

**37th Annual Report
2012 - 2013**

Blue Circle Services Limited



BLUE CIRCLE SERVICES LIMITED

BOARD OF DIRECTORS

Anil Purohit	Chairman & Managing Director
Dhruva Narayan Jha	Executive Director
Raj Kumar Mall	Independent Director
Chandresh N Shah	Independent Director

COMPLIANCE OFFICER

Mr. Pravin Sawant

AUDITORS

Pradeep Gupta
Chartered Accountant

BANKERS

Axis Bank Ltd.
Kotak Mahindra Bank

REGISTERED OFFICE

Office No. 33, Basement,
Mona Shopping Centre
J. P. Road, Near Navrang Cinema,
Andheri (West), Mumbai-400 058.

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.

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

ANNUAL GENERAL MEETING

Date : 20th September, 2013
Time : 3.00 P.M.
Venue : Jaisingh Business Centre, Ground Floor,
CTS No. 119, Parsiwada, Sahar Road,
Andheri (East), Mumbai-400 099



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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 37th Annual General Meeting of the members of **BLUE CIRCLE SERVICES LIMITED** will be held on Friday, 20th September, 2013 at 3.00 P.M. at Jaisingh Business Centre, Ground Floor, CTS No. 119, Parsiwada, Sahar Road, Andheri (East), Mumbai-400 099 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 2013.
2. To Declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dhruva Narayan Jha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

"**RESOLVED THAT** M/s. Pradeep Gupta, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2013-2014, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. 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.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 13th September 2013 to 20th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id blue.circl@gmail.com for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.

7. The Book Closure/Record Date for the purpose of declaration of Dividend shall be fixed in due course of time and shall be published in the newspapers pursuant to Section 154 of the Companies Act, 1956. The said information will also be intimated to the Stock Exchanges and Stock Exchanges will upload the same to their website. This information will also be uploaded to the Company's website. The Dividend as recommended by the Board of Directors, if declared at the time of Annual General Meeting, will be paid on or before 19th October 2013.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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 Sharegistry (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.
14. Members are requested to bring copies of Annual Report to the Annual General Meeting.
15. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
16. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
17. The Equity shares of the Company are listed on BSE Limited and Ahmedabad Stock Exchange and Listing Fees for the financial year 2013-2014 have been paid to BSE Limited.

Details of Director seeking re-appointment in the 37th Annual General Meeting on 20th September 2013 (in term of Clause 49 of the Listing Agreement)

Dhruva Narayan Jha	
Fathers' Name	Bhogendra Jha
Date of Birth	10th October 1959
Date of Appointment	10th August 2009
Expertise in specific functional areas	Financial & Income Tax related activities as well as expertise in Accounting & Taxation
Years of Experience	35 Years
Qualifications	B.Com.
List of outside Directorship held	1. Warner Multimedia Limited 2. Scan Infrastructure Limited
Member of Committee on the Board	Member - Investor Grievance Committee Member - Share Transfer Committee
Member/Chairman of Committee in	<ul style="list-style-type: none"> • Warner Multimedia Limited - Member of Audit Committee and Share Transfer Committee & Chairman Investor Grievance Committee. • Scan Infrastructure Limited - Member of Share Transfer Committee & Chairman Investor Grievance Committee.
No. of Shares held in own name or in the name of Relatives	Nil

Mumbai, May 29, 2013

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

Registered Office :

Office No. 33, Basement,
Mona Shopping Centre
J. P. Road, Near Navrang Cinema,
Andheri (West), Mumbai-400 058

ANIL PUROHIT
Chairman & Managing Director

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the 37th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(₹ in Lacs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	228.01	258.13
Profit before Tax & Extra-ordinary items	174.33	215.58
Less : Provision for Taxation	45.71	51.14
Profit after Tax	128.62	164.44
Less : Earlier Year Tax written off	5.42	0.13
Less : Provision for Payment of Dividend	81.39	101.74
Less : Provision for Tax on Distribution of Dividend	13.20	16.50
Net Profit after Distribution of Dividend & Dividend Tax	28.61	46.07
Add : Profit brought forward from Previous Year	91.31	45.24
Balance carried forward to Next Year	119.92	91.31

OVERVIEW OF ECONOMY

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013. Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic strength, has broadly maintained its performance. Gross income from operations remained at ₹ 228.01 Lac in comparison to last years' figure of ₹ 258.13 Lac. In term of Net Profit, the same was of ₹ 123.20 Lac in comparison to last years' net profit of ₹ 164.31 Lac.

The Company is into the Business of lending its surplus fund in to the Capital and Money Market as well as lending money to Corporate and HNIs. Beside this, your Company is into the business of Advisory Services to meet the requirements of Corporate Funding for Corporate Clients. Beside above, your Company is also into the Business of trading of Software (Mobile Applications).

The outlook for the current year is challenging mainly due to sluggish economy. However, your Company expects to grow despite the adverse environment due to its commitment to clients of the Company.

DIVIDEND

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2013 at 4 Paise per share or (4 percent) on face value of Equity Shares of ₹ 1/- each, subject to approval of Members at the ensuing Annual General Meeting.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

During the Year, Mr. Ashok Bothra and Mr. Pawan Kr. Borad have been retired from the Board due to their personal commitments. Your Directors wish to place on record their appreciation for the guidance and inputs provided by both Mr. Ashok Bothra and Mr. Pawan Kr. Borad during their tenure as Directors of your Company.

