Sharegistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Sharegistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Indl. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011, Tel : 022-23016761

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Distribution of Shareholding as on 31st March 2010

Category	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	107	72.30	14600	1.95
5001-10000	0	0.00	0	0.00
10001-20000	0	0.00	0	0.00
20001-30000	3	2.03	7500	1.00
30001-40000	6	4.05	23000	3.08
40001-50000	0	0.00	0	0.00
50001-100000	16	10.81	124500	16.67
100001 and Above	16	10.81	577400	77.30
Total....	148	100.00	747000	100.00

m. Shareholding Pattern as on 31st March 2010

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	150000	20.09
Indian Bank	0	0.00
Others (NRI)	0	0.00
Private Corporate Bodies	11000	1.47
Indian Public	586000	78.44
Total	747000	100.00

n. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an

electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are yet to be admitted for trading on Bombay Stock Exchange Ltd. As on 31st March 2010, 24.50% Equity Shares of the Company are in dematerialized form.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

q. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

r. Brief Resume of the Directors Seeking Re-Appointment

Mr. Darshan Bhagat, Age 39, B. Com, Graduate, is having vast experience in the filed of financial market & taxation matters. He is an Independent Director of the Company.

As on 31st March 2010, he is not among the Board of Directors in any of the Companies and thus not holding position of Committee Chairmanship of Committee Membership.

As on 31st March 2010, he is not holding any shares in his name of in the name of his relatives.

Mr. Ashok K Bothra, Age 44, passed B.Com is a well educated personality. Mr. Bothra is having a vast experience in the field of Capital and Financial Market. His vision to look the things deeply and his ability to read the situation as well as fast decision is one of the Assets of the Company. The Company is certain to be benefited from his timely advice and suggestions; he is contributing to the Company. He is Independent Director of the Company.

He is not holding any shares of the Company in his own name or in the name of relatives.

As on 31st March 2010, he is on the Board of Directors of the following Companies.

Sr. No.	Name of the Company
1.	JMD Telefilms Industries Limited
2.	Prraneta Industries Limited
3.	Dynamic Portfolio Management & Services Ltd.
4.	Unisys Softwares & Holding Industries Ltd.

Further, he is having 5 Committee Chairmanship and 4 Committee Membership in various listed cos. where he is holding position of Director.

s. Details on use of Public Funds Obtained in the last three years :

No fund has been raised by the Company by any of the modes during last three financial years.

t. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

u. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-
Mr. Pravin Sawant - blue.circl@gmail.com

v. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

w. Address for Correspondence

BLUE CIRCLE SERVICES LIMITED
106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To
The Members of
BLUE CIRCLE SERVICES LIMITED

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **BLUE CIRCLE SERVICES LIMITED**

Anil Purohit
Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2009

The Board of Directors,
BLUE CIRCLE SERVICES LIMITED
Mumbai

We have examined the registers, records and papers of M/s. BLUE CIRCLE SERVICES LIMITED as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2010.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and on Ahmadabad Stock Exchange (ASE).
2. All the requisite registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made thereunder.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has not issued any Equity Share on Right or Bonus or Public or Preferential basis during the financial year 2009-10.
8. Share Certificates have been delivered to the transferee within Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. The provisions of Companies Act, 1956, relating to declaration and payment of Dividend have been complied with.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31, 2010.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has not altered its Memorandum of Association & Articles of Association of the Company during the period of Audit.

For **M/s. VKM & Associates**
Company Secretaries

Place : Mumbai
Date : May 31, 2010

VIJAY KUMAR MISHRA
Partner

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Blue Circle Services Limited

We have examined the compliance of the conditions of Corporate Governance by Blue Circle Services Ltd. (The Company) for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For **M/s. Pradeep Gupta**
Chartered Accountants

Place : Mumbai
Date : May 31, 2010

Pradeep Gupta
Proprietor

AUDIT REPORT

To the Members of Blue Circle Services Limited

We have audited the attached Balance Sheet of BLUE CIRCLE SERVICES LIMITED as at 31st March 2010 and also the Profit & Loss Account for the year ended on that day annexed hereto. 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.

