



# **BLUE CIRCLE**

**SERVICES LIMITED**

## **36th**

**ANNUAL REPORT  
2018-2019**

**BLUE CIRCLE SERVICES LIMITED**

**BOARD OF DIRECTORS**

Anil Kumar Purohit Chairman & Managing Director  
Jauhar Singh Director  
Dhruva Narayan Jha Director  
Sangeeta Joshi Director

**CHIEF FINANCIAL OFFICER**

Mr. Ram Prakash Chowdhary

**AUDITORS**

M/s. B. S. Kedia & Co.  
Chartered Accountants, Kolkata

**BANKERS**

Kotak Mahindra Bank Ltd.  
Yes Bank

**REGISTERED OFFICE**

Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053

**CIN: L74140MH1983PLC029378**

**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 : 23rd September, 2019  
Time : 11.00 A.M.  
Venue : Unit No. 323 & 324, 3rd Floor,  
Building No. 9, Laxmi Plaza,  
New Link Road, Andheri (West),  
Mumbai-400 053



**C o n t e n t s**

- ☞ Notice
- ☞ Directors' Report
- ☞ Management Discussion & Analysis
- ☞ Secretarial Audit Report (MR-3)
- ☞ Extract of Annual Return (MGT-9)
- ☞ Report on Corporate Governance
- ☞ Auditors' Certificate on Corporate Governance
- ☞ Auditors' Report
- ☞ Balance Sheet
- ☞ Statement of Profit & Loss
- ☞ Statement of Cash Flow
- ☞ Notes on Financial Statements
- ☞ Proxy / Ballot Form (MGT-11)

**Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company at least ten days before the date of the Meeting. Members are requested to bring their copies of Annual Report to the Meeting.**

## BLUE CIRCLE SERVICES LIMITED

### NOTICE

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of **M/S. BLUE CIRCLE SERVICES LIMITED** will be held on Monday, 23<sup>rd</sup> September, 2019 at 11.00 A.M. at Unit No. 323 & 324, 3<sup>rd</sup> Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053 to transact following business as:

#### ORDINARY BUSINESS :

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019 along with the reports of the Board of Directors and the Auditors thereon.
2. **Appointment of Statutory Auditors to fill casual vacancy**

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 read with the Companies (Audit and Auditor) Rules, 2014, 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), and based on the recommendations of the Audit Committee, to fill up the casual vacancy caused due to the resignation of existing Auditors M/s. B. S. Kedia & Co., Chartered Accountants, Kolkata (FRN - 317159E) due to completion of their term of 5 years, M/s. Mahato Prabir & Associates., Chartered Accountants, Kolkata (FRN - 325966E), who have offered themselves for appointment as Auditors to the Company and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby appointed as Statutory Auditors of the Company and to hold office from the conclusion of the 36<sup>th</sup> Annual General Meeting up to the conclusion of the 41<sup>th</sup> consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration plus out of pocket expenses at actuals, as may be decided by the Board of Directors of the Company.”

#### SPECIAL BUSINESS :

3. **To Appoint Mr. Dhruva Narayan Jha as an Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dhruva Narayan Jha (DIN: 01286654), who was appointed as an Additional Director of the Company in the meeting of Board of Directors held on 09<sup>th</sup> May 2019 on recommendation of Nomination & Remuneration Committee, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time, Mr.

## **BLUE CIRCLE SERVICES LIMITED**

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Dhruva Narayan Jha (DIN: 01286654)), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from May 05, 2019 and that he shall not be liable to retire by rotation.”

**Mumbai, May 30, 2019**

**Registered Office :  
Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053**

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

**ANIL KUMAR PUROHIT  
(DIN : 00082942)  
Chairman & Managing Director**

## BLUE CIRCLE SERVICES LIMITED

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### Notes :

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the Meeting.  
  
Pursuant to Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total Share capital of those carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or shareholder.
3. Corporate Member intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution together with specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the Meeting; the Attendance Slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate Attendance Slip or copies of the Report and Accounts will not be made available at the Annual General Meeting ("AGM") venue.
5. A brief resume of each of the Directors proposed to be re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided in Annexure I.
6. The Register of Member and the Share Transfer Books of the Company will remain closed from 17th September 2019 to 23rd September 2019 (both days inclusive).
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the members at the Company's Registered Office on all working days (except Monday, Sunday and public holidays) between 11.00 AM to 1.00 PM up to the date of this Annual General Meeting.
9. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [blue.circl@gmail.com](mailto:blue.circl@gmail.com) for quick and prompt redressal of their grievances.
10. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
11. 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 appropriate authorities to the Annual General Meeting.

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12. 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.
13. 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.
14. 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.
15. The Securities and Exchange Board of India (SEBI) vide Circular ref. no. MRD/DOP/CIR-05/2007 dated April 27, 2007 made PAN mandatory for all securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee (s) to furnish copy of PAN Card to the Company/RTAs for the registration of such transfer of shares.  
SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:
  - a) Deletion of name of the deceased shareholder (s), where the shares are held in the name of two / more shareholders.
  - b) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
  - c) Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the name of two or more shareholders.
16. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
17. Shareholders who have not en-cashed their dividend warrants for the dividends declared for the financial years 2011-12 are requested to send a letter along with unclaimed dividend warrant, if any or letter of undertaking for issue of duplicate dividend warrant/demand draft. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company viz. [www.bluecircleservices.com](http://www.bluecircleservices.com), as also on the website of the Ministry of Corporate Affairs.
18. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended from time to time all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more as on 24<sup>th</sup> October 2018 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website [www.bluecircleservices.com](http://www.bluecircleservices.com). Shareholders are requested to claim the dividend on these equity shares latest by 24<sup>th</sup> October 2018 to avoid aforesaid transfer of shares. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPF Authority by making an online application the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).

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19. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant(s) to enable us to send you the quarterly reports and other communication via email.
20. Copies of Annual Report 2019 will be sent by electronic mode only to the members whose email address are registered with the Company's Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the Annual Report. The members who have not registered their email address, physical copies of Annual Report 2019 are being sent by the permitted mode.
21. The Notice for the 36<sup>th</sup> AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all those members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting.
22. Members may also note that the Notice of the 36<sup>th</sup> AGM and the Annual Report for 2018-2019 will also be available on the Company's website [www.bluecircleservices.com](http://www.bluecircleservices.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during all working days (except Monday, Sunday and public holidays) between 11.00 AM to 1.00 PM up to the date of this AGM. Even after registering for e-communication, members are entitled to receive such in physical form, upon making a request for the same by post or email. For any communication, the Shareholders may also send requests to the Company's email id : [blue.circl@gmail.com](mailto:blue.circl@gmail.com)
23. A route map showing directions to reach the venue of the 36<sup>th</sup> Annual General Meeting is given at the end of the Report.
24. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
25. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 17, 2019.
26. In order to enable its members who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Sanjay Kumar Vyas, Scrutinizer, C/o Purva Sharegistry (India) Private Limited, Unit: Blue Circle Services Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No: +91 22- 2301 2517, E-mail: [support@purvashare.com](mailto:support@purvashare.com) so as to reach her on or before September 22, 2019 by 5.00 P.M. Any Ballot Form received after the said date shall be treated as if the reply from the members has not been received.
27. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI LODR Regulations, 2015, the Company is pleased to provide to the members facility of "remote e-voting" (e-voting from place other than venue of the AGM) to exercise their votes at the 36<sup>th</sup> AGM by electronic means and the business may be transacted through e-voting services rendered by National Securities Depository Limited (NSDL).