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Dhruva Narayan Jha, Director of your Company, retires by rotation and are eligible, offering himself for re-appointment at the ensuing Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, for the year ended 31st March 2013, 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; and
4. The Directors had prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

The Company being basically in the business of Capital & Money Market as well as to providing Advisory Services to its Clients, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

The Auditors M/s Pradeep Gupta, Chartered Accountants, Mumbai holds 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

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

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

The Company is having into the business of Investing in Securities Market as well as to lend money to Corporate and HNIs apart from providing Advisory Services 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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the BSE Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Mumbai, May 29, 2013

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

Registered Office :

Office No. 33, Basement,
Mona Shopping Centre
J. P. Road, Near Navrang Cinema,
Andheri (West), Mumbai-400 058

ANIL PUROHIT
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

MACRO ECONOMIC ENVIRONMENT

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over; have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India recorded a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

REVIEW OF OPERATIONS

During Financial Year 2012-2013, the Company registered a gross income of ₹ 228.01 Lac in comparison to last years' figure of ₹ 258.13 Lac. PBT Margin during the year remains ₹ 174.33 Lac in comparison to last years' figure of ₹ 215.58 Lac whereas Net Profit after Tax remains at ₹ 123.20 Lac in comparison to last years' figure of ₹ 164.31 Lac.

Further the Company has proposed a Dividend @ 4% to its Members and therefore, has provided sum of ₹ 94.59 Lac for payment of Dividend including Tax thereon. The Dividend will be payable subject to confirmation by Members in ensuring Annual General Meeting.

BUSINESS SEGMENT

The Company is in to the Business of lending its surplus fund in to the Capital and Money Market as well as lending money to Corporate and HNIs. Beside this, your Company is into the business of Advisory Services to meet the requirements of Corporate Funding for Corporate Clients. Apart from above activities, your Company is also into the Business of trading of Software (Mobile Applications) in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

The Indian money market is "a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money.

It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

In term of Mobile Applications, as the number of mobile application users is growing with the increase of smart phones and tablets, traditional software companies like Wipro, Infosys and TCS are also shifting their focus to mobile computing.

According to IT research firm Gartner Inc, worldwide mobile application store revenue is projected to surpass \$15.1 billion in 2011, both from end-users buying applications as well as applications themselves generating advertising revenue for their developers.

Seeing the huge margins and future growth potential, companies are eager to grab a pie of this market and are shifting their focus to the mobile application software market.

The mobile applications market is fast growing globally and with the advent of the smart phones in India, the market is expected to multiply by at least three-fold in the next five years.

THREATS & CONCERNS

The Indian economy is caught between low growth and stubbornly high inflation. Last month, the International Monetary Fund (IMF) revised the year-over-year GDP growth forecast of India to 5.7 percent for 2013, down from its January estimate of 5.9 percent. The IMF attributed structural factors as the primary reasons for the poor performance, rather than the cyclical factors cited by the government last month. Additionally, the IMF expects consumer-price inflation to remain at around 10 percent in 2013 due to a rise in food and fuel prices. Lately, there have been signs of easing inflationary pressures. The wholesale-price inflation has steadily decreased since late 2012, while consumer-price inflation went below 10 percent this May, as the economy operates below capacity. However, the government's attempt to reduce the fuel subsidy bill by raising administered fuel prices will likely reverse the fall in inflation in the remaining part of the year.

The situation for India is unique because both fiscal and monetary policies have had limited flexibility to bail out the economy. High fiscal and current-account deficits restrict the government's ability to undertake proactive stimulus programs to boost the economy. The level of domestic inflation remains higher than the Reserve Bank of India's (RBI's) comfort level, which limits the RBI's ability to ease monetary policy further. Despite such pressures, the RBI is expected to reduce the policy rates, though marginally, in order to boost economic activity in the country.

Fiscal deficit is expected to be 5.3 percent of GDP in 2012-2013, while the current account recorded the largest-ever deficit of 6.7 percent of GDP in the third quarter of 2012-2013. The government's strategy of fiscal consolidation has repeatedly gone off course since 2008 due to a series of unfavorable developments.

Since last September, the government has taken bold measures to cut down fuel subsidies to prop up public finance, helping the government to restrict the fiscal deficit within the revised target of 5.1 percent of GDP. However, with general elections being just a year away, progress in this direction will be limited and even likely reverse.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all

business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except re-instatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Mumbai, May 29, 2013

By order of the Board

For **BLUE CIRCLE SERVICES LIMITED**

Registered Office :

Office No. 33, Basement,
Mona Shopping Centre
J. P. Road, Near Navrang Cinema,
Andheri (West), Mumbai-400 058

ANIL PUROHIT
Chairman & Managing Director

ANNEXURE TO THE DIRECTOR'S REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- Infusion of best expertise in the Board;
- Consistent monitoring and improvement of the human and physical resources;
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

BOARD OF DIRECTORS

Composition of Directors

The Board has four members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board & Senior Members.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 2nd April, 15th May, 30th June, 14th August, 9th November and 12th December in year 2012 and on 14th February in the year 2013 during the financial year 2012-2013.