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

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above -
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **M/s. Pradeep Gupta**
Chartered Accountants

Place : Mumbai
Date : May 31, 2010

Pradeep Gupta
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
(b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
(c) Any substantial part of fixed assets has not been disposed off during the year, which will affect its status as a going concern.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
(c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
(d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
(b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.

7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2010.

(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.

17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The company has not issued any equity shares and debentures during the year.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For **M/s. Pradeep Gupta**
Chartered Accountants

Place : Mumbai
Date : May 31, 2010

Pradeep Gupta
Proprietor

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	31.3.2010 Rupees	31.3.2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	7,470,000	7,470,000
Profit & Loss A/c		3,184,190	2,667,571
TOTAL		10,654,190	10,137,571
APPLICATION OF FUNDS			
Investments	2	3,490,699	3,390,699
Current Assets, Loans & Advances			
Cash & Bank Balances	3	1,141,754	360,784
Sundry Debtors		1,156,710	1,425,556
Deposits & Advances		25,814,310	5,506,310
		28,112,774	7,292,650
Less : Current Liabilities & Provisions			
Sundry Creditors	4	20,080,152	90,076
Liabilities & Provisions		869,131	455,702
		20,949,283	545,778
Net Current Assets		7,163,491	6,746,872
TOTAL		10,654,190	10,137,571
Notes forming part of the accounts & Significant Accounting Policies	5		

As per our report of even date

For **M/s. Pradeep Gupta**
Chartered Accountants

Anil Kr. Purohit
Director

PRADEEP GUPTA
Proprietor
Membership No. 048979

Place : Mumbai
Date : 31st May 2010

Dhruva Narayan Jha
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	31.3.2010 Rupees	31.3.2009 Rupees
INCOME			
Gain from Business Activities		1,676,710	1,425,556
		<u>1,676,710</u>	<u>1,425,556</u>
EXPENDITURE			
Salary		150,000	-
Advertisement		14,566	-
RTA Fees		20,168	-
Conveyance Expenses		16,580	1,214
Printing & Stationery		17,007	1,022
Listing Fees		12,414	11,184
Depository Admission Fees		9,927	-
Audit Fees		5,000	5,000
Legal & Professional Fees		24,000	23,484
Misc Expenses		21,500	-
ROC Filling fee		5,500	-
Depreciation		-	5,097
		<u>296,662</u>	<u>47,001</u>
Profit before Tax		1,380,048	1,378,555
Less:Provision for Taxation		426,434	450,000
Profit after Tax		953,614	928,555
Less : Proposed Dividend		373,500	-
Less : Tax On Dividend		63,495	-
Profit after Dividend & Tax on Dividend		516,619	928,555
Profit brought forward from previous year		2,667,571	1,739,016
Profit carried to Balance Sheet		<u>3,184,190</u>	<u>2,667,571</u>
Notes forming part of the accounts & Significant Accounting Policies	5		

As per our report of even date

For **M/s. Pradeep Gupta**
Chartered Accountants

Anil Kr. Purohit
Director

PRADEEP GUPTA
Proprietor
Membership No. 048979

Place : Mumbai
Date : 31st May 2010

Dhruva Narayan Jha
Director

SCHEDULES TO ACCOUNTS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
100,00,000 Equity Shares of Rs.10/- each (Previous year		
100,00,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
Issued, Subscribed & Paid-up		
7,47,000 Equity Shares of Rs. 10/- each (Previous year		
7,47,000 Equity Shares of Rs. 10/- each)	7,470,000	7,470,000
	7,470,000	7,470,000
SCHEDULE 2		
In Equity Shares, Quoted (Valued at Cost)		
200000 Shares of Arrow Macco India Ltd.	2,600,000	2,600,000
7600 Shares of Dipti Alloys Ltd.	95,760	95,760
6100 Shares of Indo Credit Capital Ltd.	103,405	103,405
31000 Shares of Kanchi Kapuram Ltd.	483,600	483,600
200 Shares of Reliance Industries Ltd.	9,000	9,000
4000 Shares of Sunfeam Lease Ltd.	98,100	98,100
50 Shares of Uniworth International Ltd.	834	834
Total	3,390,699	3,390,699
Unquoted		
1000 shares of Octopus Infotel Pvt Ltd	100,000	-
	3,490,699	3,390,699