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28. The facility of voting through ballot/polling paper shall also be made available at the venue of the 36<sup>th</sup> AGM. The members attending the AGM, who have not casted their vote till the time, through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already casted their vote through remote e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.
29. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bluecircleservices.com](http://www.bluecircleservices.com) within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited, where the shares of the Company are listed.
30. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
31. Details of Scrutinizer: Sanjay Kumar Vyas, Practising Company Secretary (ACS No. 55689), Kolkata, West Bengal. E-mail: [sanjayvyas1802@gmail.com](mailto:sanjayvyas1802@gmail.com).
- 32. Voting through Electronic means -**
- a) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- b) The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.
- c) The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or [www.bluecircleservices.com](http://www.bluecircleservices.com).
- d) The e-voting period commences on Friday, September 20, 2019 (9:00 am) and ends on Sunday, September 22, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- e) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 17, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 17, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [support@purvashare.com](mailto:support@purvashare.com).
- f) The facility for voting through ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.



33. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

**Step 1: Log-in to NSDL e-Voting system**

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com>.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
- iv. Your User ID details will be as per details given below :
  - a. **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b. **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c. **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
- v. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    1. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    2. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).

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- b. “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

### Step 2 : Cast your vote electronically on NSDL e-Voting system.

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of the Company.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### 34. General Guidelines for shareholders:

- i. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sanjayvyas1802@gmail.com](mailto:sanjayvyas1802@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
35. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

**Explanatory Statement pursuant to Section 102 of the Companies Act 2013**

**ITEM NO. 3**

**Appointment of Mr. Dhruva Narayan Jha as an Independent Director of the Company**

The Board of Directors of the Company at its meeting held on August 14, 2019, on the recommendation of the Remuneration and Nomination Committee, had appointed Mr. Dhruva Narayan Jha (DIN: 01286654) as an Additional Director on the Board of the Company. Further, in terms of provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, the Board of Directors of the Company had also appointed (subject to the approval of the members at the ensuing General Meeting), Mr. Dhruva Narayan Jha as an Independent Director of the Company within the meaning of Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for a term of 5 consecutive years commencing from August 14, 2019.

The Company has also received a declaration from Mr. Dhruva Narayan Jha as specified under Section 149(6) and Schedule IV of the Companies Act 2013. Considering his superior experience, his presence on the Board will be of immense value to the Company.

The Company has received a notice in writing from a member along with deposit of the requisite amount pursuant to Section 160 of the Act, proposing the candidature of Mr. Dhruva Narayan Jha for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Act.

A copy of the letter of appointment of Mr. Dhruva Narayan Jha as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives other than Mr. Dhruva Narayan Jha is in any way concerned or interested, financial or otherwise, in the said Resolution.

In the opinion of the Board, Mr. Dhruva Narayan Jha (DIN: 01286654) proposed to be appointed as an Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the rule made thereunder, and is independent of the management.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

Further details of Mr. Dhruva Narayan Jha have been provided in **Annexure 1**.

**BLUE CIRCLE SERVICES LIMITED**

<b>Name of Director</b>	Dhruva Narayan Jha
Directors' Identification No. (DIN)	01286654
Date of Birth	10th October 1959
Date of Appointment on Board	09th May 2019
Qualification	B. Com
Experience	Having 36 years' experience in the field of Finance, Taxation, Capital & Money Market
Terms & Conditions of Appointment/Re-appointment	5 Years commencing from 09th May 2019
Remuneration details	Maximum of Rs 5000/- per meeting
Shareholding in Company	Nil
Relationship with the Company	Not Any
No. of Board Meeting attended during the year	Not Applicable
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	<ul style="list-style-type: none"><li>• JMD Ventures Limited</li><li>• Warner Multimedia Limited</li><li>• Purbanchal Steel Ltd.</li></ul>
Memberships / Chairmanships of Audit and Stakeholders' relationship Committees across Public Companies	Committee Chairmanship - 3 Committee Membership - 5

Mumbai, May 30, 2019

By order of the Board  
For BLUE CIRCLE SERVICES LIMITED

Registered Office :  
Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053

ANIL KUMAR PUROHIT  
(DIN : 00082942)  
Chairman & Managing Director

**Directors' Report**

Dear Shareholders

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2019.

(₹ in Lakh)

<b>Financial Results</b>	<b>Year Ended 31.03.2019</b>	Year Ended 31.03.2018
Income	<b>9.05</b>	832.31
Profit/(Loss) before Tax & Extra-Ordinary Items	<b>(320.65)</b>	(477.96)
Less : Provision for Taxation including Deferred Tax	<b>(1.58)</b>	(2.66)
Profit/(Loss) after Tax	<b>(319.07)</b>	(475.30)
Less : Extra-Ordinary Items	-	-
Net Profit/(Loss) after Extra-Ordinary Items	<b>(319.07)</b>	(475.30)
Add : Profit/(Loss) brought forward from previous year	<b>(1928.62)</b>	(1453.32)
Balance of Profit/(Loss) carried forward to next year	<b>(2247.69)</b>	(1928.62)

**OVERVIEW OF ECONOMY**

In 2019, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2019, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2018, whereas China's growth deteriorated from 6.9% in 2018 to 6.6% in 2019 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

**PERFORMANCE HIGHLIGHTS & OUTLOOK**

The Company was into the trading and investments in Shares & Securities during the year under review.

Gross revenue from operations stood at ₹9.04 lakh in comparison to last years' revenue of ₹832.31 lakh. In term of Net Profit/ (Loss), the Company has incurred a loss of ₹319.07 lakh in comparison to last years' net loss of ₹475.30 lakh (after tax including deferred tax).

The scenario does not look good for the Company as the Investment of Company is in mid-cap and small-cap segment, the segment which is neither performed well in year 2018 nor is performing well in year 2019. The policy by the regulators added fuel to the segment wherein SEBI asked mutual funds to make balancing in their portfolio by adding large-cap and reducing weightage in mid-cap and small-cap. This lead to sell-off by Mutual Funds and lack of buying in the segment lead to fall in the price shares of these categories. The Company is trying hard to balance its portfolio in order to have further losses in future.

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## BLUE CIRCLE SERVICES LIMITED

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### **DIVIDEND AND RESERVES**

Due to losses earned during the year and for the reason of carried forward losses, your Directors do not recommend any Dividend for the year under review.

During the year under review, Nil amount has been transferred to General Reserves.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2019 was ₹ 20.3470 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2019, none of the Directors and/or Key Managerial Person of the Company hold instruments convertible in to Equity Shares of the Company.

### **BUSINESS SEGMENT**

The Company is into the sole business of Finance and Investments. The Company is carrying trading and investments activities in shares and securities in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

### **FINANCE AND ACCOUNTS**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2019 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019.

The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

There is no audit qualification in the standalone financial statements by the statutory auditors for the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **SUBSIDIARY COMPANY**

The Company does not have any material subsidiary as defined under the Listing Regulations. However, it has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company viz. [www.bluecircleservices.com](http://www.bluecircleservices.com)

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations; during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted and thus disclosure in term of Section 134(3)(h) r/w Rule 8(2) of the Companies (Accounts) Rules, 2014 and under Regulation 34(3) & 53(f), Para A of Schedule V of SEBI(LODR) Regulations, 2015 is attached as Annexure I. Further, there are no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the

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## BLUE CIRCLE SERVICES LIMITED

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Accounting Standards (AS18) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website viz. [www.blurcircleservices.com](http://www.blurcircleservices.com)

### **MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34(3) of the Listing Regulations, 2015 is provided in a separate section and forms part of the Directors' Report.

### **CHANGE IN NATURE OF BUSINESS, IF ANY.**

There are no changes in the nature of business in the financial year 2018-19

### **BOARD EVALUATION**

The Board of Directors have laid down the manner for carrying out an annual evaluation of its own performance, its various Committees and individual directors pursuant to the provisions of the Act and relevant Rules and the Corporate Governance requirements are in compliance with Regulation 17 of Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board Composition, process, dynamics, quality of deliberations, strategic discussions, effective reviews, committee participation, governance reviews etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as Committee composition, process, dynamics, deliberation, strategic discussions, effective reviews etc. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as transparency, analytical capabilities, performance, leadership, ethics and ability to take balanced decisions regarding stakeholders etc.