The composition and category of the Board of Directors as at March 31, 2013, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairman-ship	No. of Directorship in other Public Ltd. Co.
Anil Purohit*	Managing Director	7	Yes	2	Nil	1
Dhruva Narayan Jha	Whole time Director	7	Yes	3	2	2
Raj Kumar Mall	Independent Director	7	Yes	Nil	Nil	Nil
Chandresh N. Shah	Independent Director	7	Yes	2	1	1

*Chairman of the Board

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, stock exchanges 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.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, 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.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. 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.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;

- v To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction;
- vi To review the Quarterly financial statements and recommend their adoption to the Board; and
- vii The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on 30th June, 14th August & 9th November in year 2012 and on 14th February in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Anil Purohit	5	5
Mr. Rajkumar Mall	5	5
Mr. Chandresh N Shah*	5	5

*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

No Remuneration has been paid to Mr. Anil Kumar Purohit, Managing Director, during the financial year 2012-2013 and also no Fees has been paid to any of other Directors of the Company for attending Board & Committee Meetings.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

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

SHARE TRANSFER COMMITTEE

There was a change in composition of Share Transfer Committee due to retirement of Mr. Ashok Bothra from Directorship in the recent past Annual General Meeting. The Board has appointed Mr. Dhruva Narayan Jha as member of Committee in place of Mr. Ashok Bothra in meeting of Board of Directors held on 14th August 2012. Further, Share Transfer Committee is continued to work under the Chairmanship of Mr. Chandresh N. Shah with other Member Mr. Anil Purohit.

The members of Share Transfer Committee met 5 times on 10th May, 31st May, 27th July and 23rd October in year 2012 and on 24th January in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Chandresh N Shah*	5	5
Mr. Anil Purohit	5	5
Mr. Ashok Bothra	3	3
Mr. Dhruva Narayan Jha	2	2

*Chairman of Committee

INVESTOR 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 Shareregistry 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.

There was a change in composition of Investor Grievance Committee due to retirement of Mr. Ashok Bothra from Directorship in the recent past Annual General Meeting. The Board has appointed Mr. Dhruva Narayan Jha as member of Committee in place of Mr. Ashok Bothra in meeting of Board of Directors held on 14th August 2012. Further, Share Transfer Committee is continued to work under the Chairmanship of Mr. Rajkumar Mall with other Member Mr. Chandresh N. Shah.

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 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2012 and on January 2, February 1 and March 1 in year 2013.

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

Name	Position	Category	Meetings Attended
Mr. Rajkumar Mall*	Chairman	Independent, Non-Executive	12
Mr. Chandresh N Shah	Member	Independent, Non-Executive	12
Mr. Ashok Bothra	Member	Executive - Whole time	5
Mr. Dhruva Narayan Jha	Member	Executive - Whole time	7

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR

There was Nil Complaint at the beginning of Financial Year. During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2013.

Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is blue.circl@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES section on SEBI website for faster addressing and resolutions of Investor Complaints.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
36th Annual General Meeting	25st September 2012, 3.30 PM	Jaisingh Business Centre, Gr. Floor, CTS No. 119, Parsiwada, Sahar Road, Andheri (East), Mumbai-400 099
35th Annual General Meeting	21st September 2011, 2.30 PM	106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058
34th Annual General Meeting	30th July 2010, 1.30 PM	106, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058

LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :

Details of Extra-Ordinary General Meetings held during last three financial years are as under :-

During Financial Year 2010-2011, Extra Ordinary General Meeting (EOGM) was held on 30th day of August 2010 at 10.30 AM at Registered Office of the Company for Issue and Allotment of 1.21 Crore Equity Shares on preferential basis at a price of ₹ 15/- per Share to Promoters & Non-Promoters Group to meet the Working Capital requirements of the Company. Also the Authorized Capital of the Company was increased from ₹ 10.00 Crore to ₹ 15.00 Crore to enable Company to issue and allot further shares as proposed in said EOGM.

Further, during Financial Year 2010-2011, another Extra Ordinary General Meeting (EOGM) was held on 14th day of March 2011 at 10.30 AM at Registered Office of the Company for Issue and Allotment of 75.00 Lac Equity Shares on preferential basis at a price of ₹ 10/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company. Also the Authorized Capital of the Company was increased from ₹ 15.00 Crore to ₹ 25.00 Crore to enable Company to issue and allot further shares as proposed in said EOGM.

During Financial Year 2011-2012, Extra Ordinary General Meeting (EOGM) was held on 30th day of September 2011 at 10.30 AM at Registered Office of the Company for Sub-division in face value of Equity Shares; from ₹ 10/- to ₹ 1/- per Equity Share and accordingly Resolutions for changes in Capital

Clauses of Memorandum & Articles of Association was passed to give the effect of sub-division in face value of Equity Shares.

POSTAL BALLOT

No Resolution has been passed during last three financial years through Postal Ballot Rules 2011.

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

SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolution has been proposed or passed during last three Annual General Meetings.

No Special Resolutions have been proposed or passed during last financial year 2012-2013.

BOARD DISCLOSURES

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

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 Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There were no transactions with related party 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) Reconciliation of Share Capital : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital 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 "Reconciliation of Share Capital 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.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

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) There was no case of Non-Compliance during financial year 2012-2013 in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE 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 Board of Directors of the Company at its meeting held on 17th March 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

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 BSE Limited and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.bluecircleservices.com.
- Official News releases have been posted on its web portal www.bluecircleservices.com.
- 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 is available on its website www.bluecircleservices.com and also on BSE website www.bseindia.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. Purva Share registry (India) Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

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 37th Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

Day & Date	:	Friday, 20th September 2013
Time	:	3.00 P.M.
Venue	:	Jaisingh Business Centre, Gr. Floor, CTS No. 119, Parsiwada, Sahar Road, Andheri (East), Mumbai-400 099

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

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2013	Mid of August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Mid of November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Mid of February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	During May 2014
Date of Annual General Meeting	During September 2014

d. **Date of Book Closure** : September 13 to September 20, 2013. (Both days inclusive)

e. **Dividend Payment Date** : The Board of Directors are pleased to recommend the payment of Dividend 4 Paise per Equity Share of ₹ 1/- each (i.e. 4 Percent of paid-up Capital) Subject to approval of Shareholders) to be paid

the Annual General Meeting, shall be paid on or before 19th October 2013.