(Market value of these shares have not been taken since there is no quotation available as on date for most of Shares)

SCHEDULES TO ACCOUNTS	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE 3		
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors	1,156,710	1,425,556
	<u>1,156,710</u>	<u>1,425,556</u>
Cash & Bank Balances		
Cash Balance	967,764	348,018
Balance with Scheduled Bank in Current A/c	173,990	12,766
	<u>1,141,754</u>	<u>360,784</u>
Deposit And Advances		
(Unsecured, Considered Good)		
Business Advances	-	4,483,423
Tax Decucted at Source	8,000	-
Advance Tax	300,000	-
Other Advances	25,506,310	1,022,887
	<u>25,814,310</u>	<u>5,506,310</u>
Total	<u><u>26,956,064</u></u>	<u><u>5,867,094</u></u>
SCHEDULE 4		
CURRENT LIABILITIES & PROVISIONS		
Advances Received	20,000,000	-
Sundry Creditors for Expenses	80,152	90,076
	<u>20,080,152</u>	<u>90,076</u>
Liabilities & Provisions		
Provision For Taxation	432,136	455,702
Proposed Dividend	373,500	-
Provision for Dividend Tax	63,495	-
	<u>869,131</u>	<u>455,702</u>
Total	<u><u>20,949,283</u></u>	<u><u>545,778</u></u>

SCHEDULE 5

ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies General

1. The Financial Statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under section 211(3C) of the Companies Act 1956, read with the Companies (Accounting Standard) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

Revenue Recognition

2. All revenue and expenses are accounted on accrual basis.

Fixed Assets

3. The Company has not having any Fixed Assets during the year. No Fixed Assets have been purchased or sold during the year under review.

Turnover

4. Turnover is stated after adjusting rebates and discounts and excluding Sales Tax.

Depreciation

5. Since the Company is not having any Fixed Assets, the Company has not provided for Depreciation.

Inventories

6. Stock-in-Trade is valued at cost or market value whichever is lower.

Investments

7. Investments are valued at cost.

Retirement Benefit

8. None of the Employee has completed the service period to become eligible for payment of gratuity.

Income Tax

9. Tax expenses comprise of current, deferred and fringe benefit tax.
10. Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.
11. Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

Provisions, Contingent Liabilities & Contingent Assets

12. The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

13. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.
14. Contingent Assets are neither recognized nor disclosed.

Others

15. None of the Finished Products or Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
16. None of the Earnings / Expenditures is in Foreign Currency.
17. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
18. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
19. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

Segment Report

20. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in Advisory Services. As informed to us, there are no separate segments within the Company as defined as 17 (Segment Report).

Notes to Accounts

21. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value state, if realized in the ordinary course of business. Provisions for all known liabilities are adequate and not in excess of the amount considered necessary for the same.

Contingent Liabilities

22. Contingent Liabilities not provided for - Rs. Nil

Particulars of Director's Remuneration (In Rupees)

23. Rs. Nil has been paid to Directors as Directors' Remuneration for the Year (P.Y. Rs. Nil)

Related Party Transactions

24. Key Management Personnel -
 1. Mr. Biren Shah
 2. Mr. Ashok Bothra
 3. Mr. Darshan Bhagat
 4. Mr. Dhruva Narayan Jha
 5. Mr. Anil Purohit
 6. Mr. Raj Kumar Mall
 7. Mr. Chandresh N. Shah

Subsidiary & Group Companies or Companies under same management -

1. M/s. Yash Shelters Limited
2. M/s. Prime Capital Market Ltd.

Details of transactions with related parties -

Transaction with related parties	Subsidiary Companies	Key Management Personnel & Relatives
Remuneration	Nil	Nil
Investments:		
Investment in Subsidiary	Nil	Nil
Investment in Group Cos.	Nil	Nil

Remuneration to Auditors

25. Particulars	31.03.2010	31.03.2009
Remuneration to Auditors for Audit Purpose	5000	5000

Differed Tax on Income

26. The differed tax has not been recognized in financial statement, as there is no reasonable certainty of Future Taxable Income.