### **NUMBER OF MEETINGS OF THE BOARD**

The details of the Board Meetings and other Committee Meetings held during the financial year 2018-19 are given in the separate section of Corporate Governance Report.

### **BOARD COMMITTEES**

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **MANAGEMENT**

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

### **DIRECTORS**

During the financial year, Mr. Vikash Kumar Singh is Executive Director and Mr. Rajeev Chaudhury & Ms. Priya Ghosh are Independent Directors have resigned from the Board w.e.f. 14<sup>th</sup> August 2018. Further, Mr. Jauhar Singh & Mr Dhruva Narayan Jha has who has been appointed as an Independent Director of the Company w.e.f. 14<sup>th</sup> August 2018 and 09 May 2019 respectively.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the Listing Regulations.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

## BLUE CIRCLE SERVICES LIMITED

### INDEPENDENT DIRECTORS

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the Independent Directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Regulation 25 of Listing Regulations (applicable from December 1, 2015), a person shall not serve as an independent director in more than seven listed entities: provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Further, independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

### DETAILS OF DIRECTORS / KMP APPOINTED AND RESIGNED DURING THE YEAR

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	Mr. Vikash Kr. Singh	Executive Director	-	14 <sup>th</sup> August 2018
2.	Mr. Rajeev Chaudhury	Independent Director	-	14 <sup>th</sup> August 2018
3.	Ms. Priy Ghosh	Independent Director	-	14 <sup>th</sup> August 2018
4.	Mr Jauhar Singh	Independent Director	14 <sup>th</sup> August 2018	-
5.	Mrs Sangeeta Joshi	Independent Director	14 <sup>th</sup> August 2018	-
6.	Mr. Dhruva Narayan Jha	Independent Director	09 <sup>th</sup> May 2019	-
7.	Mr. Ram Prakash Chowdhary	Chief Financial Officer	01 <sup>st</sup> April 2019	-
8.	Mr. Dhruva Narayan Jha	Chief Financial Officer	-	01 <sup>st</sup> April 2019
9.	Mr. Prateek Kaushik	Company Secretary	-	01 <sup>st</sup> August 2018

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, TRIBUNALS OR COURTS

An order was passed by SEBI vides Order No. WTM/RKA/ ISD/162/2014 dated 19<sup>th</sup> December 2014 and re-confirmation Order No. WTM/RKA/ISD/31/2015 dated 20<sup>th</sup> April 2015 in the matter of dealing in the Shares of First Financial Services Limited; where in the Company has been debarred from accessing Capital Market for the time being (tenure of suspension has not defined in said order).

Apart from above, there are no other significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and date of the report.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 the Board of Directors confirms that:

1. that in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



## **BLUE CIRCLE SERVICES LIMITED**

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2. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis;
5. that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **BUSINESS RISK MANAGEMENT**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

However, provision of Regulation 21 of Listing Regulations for constitution of Risk Management Committee is not applicable to the Company.

### **INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

Your Company has an Internal Control System, which is commensurate with the size, scale, scope and complexity of its operations. To maintain its objectivity and independence, an independent firm of Chartered accountants has been appointed as the Internal Auditors, who report to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in your Company, its compliance with operating systems, accounting procedures and policies of your Company. Based on the report of the Internal Auditors placed before the Audit Committee, process owners undertake corrective action in their respective areas and thereby strengthen the controls. The internal controls have been reported by the Auditors to be adequate and effective during the year.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company i.e. [www.bluecircleservices.com](http://www.bluecircleservices.com)

### **INFORMATION TECHNOLOGY**

Innovation and Technology are synonymous with the Company. The investment in technology acts as a catalyst and enables the Company to be innovative.

### **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**

### **Statutory Auditors**

M/s B. S. Kedia & Co., Chartered Accountants, Kolkata (FRN – 317159E) are the statutory auditors of the Company for the year ended March 31, 2019. Their appointment as the statutory auditors will be ratified at the ensuing Annual General Meeting pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder.

There is no audit qualification, reservation or adverse remark for the year under review.

### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Sinu Surolia, Company Secretaries in Practice (C. P. No. 17293) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed in this Annual Report as Annexure II.

## **Internal Auditors**

### **Internal Auditor**

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The internal and operational audit is entrusted to M/s Mahato Prabir & Associates, Chartered Accountant Firm, Kolkata (FRN - 325966E). The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2019 made under the provisions of Section 92(3) of the Act is attached as **(Annexure III)** to this report.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the same is not applicable to the Company as none of employee is drawing remuneration in excess of the limits set out in the said rules and thus no disclosure has been provided in this Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 by way of

## **BLUE CIRCLE SERVICES LIMITED**

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Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 dated June 30, 2016 (“Amended Managerial Remuneration Rules, 2016”), the report is not applicable to the Company.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES**

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

### **PARTICULARS UNDER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013**

Since the Company is into the business of trading and investments in shares and securities; the information regarding Conservation of Energy, Technology Absorption, Adoption and Innovation, as defined under section 134(3)(m) of the Companies Act, 2013 read with Rule, 8(3) of the Companies (Accounts) Rules, 2014, is reported to be NIL.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used any foreign exchange during the year under review.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### **REPORT ON CORPORATE GOVERNANCE**

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company’s Auditors confirming compliance forms an integral part of this Report.

### **CAUTIONARY STATEMENT**

Statements in this Directors’ Report and Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

### **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 30, 2019

By order of the Board  
For BLUE CIRCLE SERVICES LIMITED

Registered Office :  
Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053

ANIL KUMAR PUROHIT  
(DIN : 00082942)  
Chairman & Managing Director

## **Management Discussions & Analysis**

### **MACRO ECONOMIC ENVIRONMENT**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.3 per cent in 2018-19 and is reduced to 5.8 per cent in 2019-20.

India's gross domestic product (GDP) at constant prices reduced by 6.8 per cent in September-December 2018 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 0.85 per cent in FY 2019-20 supported by recovery in capital expenditure, according to JM Financial.

The tax collection figures between April 2018- February 2019 show an increase in net direct taxes by 64.7 per cent year-on-year and an increase in net direct taxes by 45.2 per cent year-on-year.

### **OPPORTUNITIES**

The country's financial services sector consists of the capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross domestic savings (GDS) as a percentage of Gross Domestic Product (GDP) has remained above 30 per cent since 2004. India's GDP is expected to grow at 7.3 per cent in the fiscal year 2018-19, and 7.5 per cent in the following two years, the World Bank has forecast, attributing it to an upswing in consumption and investment.

The bank said India will continue to be the fastest growing major economy in the world. China's economic growth is projected to slow down to 6.2 each in 2019 and 2020 and 6 per cent in 2021, according to the January 2019 Global Economic Prospects report released by the World Bank on Tuesday.

In 2018, the Chinese economy is estimated to have grown by 6.5 per cent as against India's 7.3 per cent. In 2017, China with 6.9 per cent growth was marginally ahead of India's 6.7 per cent, mainly because the slowdown in the Indian economy due to demonetisation and implementation of the Goods and Services Tax (GST), the report said.

With investment picking up and consumption remaining strong, we expect India to grow 7.3 per cent in the fiscal year 2018-2019, and average 7.5 per cent in 2019 and 2020. India registered quite a bit of pick up in doing business ranking.

### **THREATS & CONCERNS**

The risk of loan loss is high in India. Due to lack of appropriate due diligence and monitoring of loans, the number of loan defaults has increased in recent years. The non-performing assets are growing in last few years while the GDP has been declining.