- f. **Listing of Shares** : Bombay & Ahmedabad Stock Exchanges
- g. **Listing Fees** : Company has paid Annual listing Fees to BSE and Annual Custodial Fees to NSDL & CDSL for year 2013-2014.
- h. **Stock Code & ISIN** : Scrip Code 508939 on BSE.
ISIN INE526K01023 on both NSDL & CDSL
- i. **Market Price Data :**

Month	Price on BSE (Rs.) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2012	75.75	61.85	2,378,371	17,664.10	17,010.16
May 2012	76.05	72.00	6,668,824	17,432.33	15,809.71
June 2012	77.65	73.20	7,775,955	17,448.48	15,748.98
July 2012	84.40	71.95	7,422,784	17,631.19	16,598.48
August 2012	82.35	69.10	10,700,861	17,972.54	17,026.97
September 2012	80.25	72.00	11,504,739	18,869.94	17,250.80
October 2012	85.00	65.20	18,158,900	19,137.29	18,393.42
November 2012	78.10	60.20	10,167,422	19,372.70	18,255.69
December 2012	68.50	53.00	14,437,988	19,612.18	19,149.03
January 2013	53.60	36.10	30,032,199	20,203.66	19,508.93
February 2013	36.40	16.40	55,952,533	19,966.69	18,793.97
March 2013	16.60	9.10	55,474,817	19,754.66	18,568.43

j. **Registrar & Share Transfer Agent.**

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

9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011
Tel : 022-2301 6761 / 2301 8261, Fax : 022-2301 2517, Email : purvashr@mtnl.net.in
Website : www.purvashare.com

k. **Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

i. Distribution of Shareholding as on 31st March 2013

Category	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	232	37.24	170513	0.08
501-1000	25	4.01	198892	0.10
1001-2000	33	5.30	512184	0.25
2001-3000	28	4.49	725224	0.36
3001-4000	26	4.17	918008	0.45
4001-5000	19	3.05	930500	0.44
5001-10000	59	9.47	4540985	2.23
10001 and Above	201	32.26	195500694	96.08
Total....	623	100.00	203470000	100.00

m. Shareholding Pattern as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	6205000	3.05
Indian Bank	0	0.00
Foreign Financial Institutions	736751	0.36
Others (NRI)	14	0.00
Hindu Undivided Family (HUF)	1083251	0.53
Private Corporate Bodies	110852259	54.48
Indian Public	65509588	32.20
Clearing Member	19083137	9.38
Total	203470000	100.00

n. Categories of Shareholders as on 31st March 2013

Category	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
Individuals	282	45.27	65509588	32.20
Promoters, Directors & Relatives	1	0.16	6205000	3.05
Non-Resident Indians	2	0.32	14	0.00
FII's (Mauritius based)	1	0.16	3971	0.00
FII's (Others)	9	1.44	732780	0.36
Indian Bank	Nil	Nil	Nil	Nil
Body Corporate	282	45.27	110852259	54.48
Hindu Undivided Families	8	1.28	1083251	0.53
Local Mutual Funds	Nil	Nil	Nil	Nil
Others (Clearing Members)	38	6.10	19083137	9.38
Total	623	100.00	203470000	100.00

o. 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 15 days from the date of issue of Shares.

As on 31st March 2013, 96.78% Equity Shares of the Company are in dematerialized form.

p. 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.

q. 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.

r. 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).

s. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

t. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-

mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., "purvashr@mtnl.net.in."

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

Particulars of Utilization	Amount (₹ in Lac)
Investment in Shares, Securities & Mutual Funds	2025.13
Inter Corporate Deposit	242.28
Loans to Others	722.62
Total	2990.03

v. Green initiatives in Corporate Governance to receive documents through email by registering your email address :

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Purva Shareregistry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

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

Not Any.

x. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Pravin Sawant - blue.circl@gmail.com

y. 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.

z. Address for Correspondence

BLUE CIRCLE SERVICES LIMITED

Office No. 33, Basement, Mona Shopping Centre, J. P. Road,

Near Navrang Cinema, Andheri (West), Mumbai-400 058

URL : www.bluecircleservices.com

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:

The Members of
BLUE CIRCLE SERVICES LIMITED

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, we certify that:
 - (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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) we 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 we 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

ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Anil Purohit, Chairman & Managing Director of the M/s. Blue Circle Services Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

For **BLUE CIRCLE SERVICES LIMITED**

Anil Purohit
Chairman & Managing Director

Mumbai, May 29, 2013

SECRETARIAL COMPLIANCE REPORT

The Board of Directors,
M/s. BLUE CIRCLE SERVICES LIMITED

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 2013.

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. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
9. The Company has not paid remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
13. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 299 of the Act.
14. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
15. The Company has not issued any duplicate share certificate during the financial year.
16. The Company has complied with the provisions of section 372A of the Act.

17. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
 - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Has duly complied with the requirement of section 217.
18. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
20. The Company has not issued any Shares, Debentures or other Securities during the financial year.
21. The Company has not bought back any share during the financial year.
22. There was no redemption of preference shares or debentures during the financial year.
23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year 2012-2013.

For **Amit R. Dadheech & Associates**
Company Secretaries

AMIT R. DADHEECH
Proprietor
C. P. No. 8952

Place : Mumbai
Date : May 29, 2013

Annexure "A"

Registers as maintained by the Company :-

Statutory Registers :

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Disclosures of Interest by Directors u/s 301(3)
4. Minutes Book u/s 301
5. Register of Directors Shareholding u/s 307

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2013.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2012	220	Annual Requirement	Yes	N. A.
2.	Form 20B for the Financial Year ended 31st March 2012	159	Annual Requirement	Yes	N. A.
3.	Form 32	303(2) and 264(2)	Retirement of Directors in AGM	Yes	N. A.