Earning per Equity Share

27.	Unit	31.03.2010	31.03.2009
Net Profit after Tax available for Share holders	Rs.	9,53,614	9,28,999
No. of Equity Shares	No.	7,47,000	7,47,000
Basis & Diluted Earning Per Share (Rs.)	Rs.	1.28	1.24

28. Sundry Debtors and creditors are subject to confirmation and reconciliation.
29. There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
30. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For **M/s. Pradeep Gupta**
Chartered Accountants

Anil Kr. Purohit
Director

PRADEEP GUPTA
Proprietor
Membership No. 048979

Place : Mumbai
Date : 31st May 2010

Dhruva Narayan Jha
Director

**Statement of Cash Flow Annexed to the Balance Sheet
as at 31st March, 2010**

	31.03.2010	Rs. in Lacs 31.03.2009
	Rs.	Rs.
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	1,380,048	1,378,555
Adjustments for		
Depreciation	-	5,097
Operating profit before working capital changes	1,380,048	1,383,652
Adjustments for		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	268,847	(1,425,556)
Decrease (Increase) Loan & Advances	(20,308,000)	-
Trade Payable and Provisions	20,403,505	494,502
Cash Generated from operations	364,352	452,598
Income Tax & FBT Paid For The Year	(426,434)	(450,000)
Extraordinary Items	-	-
Net Cash From Operating Activities	1,317,966	2,598
B. Cash Flow From Investing Activities		
Investments	(100,000)	-
Net Cash from Investing Activities	(100,000)	2,598
C. Cash Flow From Financing Activities		
Proposed Dividend	(373,500)	-
Dividend Tax	(63,495)	-
Extraordinary Items	-	-
Net Cash used in Financing Activities	(436,995)	-
Net Increase in Cash & Cash Equivalents	780,970	2,598
Opening Balance of Cash & Cash Equivalents	360,784	358,186
Closing Balance of Cash & Cash Equivalents	1,141,754	360,784

For and on behalf of the Board

Mumbai, May 31, 2010

Anil Kr. Purohit
Chairman & Managing Director

We have verified the attached Cash Flow Statement of Blue Circle Services Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2010 and found the same in agreement therewith.

For **M/s. Pradeep Gupta**
Chartered Accountants

Mumbai, May 31, 2010

PRADEEP GUPTA
Proprietor
Membership No. 048979

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	:	29378
State Code No.	:	11
Balance Sheet Date	:	31.03.2010

II Capital raised during the year

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)

Total Liabilities	:	10654
Total Assets	:	10654

Sources of funds

Paid-up Capital	:	7470
Reserves & Surplus	:	3184
Secured Loans	:	Nil
Unsecured Loans	:	Nil

Application of funds

Net Fixed Assets	:	Nil
Investments	:	3491
Net Current Assets	:	7163
Miscellaneous Expenditures	:	Nil
Accumulated losses	:	Nil

IV Performance of Company (Amount in Rs. in Thousands)

Turnover	:	1677
Total Expenditure	:	297
Profit before taxes	:	1380
Profit after taxes	:	954
Earning Per Share	:	1.28
Dividend rate	:	5%

V Generic Names of Three Principal Products/Services of the Company

<u>Product Description</u>	<u>Item Code No.</u>
Advisory Services	N.A.

BLUE CIRCLE SERVICES LIMITED

106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058

PROXY FORM

I/We _____ resident of _____
in the district of _____ being member/members of the above
named Company, hereby appoint _____
resident of _____ in the district of _____ or
failing him _____ resident of
_____ in the district of _____
_____ as my/our proxy to attend and vote for me/us on my/our behalf
at the Annual General Meeting of the Company to be held on Friday, the 30th day of July
2010 at 1.30 P.M., at 106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400
058 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2010.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



BLUE CIRCLE SERVICES LIMITED

106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Friday,
the 30th day of July 2010 at 1.30 P.M., at Registered Office of the Company at 106, Sagar
Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

Blue Circle Services Limited

106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai - 400 058.