A majority of the banks in India offer online and mobile banking services. Most of the transactions are conducted via payment cards, debit and credit cards, and electronic channels such as ATMs. Consequently, both private and public banks as well as other financial institutions in India are becoming increasingly vulnerable to sophisticated cyber-attacks.

India has witnessed numerous terror attacks and remains a potential target for such strikes. Stringent regulatory requirement and media scrutiny have made it mandatory for financial institutions to perform strict compliance checks to prevent the use of money laundering to fund terrorist activities.

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## BLUE CIRCLE SERVICES LIMITED

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### HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2018-2019, 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.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provision of the Section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 effective from April 1, 2014 relating to CSR Initiatives are not applicable to the Company.

### 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.

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.

Mumbai, May 30, 2019

By order of the Board  
For BLUE CIRCLE SERVICES LIMITED

Registered Office :  
Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053

ANIL KUMAR PUROHIT  
(DIN : 00082942)  
Chairman & Managing Director

## BLUE CIRCLE SERVICES LIMITED

### Annexure – I

#### DETAILS OF RELATED PARTY TRANSACTIONS

- A. (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 32 of the Notes to Financial Statements.

No material related party transactions arising from contracts/ arrangements with related parties referred to in the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

- B. Disclosures pursuant to Regulation 34(3) & 53(f) and Para A of Schedule V of SEBI (LODR) Regulations, 2015.

Sl. No.	In the Account of	Disclosures of amount at the year end and the maximum amount of loans/advances/Investments outstanding during the year.	
1.	Holding Company	<ul style="list-style-type: none"><li>o Loans and advances in the nature of loans to subsidiaries by name and amount</li><li>o Loans and advances in the nature of loans to associates by name and amount</li><li>o Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount</li></ul>	Not applicable
2.	Subsidiary	<ul style="list-style-type: none"><li>o Loans and advances in the nature of loans to subsidiaries by name and amount</li><li>o Loans and advances in the nature of loans to associates by name and amount</li><li>o Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount</li></ul>	
3.	Holding Company	<ul style="list-style-type: none"><li>o Investment by the loanee in the shares of parent Company and subsidiary Company has made a loan or advance in the nature of loan.</li></ul>	

By order of the Board  
For BLUE CIRCLE SERVICES LIMITED

Place : Mumbai  
Date : May 30, 2019

ANIL KUMAR PUROHIT  
(DIN : 00082942)  
Chairman & Managing Director

**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED March 31,2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
M/s. Blue Circle Services Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Blue Circle Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon. Based on my verification of the Blue Circle Services Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Blue Circle Services Limited ("The Company") for the financial year ended on 31<sup>st</sup> March 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

## BLUE CIRCLE SERVICES LIMITED

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(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

☞ *An order was passed by SEBI vides Order No. WTM/RKA/ISD/162/2014 dated 19th December 2014 and re-confirmation Order No. WTM/RKA/ISD/31/2015 dated 20th April 2015 in the matter of dealing in the Shares of First Financial Services Limited; where in the Company has been debarred from accessing Capital Market till further notice (tenure of suspension has not been clearly mentioned in said Orders). However we are unable to comment on impact of said order on the business of the Company.*

*Company has yet to appoint whole time company secretary as required under section 203 company of the Companies Act 2013.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not passed any special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Kolkata  
Date : May 30, 2019

Sinu Surolia  
Practicing Company Secretary  
C. P. No. 17293



**Annexure A to the Secretarial Audit Report**

The Members,  
M/s. Blue Circle Services Limited  
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Date : May 30, 2019

**Sinu Surolia**  
Practicing Company Secretary  
C. P. No. 17293

## BLUE CIRCLE SERVICES LIMITED

Annexure III

### EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2019  
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

#### FORM NO. MGT - 9

CIN	L74140MH1983PLC029378
Registration Date	22/02/1983
Name of the Company	M/s. Blue Circle Services Limited
Category / Sub-Category of the Company	Category : Company having Share Capital Sub-Category : Indian Non-Government Company
Address of the Registered Office and contact details	Unit No. 324, 3rd Floor, Bldg. No. 9 Laxmi Plaza, New Link Road Andheri (W), Mumbai – 400 053 Tel : +91 22 69969555
Whether listed company	Listed Company
Name, address and contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd. No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011 Tel : +91 22 2301 8261 / 0771

#### II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Businesses	NIC Code of Business	% of Total Turnover of the Company
NBFC Activities (Financing) & Trading / Investment in Shares & Securities	66110	100.00%

#### III. Details of Subsidiary / Associate / Holding Companies

Name & Address of Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
Not Any	Not Applicable	Not Applicable	Not Applicable	Not Applicable

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. (s)	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	685600	-	685600	3.37%	685600	-	685600	3.37%	-
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other .....	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	<b>685600</b>	<b>-</b>	<b>685600</b>	<b>3.37%</b>	<b>685600</b>	<b>-</b>	<b>685600</b>	<b>3.37%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-

## BLUE CIRCLE SERVICES LIMITED

e) Any Other .....	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>									
<b>Total Shareholding of Promoters (A1) + (A2)</b>	<b>685600</b>	-	<b>685600</b>	<b>3.37%</b>	<b>685600</b>	-	<b>685600</b>	<b>3.37%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt. (s)	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total B(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i. Indians	14581931	-	14581931	71.67%	13826037	-	13826037	67.95%	3.72%
ii. Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ₹2 lakh	197866	6100	203966	1.00%	212391	6000	218391	1.07%	(0.07)%
ii. Individual Shareholders holding nominal share capital in excess of ₹2 lakh	4638815	200000	4838815	23.78%	5581531	-	5581531	27.43%	(3.65)%
<b>c) Others (Specify)</b>									
i. HUF	3772	-	3772	0.02%	3964	-	3964	0.02%	-
ii. Clearing Members	21909	-	21909	0.11%	20470	-	20470	0.10%	0.01%
iii. NRI	7	-	7	0.00%	7	-	7	0.00%	-
iv. LLP	7000	-	7000	0.03%	7000	-	7000	0.03%	-
v. NBFC	4000	-	4000	0.02%	4000	-	4000	0.02%	-
<b>Sub Total B(2)</b>	<b>19455300</b>	<b>206100</b>	<b>19661400</b>	<b>19455300</b>	<b>19455300</b>	<b>206100</b>	<b>19661400</b>	<b>96.63%</b>	<b>-</b>
<b>Total Public Shareholding B = B(1) + B(2)</b>	<b>19455300</b>	<b>206100</b>	<b>19661400</b>	<b>19455300</b>	<b>19455300</b>	<b>206100</b>	<b>19661400</b>	<b>96.63%</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>20140900</b>	<b>2061000</b>	<b>20347000</b>	<b>100.00</b>	<b>20140900</b>	<b>206100</b>	<b>20347000</b>	<b>100.00</b>	<b>0.00%</b>

ii) Shareholding of Promoters							
Shareholders Name	Shareholding at the beginning of the year			Shareholding during and at the end of the year			% change in shareholding during the year
	No. of Share	% of total shares of the company	% of Shares Pledged encumbered to total shares	No. of Shares	% of Shares of the company	% of Shares Pledge / encumbered to total shares	
Prime Capital Market Limited	6,150,00	3.02%	Nil	6,15,000	3.02%	Nil	-
Unisys Softwares & Holding Ind. Ltd.	706,00	0.35%	Nil	70,600	0.35%	Nil	-
iii) Change in Promoters' Shareholding (Please specify, if there is no change)							
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of Changes	Reason for Changes	
	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the Company			
At the beginning of the year	Nil	Nil				Not Applicable	
At the end of the Year			Nil	Nil		Not Applicable	