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 2013 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, we certify that 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 **Pradeep Gupta**
Chartered Accountants

Place : Mumbai

Date : May 29, 2013

Proprietor
Membership No. 048979

AUDIT REPORT

To the Members of

BLUE CIRCLE SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Blue Circle Services Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Pradeep Gupta**
Chartered Accountants

Place : Mumbai
Date : May 29, 2013

Proprietor
Membership No. 048979

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The inventory of shares held in demat form have been verified or confirmed with the statement of holdings provided by the Depository and in respect of securities not in demat form have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, in our opinion, the procedures of physical verification of shares held as stock-in-trade followed by the management are reasonable and adequate in relation of the size of the Company and the nature of its business.
- (iii) As informed to us, the Company the Company has not granted loans secured or unsecured to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (b) and (c) of the Order are not applicable.

As informed to us, the Company the Company has not taken loans secured or unsecured to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (e) (f) and (g) of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase and for the sale of shares.
- (v) According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (v) (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- (vi) As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the Company has adequate in house internal audit system commensurate with the size and nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory due applicable to it;
- (b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31st March 2013, for a period of more than six months from the date they became payable;

- (c) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at 31st March, 2013 after considering the balance in General Reserve account as on that date and has also not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Audit Report) order, 2003 are not applicable to the company.
- (xiv) According to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of investment and timely entries have been made therein. All the investments have been held by the Company in its own name.
- (xv) According to information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- (xvi) The Company has not taken any term loans during the year under audit.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

For **Pradeep Gupta**
Chartered Accountants

Place : Mumbai
Date : May 29, 2013

Proprietor
Membership No. 048979

BALANCE SHEET AS AT 31st MARCH, 2013

	Note No.	31.3.2013 ₹	31.3.2012 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	203,470,000	203,470,000
Reserves and Surplus	2.2	72,491,763	69,630,784
		<u>275,961,763</u>	<u>273,100,784</u>
CURRENT LIABILITIES			
Trade Payable	2.3	339,848,289	-
Other Current Liabilities	2.4	21,080,533	29,725,002
Short-Term Provision	2.5	14,030,538	16,937,637
		<u>374,959,360</u>	<u>46,662,639</u>
TOTAL		<u>650,921,123</u>	<u>319,763,423</u>
ASSETS			
NON- CURRENT ASSETS			
Fixed Assets	2.6	15,639,772	24,500
Deferred Tax Assets	2.7	1,345,771	1,345,771
Non-Current Investments	2.8	202,512,929	113,170,629
		<u>219,498,472</u>	<u>114,540,900</u>
CURRENT ASSETS			
Trade Receivable	2.9	328,477,442	-
Cash and Bank Balances	2.10	547,073	358,323
Short-term Loans and Advances	2.11	102,398,136	204,864,200
		<u>431,422,651</u>	<u>205,222,523</u>
TOTAL		<u>650,921,123</u>	<u>319,763,423</u>
Significant Accounting Policies and Notes to Accounts	1		

As per our report of even date

For **Pradeep Gupta**
Chartered Accountants**Proprietor**
Membership No. 048979Place : Mumbai
Date : 29th May 2013

For & On behalf of Board

Anil Purohit
Director**Dhruva Narayan Jha**
Director**Rajkumar Mall**
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	31.3.2013 ₹	31.3.2012 ₹
INCOME			
Sales / Income from Operations	2.11	353,516,162	-
Other Revenue from operations	2.12	21,302,610	25,813,300
TOTAL INCOME		374,818,772	25,813,300
EXPENSES			
Purchases	2.13	352,017,465	-
Employee Cost	2.14	2,481,621	2,152,800
Depreciation on Fixed Assets	2.6	1,431,078	12,300
Other Expenses	2.15	1,455,124	2,090,637
TOTAL EXPENSES		357,385,288	4,255,737
 PROFIT BEFORE TAXATION		 17,433,484	 21,557,563
Tax Expenses:	2.16		
Current Tax		4,571,421	5,113,741
Earlier Years' Income Tax		541,971	13,201
NET PROFIT FOR THE YEAR		12,320,092	16,430,621
Earnings per Equity Share:			
Basic and Diluted (Face Value of ₹ 1/- each, Previous Year ₹ 1/- each)		0.06	0.08
Significant Accounting Policies and Notes to Accounts			
As per Our Report of even date	1		

As per our report of even date

For **Pradeep Gupta**
Chartered Accountants**Proprietor**
Membership No. 048979Place : Mumbai
Date : 29th May 2013

For & On behalf of Board

Anil Purohit
Director**Dhruva Narayan Jha**
Director**Rajkumar Mall**
Director

**Statement of Cash Flow Annexed to the Balance Sheet as
at 31st March, 2013**

	31.03.2013	31.03.2012
	₹	₹
(In ₹)		
A. Cash Flow from Operating Activities		
Net Profit before Tax and Extraordinary Items	17,433,484	21,557,563
<i>Adjustments for</i>		
Interest Received	3,987,697	13,350,600
Dividend	97,239	245,800
Depreciation	1,431,078	12,300
Operating Profit before Working Capital Changes	22,949,498	35,166,263
<i>Adjustments for Capital Changes</i>		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	(328,477,442)	-
Decrease (Increase) Loan & Advances	102,466,064	(4,662,929)
Trade Payable and Provisions	328,296,721	13,300,065
Cash Generated from operations	102,285,343	8,637,136
Income Tax Liability For The Year	(4,571,421)	(5,113,741)
Extraordinary Items	-	-
	(4,571,421)	(5,113,741)
Net Cash From Operating Activites	120,663,420	38,689,658
B. Cash Flow From Investing Activities		
Decrease / (Increase) in Fixed Assets	(15,615,272)	(12,300)
Decrease / (Increase) in Investments	(89,342,300)	(29,968,948)
Interest Received	(3,987,697)	(13,350,600)
Dividend Received	(97,239)	(245,800)
Adjustments for Depreciation	(1,431,078)	(12,300)
Net Cash from Investing Activities	(110,473,586)	(43,589,948)
C. Cash Flow From Financing Activities		
Proceeds from Preferential Issue	-	-
Proposed Dividend	(8,138,800)	(10,173,500)
Dividend Tax	(1,320,317)	(1,650,396)
Extraordinary Items	(541,971)	(13,201)
	(10,001,088)	(11,837,097)
Net Cash used in Financing Activities	188,750	(16,737,387)
Net (Increase)/Decrease in Cash & Cash Equivalents	(188,750)	16,712,787
Opening Balance of Cash & Cash Equivalents	358,323	17,071,110
Closing Balance of Cash & Cash Equivalents	547,073	358,323

For and on behalf of the Board

Anil Kr. Purohit

Chairman & Managing Director

Mumbai, May 29, 2013

We have verified the attached Cash Flow Statement of M/s. 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 2013 and found the same in agreement therewith.

For **Pradeep Gupta**
Chartered Accountants

Mumbai, May 29, 2013

Proprietor
Membership No. 048979

Notes to Financial Statement for the year ended 31st March 2013

NOTE 1

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. All Fixed Assets are stated at cost. Costs include purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Turnover

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

Depreciation

5. Depreciation on all assets is charged proportionately from the date of acquisition/installation on straight line method at rates prescribed in Schedule XIV of the Companies Act, 1956. Assets costing less than ₹ 5000/- individually have been fully depreciated in the year of purchase.

Investments

6. Investments are valued at cost.

Retirement Benefit

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

Income Tax

8. Provision for taxes comprising of current tax is measured in accordance with Accounting Standard 22- "Accounting For Taxes On Income" issued by the Institute of Chartered Accountants of India :
9. Tax expenses comprises of current and deferred tax.
10. Provision for current income 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

Disclosures in terms of Accounting Standards (AS 29) Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India :

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. Based on the Similarity of activities, risks and reward structure, organization structure and internal reporting systems, the Company has structured its operations into the following Segment :-
 - a. Short-term funding to its Clients as well as Deposits with Banks
 - b. Investments in Capital Market & Mutual Fund related activities

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 - ₹ Nil

Particulars of Director's Remuneration (In Rupees)

23. ₹ Nil has been paid to Mr. Anil Kumar Purohit, Managing Director towards Directors' Remuneration for the Year (P.Y. ₹ 1,80,000/-)

Related Party Transactions

24. Key Management Personnel -

1. Mr. Anil Purohit	-	Managing Director
2. Mr. Dhruva Narayan Jha	-	Executive Director
3. Ms. Chandrakala Purohit	-	Vice President

Payments to Related Parties

Sum of ₹ 6,66,396/- has been paid towards Salary to to Ms. Chandrakala Purohit, relatives of Mr. Anil Purohit.

Subsidiary & Group Companies or Companies under same management -

25. M/s. Prime Capital Market Ltd. - Company under same Management

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

26. Particulars	31.03.2013	31.03.2012
Remuneration to Auditors for Audit Purpose ₹	25,000	5,000

Differed Tax

27. The differed tax has not been recognized in financial statement during the year under review.

Earning per Equity Share

28.	Unit	31.03.2013	31.03.2012
Net Profit after Tax available for Share holders	₹	1,23,20,092	1,64,30,621
No. of Equity Shares	No.	203470000	203470000
Basis & Diluted Earning Per Share (₹)*	₹	0.06	0.08

*The Company does not have any outstanding dilutive potential equity shares.

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, 2013. 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 **Pradeep Gupta**
Chartered Accountants

Proprietor
Membership No. 048979

Place : Mumbai
Date : 29th May 2013

For & On behalf of Board

Anil Purohit
Director

Dhruva Narayan Jha
Director

Rajkumar Mall
Director

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.1 SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	250,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed & Paid Up: Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	203,470,000	203,470,000	20,347,000	203,470,000
Total	203,470,000	203,470,000	20,347,000	203,470,000

Reconciliation of number of shares.

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	203,470,000	203,470,000	203,470,000	203,470,000
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	203,470,000	203,470,000	203,470,000	203,470,000

Rights, preference and restrictions attached to Equity Shares

The company has one class of Equity shares having a par value of ₹ 1/- each. Each shareholder is eligible to one vote per share held.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuring Annual General Meeting and will be paid in Indian ₹.