## BLUE CIRCLE SERVICES LIMITED

Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc):					
Name of Promoter / Promoter Group	Opening Bal	Shares Increase	Shares Decrease	Date of Increase/ Decrease	Reason for Changes
N. A.	-	-	-	-	-

iv) Shareholding of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs)					
For Each of the Top 10	Shareholding at the beginning of the year		Date wise increase decrease in Shareholding	Cumulative shareholding during and the end of the year	
	No. of Shares	% of total shares of the Company		No. of Shares	% of Total shaes of the Company
Divya Drishti Merchants Pvt. Ltd.	884764	4.35%	Not Any	884764	4.35%
Divya Drishti Traders Pvt. Ltd.	881537	4.33%	Not Any	881537	4.33%
Decent Vincom Pvt. Ltd.	468537	3.53%	Not Any	468537	2.30%
Helot Properties Pvt. Ltd.	566768	2.79%	Not Any	566768	2.79%
Rangan Vincom Private Limited	540548	2.66%	Not Any	540548	2.66%
DKS Enterprises Private Limited	518007	2.55%	Not Any	518007	2.55%
Flame Dealers Private Limited	476673	2.34%	Not Any	476673	2.34%
Esquire Enclave Private Limited	473729	0.03%	Not Any	473729	2.33%
Fairlink Housing Private Limited	401938	1.98%	Not Any	401938	1.98%
Mayurpankh Vincom Pvt. Limited	444069	2.18%	Not Any	444069	2.18%

v) Shareholding of Directors and Key Managerial Personnel				
For Each of Directors & KMP	Shares holding at the beginning of the year		Cumulative Shareholding during and at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year / at the end of the year	Nil	-	Nil	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Not Applicable (As none of Director and Key Managerial Person was holding Shares in their names either at the beginning or at the end of year)			

V. INDEBTEDNESS				
In Indebtedness of the Company including interest outstanding/acrued but not due for payment				
	Secured Loans Excluding deposits Rs. in Lac	Unsecured Loans Rs. in Lac	Deposit Rs. in Lac	Total Indebtedness Rs. in Lac
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i. Principal Amount				
ii. Interest due but not Paid				
iii. Interest Accrued but not due				
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
• Addition				
• Reduction				
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i. Principal Amount				
ii. Interest due but not Paid				
iii. Interest Accrued but not due				
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## BLUE CIRCLE SERVICES LIMITED

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>			
Particulars of Remuneration	Anil Kr. Purohit (MD) (in Rs.)	Prateek Kaushik (Co. Secretary) (in Rs.)	Dhruva Narayan Jha (CFO) (inRs.)
1. Gross Salary	Nil	48,000/-	3,00,000/-
2. Value of Perquisites	Nil	Nil	Nil
3. Stock Options	Nil	Nil	Nil
4. Sweat Equity	Nil	Nil	Nil
5. Commission	Nil	Nil	Nil
6. Others (Please specify)	Nil	Nil	Nil

<b>VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:</b>					
Type	Section of the	Brief Description	Details of Penalty / Punishment/ Compounding	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty			No Instance		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			No Instance		
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty			No Instance		
Punishment					
Compounding					

**ANNEXURE TO DIRECTORS' REPORT**

**CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e. shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance include transparency, accountability, reporting and independence. For accomplishment of the objectives of ensuring fair Corporate Governance, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalizations, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sin-quo-nun of modern management.

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- ✓ Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- ✓ Timely disclosure of material operational and financial information to the stakeholders;
- ✓ Availability of Information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- ✓ Systems and processes in place for internal control; and
- ✓ Proper business conduct by the Board, Senior Management and Employees.

**GOVERNANCE STRUCTURE**

The Corporate Governance Structure at Blue Circle Services Ltd. (BCSL) is as under:-

1. **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board:** The Board has constituted the following committees viz. Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee. Each of said Committee has been managed to operate within a given framework.

## BLUE CIRCLE SERVICES LIMITED

### BOARD OF DIRECTORS

#### Size & 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, taxation 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.

The composition and category of the Board of Directors as at March 31, 2019, the number of other Directorships/ Committee memberships held by them and their other details are as under:

Name	Designation	DIN	Date of Joining	Committee Membership in other Listed Co.	Committee Chairman-ship in other Listed Co.	No. of Directorship in all Listed Co.
Anil Kumar Purohit*	Managing Director	00082942	2 <sup>nd</sup> March 2010	Nil	Nil	Nil
Jauhar Singh	Independent Director	00113986	14 <sup>th</sup> August 2018	3	2	3
Ram Prakash Chowdhary	Independent Director	01625637	14 <sup>th</sup> August 2018	1	Nil	1
Sangeeta Joshi	Independent Director	08098594	14 <sup>th</sup> August 2018	2	Nil	Nil

\*Chairman of the Board

#### Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than M/s. Blue Circle Services Limited.
3. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.
4. Directors who are on the Board are not related with other Directors.
5. Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.

#### Chairman and Managing Director

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a successful organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- Provide leadership to the Board and preside over all Board and General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.

- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

**Non-Executive Directors (including Independent Directors)** play a critical role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board Meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- Impart balance to the Board by providing independent judgment.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements.

### **Board Independence**

The Non-Executive Independent Directors fulfill the conditions of independence as specified in Section 149 of Companies Act, 2013 and Rules made there under and to meet with requirements of Regulation 16(b) of Listing Regulations. Further, none of the Independent Director is serving more than seven listed companies. In case he/she is serving as a Whole-Time Director in any listed company, does not hold the position of Independent Director in more than three listed companies. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulations has been issued and draft of the same has been disclosed on website of the Company.

### **Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's calls the meeting as pre requirements of prevailing Act.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

### **Information placed before the Board**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

### **Post Meeting Mechanism**

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned department/s and/or division.

### **Board Support**

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

### **Familiarization Programme for Directors**

At the time of appointing Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Director is



## BLUE CIRCLE SERVICES LIMITED

also explained in detail the Compliance required from him/her under the Companies Act, 2013, requirements of Listing Regulations and other relevant regulations and affirmation taken with respect to the same. The Chairman & Managing Director also has one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its services, business and the on-going events relating to the Company.

Further, at the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The draft format of the letter of appointment is available on Company website viz. [www.bluecircleservices.com](http://www.bluecircleservices.com)

### Details of Board Meetings

The Board of Directors met 5 times on 5<sup>th</sup> April, 30<sup>th</sup> May, 14<sup>th</sup> August and 14<sup>th</sup> November in year 2018 and on 13<sup>th</sup> February in the year 2019 during the financial year 2018-2019.

Attendance of Board of Directors at the Board Meeting and at the last Annual General Meeting:

Name	Designation	Attendance at the AGM	Meetings Attended
Anil Kumar Purohit*	Chairman & Managing Director	Yes	5
Jauhar Singh	Independent Director	Yes	3
Ram Prakash Chowdhary	Independent Director	Yes	3
Sangeeta Joshi	Independent Director	Yes	3

### AUDIT COMMITTEE

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, risk and International finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Audit Committee was re-constituted w.e.f. 14<sup>th</sup> August 2018 wherein Mr. Jauhar Singh and Mr. Ram Prakash Chowdhary have been appointed as Chairman and member of Committee respectively in place of Mr. Dipankar Roy and Rajeev Chaudhury.

### TERMS OF REFERENCE

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and 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 provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. 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.

## BLUE CIRCLE SERVICES LIMITED

### FUNCTIONS OF AUDIT COMMITTEE

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2019.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1) (e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Financial Results as required by the Regulation 33 of the Listing Regulations. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site of the Company viz. [www.bluecircleservices.com](http://www.bluecircleservices.com) and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

### INTERNAL CONTROLS AND GOVERNANCE PROCESSES

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

### MEETINGS OF AUDIT COMMITTEE

The members of Audit Committee met Four times on 30<sup>th</sup> May, 14<sup>th</sup> August, 14<sup>th</sup> November in year 2018 and on 14<sup>th</sup> February in year 2019 during the financial year ended on 31<sup>st</sup> March 2019.

Name	Position	Number of Meetings Held	Meetings Attended
Mr. Anil Kumar Purohit	Member	4	4
Mr. Jauhar Singh	Chairman	3	3
Mr. Ram Prakash Chowdhary	Member	3	3

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Non-executives, Independent Directors. All members of the Nomination and Remuneration Committee are financially literate and they have accounting or related financial management expertise. The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

The Nomination & Remuneration Committee was re-constituted w.e.f. 14<sup>th</sup> August 2018 wherein Mr. Jauhar Singh, Ram Prakash Chowdhary and Sangeeta Joshi have been appointed as member, Chairman and member of Committee respectively in place of Mr. Rajeev Chaudhury, Priya Ghosh and Mr. Dipankar Roy.

**Terms of Reference**

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, which are as follows:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any member of the Committee or the Compliance Officer.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**Criteria of selection of Non-Executive Directors**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of accounting, finance, taxation, law etc. However Women Director is exempted from said criteria.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director –
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## BLUE CIRCLE SERVICES LIMITED

### Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### CEO & Managing Director – Criteria for selection / appointment

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### Remuneration for the CEO & Managing Director

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is paid by way of salary, allowances, perquisites, amenities and retirement benefits.

### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

### Meetings of Nomination & Remuneration Committee

The members of Nomination & Remuneration Committee met two times on 30th May and 14<sup>th</sup> August in year 2018 during the financial year ended on 31<sup>st</sup> March 2019.

Name	Position	Number of Meetings Held	Meetings Attended
Mrs. Sangeeta Joshi	Member	1	1
Mr. Jauhar Singh	Member	1	1
Mr. Ram Prakash Chowdhary	Chairman	1	1

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee is constituted in line with the provisions of Regulation 20 of the SEBI LODR Regulations 2015, read with Section 178 of the Act and rules made thereunder.

## BLUE CIRCLE SERVICES LIMITED

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The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

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

The Minutes of Stakeholders' Relationship Committee are noted by the Board of Directors at the Board Meetings.

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

### **Compliance Officer**

The Company has appointed not yet appointed any Company Secretary as its Compliance officer as a Compliance Officer within the meaning of Regulation 6 of Listing Regulations so Mr. Anil Kumar Purohit acting as Compliance Officer of the company

### **Composition of Committee and Meetings attended**

The Stakeholders' Relationship Committee was re-constituted w.e.f. 14<sup>th</sup> August 2018 wherein Mr. Jauhar Singh, Ram Prakash Chowdhary and Sangeeta Joshi wherein have been appointed as Chairman and member of Committee respectively in place of Mr. Dipankar Roy and Mr. Rajeev Chaudhury.

During the year, two meetings of the Stakeholders' Relationship Committee were held on 14<sup>th</sup> August and 14<sup>th</sup> November in year 2018 during the financial year ended on 31<sup>st</sup> March 2019.

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

## BLUE CIRCLE SERVICES LIMITED

Name	Position	Category	Meetings Attended
Mrs. Sangeeta Joshi	Member	Independent, Non-Executive	2
Mr. Jauhar Singh	Member	Independent, Non-Executive	2
Mr. Ram Prakash Chowdhary	Chairman	Independent, Non-Executive	2

### Details of Shareholders' Complaints

There was Nil Complaint pending at the beginning of the Financial Year. During the year the Company did not receive any compliant from any of the shareholders. Further, there was no pending complaint at the close of the financial year.

As required under Regulation 40(9) of Listing Regulations, 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 [blue.circl@gmail.com](mailto:blue.circl@gmail.com) to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES on SEBI website for faster addressing and resolutions of Investor Complaints.

### Independent Directors' Meeting

During the year under review, the Independent Directors met on March 25, 2019, inter alia, to discuss:

- Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of Chairman of the Company; taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings:

Annual General Meeting	Date & Time	Venue
35 <sup>th</sup> Annual General Meeting	22 <sup>nd</sup> September 2018, 11.00 AM	Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053
34 <sup>th</sup> Annual General Meeting	15 <sup>th</sup> September 2017, 11.00 AM	Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053
33 <sup>rd</sup> Annual General Meeting	23 <sup>rd</sup> September 2016, 11.00 AM	Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053

### Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting was held during the financial year ended on 31<sup>st</sup> March 2019.

### POSTAL BALLOT

No Resolution has been passed during last two out of three financial years by way of Postal Ballot.

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## BLUE CIRCLE SERVICES LIMITED

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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 remaining two out of last three Annual General Meetings.

### **BOARD DISCLOSURES**

#### **Compliance with Governance Framework**

The Company is in compliance with all mandatory requirements of Listing Regulations, 2015.

### **STRICTURES AND PENALTIES**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets activities during the last three years.

### **DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### **RISK MANAGEMENT**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is examined periodically by the Board and the Audit Committee.

### **SEBI / STOCK EXCHANGE COMPLIANCE**

The Company has complied with all requirements of the Listing Agreement entered into with Stock Exchanges and also SEBI Listing Regulations (effective from 1<sup>st</sup> December 2015). Consequently there were no strictures or penalties imposed either by SEBI or Stock Exchange or any Statutory Authority for non-compliance of any matter related to the Capital Markets during the last three years.

### **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations); with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

### **DISCLOSURES**

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (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.

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## BLUE CIRCLE SERVICES LIMITED

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- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 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. Further, we affirm that no personnel have been denied access to the Audit Committee.
- (d) **Reconciliation of Share Capital:** As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are Listed the audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

### 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.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.bluecircleservices.com](http://www.bluecircleservices.com).

### COMMUNICATION WITH THE MEMBERS/SHAREHOLDERS

- The unaudited quarterly / half yearly / yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper and in local language (Marathi) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.
- The Company's financial results and official press releases are displayed on the Company's Website-[www.bluecircleservices.com](http://www.bluecircleservices.com).
- Any presentation made to the institutional investors or/and analysts are also posted on the Company's website.



## BLUE CIRCLE SERVICES LIMITED

- Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- A separate dedicated section under 'Investor Relation' on the Company's website gives information on unclaimed dividends (if any), notice of Board Meetings, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

### DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

### 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 36<sup>th</sup> Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2019 is as follows :-

Day & Date	:	Monday, 23rd September 2019
Time	:	11.00 A.M.
Venue	:	Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza New Link Road, Andheri (West), Mumbai-400 053

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

#### c. Future Calendar for the next financial year :

Subject Matter	Tentative Dates
Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2019	Mid of August, 2019
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2019	Mid of November, 2019
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2019	Mid of February 2020
Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2020	During May 2020
Date of Annual General Meeting	During September 2020

d. **Date of Book Closure** : September 17 to September 22, 2019. (Both days inclusive)

e. **Dividend Payment Date** : No Dividend has been recommended for the year under review.

#### f. Dividend History for Last 10 Years (In the FY where Dividend has been declared) :

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Amount Declared per Share	Face Value of Shares
1.	2009-2010	May 31, 2010	₹ 0.50	₹ 10.00
2.	2010-2011	June 30, 2011	₹ 0.40	₹ 10.00
3.	2011-2012	June 30, 2012	₹ 0.05	₹ 1.00

## BLUE CIRCLE SERVICES LIMITED

### a. Unclaimed Dividend / Share Certificates

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. [www.bluecircleservices.com](http://www.bluecircleservices.com)

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

Details of Unclaimed Dividend and Due Dates for transfer are as follows as on March 31, 2019:

Sr. No.	Year of Declaration of Dividend	Date of Declaration of Dividend	Unclaimed Amount ₹	Due Date for transfer to IEPF Account
2.	2010-2011	June 30, 2011	Nil	20 <sup>th</sup> October 2019
3.	2011-2012	June 30, 2012	29,548/-	24 <sup>th</sup> October 2019

Further, as required to be disclosed under Regulation 34(3) read with Schedule V of Listing Regulations, Nil Shares are lying at the beginning or at the close of financial year in the Suspense Account. Further the Company did not moved in/out any Equity Share in said Suspense Account during the current financial year.