Details of Share held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	31.03.2013		31.03.2012	
	Number	₹	Number	₹
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N.A.	-	-	-	-
Total	-	-	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.2 RESERVES AND SURPLUS

Particulars	31.03.2013	31.03.2012
	₹	₹
Securities Premium Reserve	60,500,000	60,500,000
	60,500,000	60,500,000
Surplus in Profit & Loss Statement		
Opening Balance	9,130,788	4,524,059
Add: Net Profit for the year	12,320,092	16,430,621
Amount available for Appropriations	21,450,880	20,954,680
Less: Appropriations		
Proposed Dividend	8,138,800	10,173,500
Tax on Proposed Dividend	1,320,317	1,650,396
	9,459,117	11,823,896
Total	72,491,763	69,630,784

2.3 TRADE PAYABLES

Particulars	31.03.2013	31.03.2012
	₹	₹
Other payables		
Amount payable to Sundry Creditors	339,848,289	-
Total	339,848,289	-

2.4 OTHER CURRENT LIABILITIES

Particulars	31.03.2013	31.03.2012
	₹	₹
Provision for Expenses	980,533	900,002
Advances	20,100,000	28,825,000
Total	21,080,533	29,725,002

2.5 SHORT TERM PROVISIONS

Particulars	31.03.2013	31.03.2012
	₹	₹
Proposed Dividend	8,138,800	10,173,500
Tax on Proposed Dividend	1,320,317	1,650,396
Provision for Income Tax (net of Tax paid)	4,571,421	5,113,741
Total	14,030,538	16,937,637

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.6. INTANGIBLE ASSETS

	Cost / Book Value as at 1st April 2012	Additions during the year	Deductions/ Adjustments during the year	Cost/Book Value as at 31st March 2013	Depreciation on Cost / Book Value as at 1st April 2012	Deductions / Adjustments during the year	Depreciation for the year	Depreciation on Cost / Book Value as at 31st March 2013	Balance as at 31st March 2013	Balance as at 31st March 2012
Computer Software	46,000	17,046,350	-	17,092,350	21,500	-	1,431,078	1,452,578	15,639,772	24,500
	46,000	17,046,350	-	17,092,350	21,500	-	1,431,078	1,452,578	15,639,772	24,500
Previous Year	46,000	46,000	-	92,000	9,200	-	12,300	-	24,500	-

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.7 DEFERRED TAX ASSETS

Particulars	31.03.2013	31.03.2012
	₹	₹
Deferred Revenue Expenditure	1,345,771	1,345,771
Total	1,345,771	1,345,771

2.7 DEFERRED TAX ASSETS

Particulars	Numbers	Face Value	31.03.2013	31.03.2012
			₹	₹
Long Term Investments (Trade)				
(1) IN FULLY PAID-UP EQUITY SHARES (QUOTED)				
DB (International) Stock Brokers Limited	66,854	2.00	-	6,231,329
Cheslind Textiles Limited	14,850	10.00	-	2,706,527
Comfort Intech Limited	100,000	1.00	1,593,000	1,593,000
RPP Infra Projects Limited	59,096	10.00	3,403,452	3,403,452
Splash Media Infra Limited	1,206,810	1.00	43,162,740	43,162,740
Kaveri Telecom Products Limited	50,000	10.00	7,384,768	7,384,768
Rasoya Proteins Limited	9,650	5.00	794,970	2,306,726
FAG Bearings India Limited	500	10.00	555,843	555,843
Divine Multimedia (India) Ltd.	48,000	1.00	1,264,584	392,580
Elecrosteel Castings Ltd.	25,000	10.00	216,563	-
First Financial Services Limited	36,634	10.00	10,921,471	-
North Eastern Carrying Corporation Ltd.	15,000	10.00	977,460	-
Calarus Finance Limited	560,275	10.00	51,238,078	17,433,664
The Calcutta Stock Exchange Association Ltd.	250	10.00	400,000	400,000
			121,912,929	85,570,629
(2) IN MUTUAL FUND Quoted				
Axis Triple Advantage Fund	48,490	10.31	500,000	500,000
			500,000	500,000
(3) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)				
Mansoul Commercial Pvt Ltd	1,600,000	10.00	80,000,000	-
Digvive Venture Private Limited	22,500	10.00	-	22,500,000
Kawatra Paper Private Limited	6,000	10.00	-	4,500,000
JMD Sounds Limited	100	10.00	100,000	100,000
			80,100,000	27,100,000
Total			202,512,929	113,170,629
Aggregate Market Value of Quoted Investments in Equity Shares			62,022,160	74,387,217

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.9 TRADE RECEIVABLE

Particulars	31.03.2013 ₹	31.03.2012 ₹
(Unsecured Considerd Goods)		
Outstanding For the Period of More then Six Months	-	-
Other Debts	328,477,442	-
Total	328,477,442	-

2.10 CASH AND BANK BALANCES

Particulars	31.03.2013 ₹	31.03.2012 ₹
Cash and Cash Equivalents		
Balances with banks		
In current accounts	415,311	168,103
Cash in hand	131,762	190,220
Total	547,073	358,323

2.11 SHORT-TERM LOANS & ADVANCES

Particulars	31.03.2013 ₹	31.03.2012 ₹
Unsecured Considered good		
Security Deposit	56,500	56,500
Inter-Corporate Deposit	24,228,254	37,996,296
Advance Income Tax Payment	4,000,000	2,100,000
Tax Deducted at Source	1,851,614	1,594,561
Loans to Others	72,261,768	163,116,843
Total	102,398,136	204,864,200

2.12 REVENUE FORM OPERATION

Particulars	31.03.2013 ₹	31.03.2012 ₹
Sales of Hardware & Softwares	353,516,162	-
Total	353,516,162	-

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.13 OTHER REVENUE FORM OPERATION

Particulars	31.03.2013	31.03.2012
	₹	₹
Interest Income on		
Current investment	3,987,697	13,350,600
Dividend		
From Current Investment	97,239	245,800
Net Gain / (Loss) on sale of Investment		
From Current Investment	-52,224	10,010,900
Other Business Activities		
Other Non-Operating Revenue	4,255,400	-
Fees from Advisory Services	13,014,498	2,206,000
Total	21,302,610	25,813,300

2.14 COST OF PURCHASE

Particulars	31.03.2013	31.03.2012
	₹	₹
Purchase		
Softwares & Hardwares	352,017,465	-
Total	352,017,465	-