- h. Listing of Shares** : BSE Limited (BSE)
- i. Listing Fees** : Company has not yet paid Annual listing Fees for FY 2019-20 to BSE.
- j. Stock Code & ISIN** : Scrip Code 508939 on BSE.  
ISIN INE526K01031 on both NSDL & CDSL
- k. Market Price Data :**

Month	Price on BSE (₹) & Volume			S&P BSE Sensex	
	High	Low	Volume	High	Low
April 2018	35.85	33.80	47	35213.30	32972.56
May 2018	35.10	34.45	11	35993.53	34302.89
June 2018	35	33.65	7001	35877.41	34784.68
July 2018	40.25	34.30	737	37644.59	35106.57
August 2018	37.95	31	76	38989.65	37128.99
September 2018	29.45	25.30	106	38934.35	35985.63
October 2018	24.05	15.35	3927	36616.64	33291.58
November 2018	14.60	13.90	3	36389.22	34303.38
December 2018	13.21	10.25	108	36554.99	34426.29
January 2019	9.75	9.75	1	36701.63	35375.51
February 2019	-	-	-	37172.81	35287.16
March 2019	-	-	-	38748.54	35926.96

## BLUE CIRCLE SERVICES LIMITED

**a. Registrar & Share Transfer Agent.**

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

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

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 : support@purvashare.com

Website : www.purvashare.com

**b. Share Transfer Systems**

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

**c. Consolidation of Folios and avoidance of multiple mailing**

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars and Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

**d. Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

**e. Distribution of Shareholding as on 31<sup>st</sup> March 2019**

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	388	58.88	28468	0.14
5001-10000	22	3.234	17537	0.09
10001-20000	27	4.10	38950	0.19
20001-30000	14	2.12	36680	0.18
30001-40000	12	1.82	42592	0.21
40001-50000	9	1.37	40897	0.20
50001-100000	36	5.46	284553	1.40
100001 and Above	151	22.91	19857323	97.59
<b>Total....</b>	<b>659</b>	<b>100.00</b>	<b>20347000</b>	<b>100.00</b>

## BLUE CIRCLE SERVICES LIMITED

### q. Shareholding Pattern as on 31<sup>st</sup> March 2019

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & PAC	685600	3.37
Indian Bank	0	0.00
Foreign Financial Institutions	0	0.00
Others (NRI)	7	0.00
NBFCs Registered With RBI	4000	0.02
LLP	7000	0.03
Hindu Undivided Family (HUF)	3964	0.02
Corporate Bodies	13826037	67.95
Indian Public	5799922	28.51
Clearing Members	20470	0.10
<b>Total .....</b>	<b>20347000</b>	<b>100.00</b>

### r. Dematerialization of Equity Shares & Liquidity

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the Depositories.

#### 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 31<sup>st</sup> March 2019, 98.99% Equity Shares of the Company are in dematerialized form.

### s. 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 form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

### t. Requirement of PAN Card in case of Transfer of Shares in Physical

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.

### u. 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).

## BLUE CIRCLE SERVICES LIMITED

**v. 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.

**w. 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., "upport@purvashare.com"

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

No Fund has been raised by the Company by way of Public Issue or Right Issue or Preferential Issue during last three years.

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

Not Any.

**z. Investors' Correspondence**

Compliance Officer	RTA	Correspondence Office
Mr. Anil Kumar Purohit Compliance Officer Tel : +91 33-2242 7270 Email : <a href="mailto:blue.circl@gmail.com">blue.circl@gmail.com</a>	Purva Shareregistry (India) Pvt. Ltd. No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011 Tel : +91 22 2301 8261 / 0771	Unit No. 324, 3rd Bldg. No. 9 Laxmi Plaza, New Link Road Andheri (W), Mumbai – 400 053 Tel : +91 22 69969555 Email : <a href="mailto:blue.circl@gmail.com">blue.circl@gmail.com</a> Website : <a href="http://www.bluecircleservices.com">www.bluecircleservices.com</a>

**aa. 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.

**bb. Registered Office location**

Blue Circle Services Limited  
Unit No. 324, 3rd Floor, Bldg. No. 9  
Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053  
Tel : +91 22 69969555; Email : [blue.circl@gmail.com](mailto:blue.circl@gmail.com), URL : [www.bluecircleservices.com](http://www.bluecircleservices.com)

## BLUE CIRCLE SERVICES LIMITED

### CEO / CFO Certification

We the undersigned, in my respective capacities as Managing Director and Chief Financial Officer of M/s. Blue Circle Services Limited (“the Company”) to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, 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) We further state that 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, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, 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**  
S/d-  
**Ram Prakash Chowdhary**  
Chief Financial Officer

Mumbai, May 30, 2019

**For Blue Circle Services Limited**  
S/d-  
**Anil Kumar Purohit**  
(DIN : 00082942)  
Chairman & Managing Director

### ANNUAL CERTIFICATE UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with M/s. Blue Circle Services Limited, Code of Business Conduct and Ethics for the year ended March 31, 2019.

**For Blue Circle Services Limited**

**Anil Kumar Purohit**  
(DIN : 00082942)  
Managing Director

Mumbai, May 30, 2019

**Auditors' Certificate on Corporate Governance**

To the Members of **BLUE CIRCLE SERVICES LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter with the Company.
2. We have examined the compliance of conditions of corporate governance by **Blue Circle Services Limited** (the "Company") for the year ended 31<sup>st</sup> March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

**Management's Responsibility**

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the "ICAI"), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2019.

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

**Restriction on use**

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**For B. S. Kedia & Co.**  
Chartered Accountants  
ICAI Registration No. 317159E

Place: Kolkata  
Date: May 30, 2019

**Vikash Kedia**  
Partner  
M. No. 066852

**Independent Auditors' Report**

**To the Members of M/s. Blue Circle Services Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone financial statements of Blue Circle Services Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date..

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**KEY AUDIT MATTER**

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied Refer to Notes to the Standalone Financial Statements

**AUDITOR'S RESPONSE**



Our audit approach was a combination of test of internal controls and substantive procedures which included the following: Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorized changes to recording of efforts incurred. Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

#### **EVALUATION OF UNCERTAIN TAX POSITIONS**

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes to the Standalone Financial Statements

#### **AUDITOR'S RESPONSE**

Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.

3. **Accuracy of revenues and onerous obligations in respect of fixed-price contracts involves critical estimates** Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. Refer Notes to the Standalone Financial Statements

**AUDITOR'S RESPONSE** Our audit approach was a combination of test of internal controls and substantive procedures which included the following

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.
- Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.
- Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.

- Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

**Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)<sup>1</sup> and cash flows of the Company in accordance with<sup>2</sup> the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are also responsible for overseeing the Company’s financial reporting process.

**Auditors’ Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Report on Other Legal and Regulatory Requirements**

As required by “the Companies (Auditor’s Report) Order, 2016 (“the Order”)”, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the “Order”), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanation given to us, we give in the Annexure “A” a statement on the matters specified in the paragraph 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a) We have sought and 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 appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

## BLUE CIRCLE SERVICES LIMITED

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- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The going concern matter described in sub-paragraph (b) under the Other Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “B” and;
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, we report that :
  - i The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements; however there isn’t any litigations pending against the name of the company so far, as appeared from the records and has been told to us by the management.
  - ii The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; however, no such losses are been foreseeable in near future by the company’s management.
  - iii There are no requirements in transferring amounts, to the Investor Education and Protection Fund by the Company.