2.15 EMPLOYEE COST

Particulars	31.03.2013	31.03.2012
	₹	₹
Salaries to Employees	2,433,621	2,025,000
Staff Welfare Expenses	48,000	127,800
Total	2,481,621	2,152,800

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.16 OTHER EXPENSES

Particulars	31.03.2013	31.03.2012
	₹	₹
Paymant to Auditors	25,000	25,000
RTA Fees	39,245	23,842
Conveyance & Travelling Exp.	91,752	325,300
Bank Charges	15,281	300
Telephone Charges	13,270	-
Listing & Depository Fees	184,243	189,793
Postage & Courier Exp.	18,450	121,020
Professional Fees	275,938	35,250
Printing & Stationery	22,544	36,503
Misc. Expenses	77,869	172,369
Advertisements	66,412	28,330
Rent Expenses	84,000	60,000
Books & Periodicals	14,300	14,500
Donation	-	500,000
Demat Charges	1,573	-
Data Processing Charges	35,000	35,000
Rates & Taxes	-	8,000
Director Remuneration	-	180,000
Website Development Charges	17,438	-
VAT & Service Tax	352,309	-
Office Maintanance Charges	52,000	207,830
Board Meeting & AGM Expenses	68,500	127,600
Total	1,455,124	2,090,637

2.17 TAX EXPENSES

Particulars	31.03.2013	31.03.2012
	₹	₹
Income Tax	4,571,421	5,113,741
Income Tax Previous Year	541,971	13,201
Total	5,113,392	5,126,942

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.18 RELATED PARTIES DISCLOSURES (As per Accounting Standard 18)

1. Relationship

- a. Wholly Owned Company - Not Any
- b. Associate Company - None
- c. Company under the Common Control of Promoters - Not Any
- d. Key Management Personnel
 1. Mr. Anil Purohit
 2. Mr. Dhurva Narayan Jha

2. Transactions

There has been no related parties transactions during the year under review.

2.19 SEGMENT REPORTING (As per Accounting Standard 17)

a. The Company has three Primary Business Segments viz.

- i. Financial Activities
- ii. Advisory Services
- iii. Investment in Shares & Securities
- iv. Sale of Software & Hardwares

Gross Segment Revenue	₹ in Lac	
	Current Year	Previous Year
i. Financial Business	39.88	-
ii. Advisory Services	130.15	22.06
iii. Investment in Shares & Securities	43.00	236.07
iv. Sale of Software & Hardwares	10.00	-

b. Secondary Segment

The Company operates predominantly within the geographical limits of India. It has no secondary segment revenue.

2.20 DISCLOSURE FOR PAYMENT TO MICRO, SMALL & MEDIUM ENTERPRISES

The Company has not received any intimation from their suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount unpaid as at the year end together with interest paid / payable as required under the said Act, have not been given.

2.21 IMPAIRMENT OF ASSETS

Company Management during the year have carried out technological evaluation for identification of Assets, if any, in accordance with Accounting Standard 28. Based on the judgement of the Management and as certified by Directors, no provision for impairment is found to be necessary in respect of any Assets.

BLUE CIRCLE SERVICES LIMITED

Office No. 33, Basement, Mona Shopping Centre, J. P. Road, Near Navrang Cinema, Andheri (West), 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
37th Annual General Meeting of the Company to be held on Friday, the 20th day of September 2013
at 3.00 P.M., at Jaisingh Business Centre, Ground Floor, CTS No. 119, Parsiwada, Sahar Road, Andheri
(East), Mumbai-400 099 and any adjournment thereof.

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

Signed on this _____ day of _____ 2013.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



BLUE CIRCLE SERVICES LIMITED

Office No. 33, Basement, Mona Shopping Centre, J. P. Road, Near Navrang Cinema, Andheri (West), Mumbai-400 058.

ATTENDANCE SLIP

I hereby record my presence at the 37th Annual General Meeting of the Company held on Friday, the
20th day of September 2013 at 3.00 P.M., at Jaisingh Business Centre, Ground Floor, CTS No. 119,
Parsiwada, Sahar Road, Andheri (East), Mumbai-400 099.

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

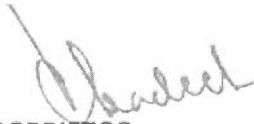
If undelivered, please return to :

Blue Circle Services Limited

Office No. 33, Basement, Mona Shopping Centre, J. P. Road,
Near Navrang Cinema, Andheri (West), Mumbai-400 058

Form A

Format for covering letter for the Annual Report to be filed with the Stock Exchanges
(Pursuant to Clause 31(a) of the Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Blue Circle Services Limited
2.	Annual Financial Statements for the year ended	31 st March 2013
3.	Type of Audit Observation	No Qualification of matter of emphasis has been included in the Audit Report
4.	Frequency of Observation	Not Applicable in view of Comments in (3) above
5.	To be signed by :	
	<ul style="list-style-type: none"> • Managing Director 	 Anil Purohit
	<ul style="list-style-type: none"> • President & Chief Financial Officer 	 Anil Purohit
	<ul style="list-style-type: none"> • Audit Committee Chairman 	 Chandresh N. Shah
	<ul style="list-style-type: none"> • Auditors of the Company 	<p>Refer our Audit Report dated May 29, 2013 on the Standalone Financial Statements of the Company</p> <p>PRADEEP GUPTA Chartered Accountants Firm Registration No. 0109825</p> <p style="text-align: center;"></p> <p>PROPRIETOR Membership No. 048979</p> <p>Place : Mumbai Date : May 29, 2013</p> <div style="text-align: right;">  </div>