**For B. S. Kedia & Co.**  
**Chartered Accountants**  
**ICAI Registration No. 317159E**

**Place: Kolkata**  
**Date: May 30, 2019**

**Vikash Kedia**  
**Partner**  
**M. No. 066852**

## BLUE CIRCLE SERVICES LIMITED

### ANNEXURE “A” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 9 of the Independent Auditors’ Report of even date to the members of Blue Circle Services Limited on the standalone financial statements for the year ended March 31, 2019 –

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification, the same have been properly dealt with in the books of account;
- 2) a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted any loan to any, body corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act 2013, does not apply to the company, as the company is primarily engaged in the acquisition of securities and engaged in the business of financing of companies.
- 5) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, the dues outstanding of income tax, sales-tax, service tax, duty of customs, duty of excise or value added tax, which have not been deposited on account of any dispute, are as follows:

Name of the Statue	Nature of Dues	Disputed Amount	Financial Year for which it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14,27,63,400	2011-12	Income Tax AppellateCIT
Income Tax Act, 1961	Income Tax	35,57,240	2013-14	Income Tax AppellateC I T
Income Tax Act, 1961	Income Tax	2,19,97,591	2014-15	Income Tax AppellateC.I.T
Income Tax Act, 1961	Income Tax	3,04,50,363	2015-16	Income Tax AppellateCIT

## BLUE CIRCLE SERVICES LIMITED

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- d) The Company is not required to transfer any funds to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act.
- 8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, there is been no transactions with the related parties during the said period. Therefore, this paragraph is not applicable in case of the company.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) According to the information and explanations given to us, we report that the Company is not required to be registered itself under section 45-IA of the Reserve Bank of India Act, 1934.

**For B. S. Kedia & Co.**  
**Chartered Accountants**  
**ICAI Registration No. 317159E**

**Place: Kolkata**  
**Date: May 30, 2019**

**Vikash Kedia**  
**Partner**  
**M. No. 066852**

## BLUE CIRCLE SERVICES LIMITED

### ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 10(g) of the Independent Auditors’ Report of even date to the members of M/s. Blue Circle Services Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of M/s. Blue Circle Services Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that –
  - a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

## **BLUE CIRCLE SERVICES LIMITED**

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- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c) provides reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

- 7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

- 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. S. Kedia & Co.  
Chartered Accountants  
ICAI Registration No. 317159E**

**Place: Kolkata  
Date: May 30, 2019**

**Vikash Kedia  
Partner  
M. No. 066852**

**BLUE CIRCLE SERVICES LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2019**

PARTICULARS	Note No.	As at 31st March 2019 Rs.	As at 31st March 2018 Rs.
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Fixed Assets	2.1	15,60,975	23,11,586
Other Non- Current Assets	2.2	5,38,309	6,72,886
Deferred tax Assets	2.12	34,904	-
		21,34,188	29,84,472
<b>CURRENT ASSETS</b>			
Inventories	2.3	8,67,03,110	4,67,25,097
Trade Receivable	2.4	32,89,462	32,89,462
Cash and Cash equivalents	2.5	57,287	82,182
Short-term loans and advances	2.6	1,34,44,249	1,86,04,431
Other Currents Assets	2.7	31,07,243	30,77,061
		10,66,01,351	7,17,78,233
<b>TOTAL</b>		<b>10,87,35,539</b>	<b>7,47,62,705</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.8	20,34,70,000	20,34,70,000
Other Equity	2.9	(16,42,68,566)	(13,23,61,891)
		3,92,01,434	7,11,08,109
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payable	2.10	6,69,09,482	10,21,459
Other Current Liabilities	2.11	26,24,623	25,09,527
Deferred Tax Liabilities	2.12	-	1,23,610
		6,95,34,105	36,54,596
<b>TOTAL</b>		<b>10,87,35,539</b>	<b>7,47,62,705</b>
Significant Accounting Policies and Notes to accounts	1		

AS PER OUR REPORT OF EVEN DATE

FOR B.S KEDIA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

Vikash Kedia  
Partner  
M. No : 066852  
FRN. 317159E

Anil Purohit  
Managing Director  
(DIN:00082942)

Jauhar Singh  
Director  
(DIN : 00113986)

Ram Prakash Chowdhary  
CFO  
Place : Mumbai  
Date : 30th May 2019

Place : Kolkata  
Date : 30th May 2019



## BLUE CIRCLE SERVICES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

PARTICULARS	Note No.	31st March, 2019 Rs.	31st March, 2018 Rs.
<b>INCOME</b>			
Revenue from operations	2.13	9,04,476	8,32,30,643
<b>TOTAL INCOME</b>		<b>9,04,476</b>	<b>8,32,30,643</b>
<b>EXPENSES</b>			
Change of Stock n Trade	2.14	(3,99,78,014)	10,14,37,018
Purchase	2.15	7,04,68,023	2,62,70,000
Employee Cost	2.16	6,90,025	7,10,449
Other expenses	2.17	9,04,442	13,52,864
Depreciation & Amortisation Expenses	2.18	8,85,188	12,56,788
<b>TOTAL EXPENSES</b>		<b>3,29,69,664</b>	<b>13,10,27,119</b>
<b>PROFIT BEFORE TAXATION</b>		<b>(3,20,65,188)</b>	<b>(4,77,96,476)</b>
Extraordinary item		-	-
		<b>(3,20,65,188)</b>	<b>(4,77,96,476)</b>
Tax Expense	2.19		
Current tax		-	-
Deffered Tax Assets		(1,58,514)	(2,66,409)
<b>NET PROFIT FOR THE YEAR</b>		<b>(3,19,06,674)</b>	<b>(4,75,30,067)</b>
Earnings per equity share:			
Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each)	2.20	(1.57)	(2.34)

AS PER OUR REPORT OF EVEN DATE

FOR B.S KEDIA & CO.  
CHARTERED ACCOUNTANTS

Vikash Kedia  
Partner  
M. No : 066852  
FRN. 317159E

FOR AND ON BEHALF OF BOARD

Anil Purohit  
Managing Director  
(DIN:00082942)

Jauhar Singh  
Director  
(DIN : 00113986)

Ram Prakash Chowdhary  
CFO

Place : Kolkata  
Date : 30th May 2019

Place : Kolkata  
Date : 30th May 2019

## BLUE CIRCLE SERVICES LIMITED

### Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2019

(in Rs.)

		As at 31st March, 2019	As at 31st March, 2018
A.	<u>Cash Flow from Operating Activities</u>		
	Net Profit before tax and extraordinary Items	(3,20,65,188)	(4,77,96,476)
	Adjustments for		
	Interest Received	-	-
	Depreciation	7,50,611	11,22,211
	Operating profit before working capital changes	(3,13,14,577)	(4,66,74,265)
	<u>Adjustments for Working Capital Changes</u>		
	Decrease / (Increase) Loan & Advances	51,60,182	2,68,17,283
	Decrease / (Increase) trade receivable	-	-
	Decrease / (Increase) in Inventories	(3,99,78,013)	10,14,37,019
	Decrease / (Increase) in Inventories other current assets	(30,182)	-
	(Decrease) / Increase in Other Current Liabilities and Provisions	6,58,79,509	(8,20,55,380)
	Cash Generated from operations	3,10,31,496	4,61,98,922
	Income tax earlier year	-	-
	Deferred tax assets	1,23,610	2,66,409
	<b>Net Cash From Operating Activities</b>	<b>3,11,55,106</b>	<b>4,64,65,331</b>
B.	<u>Cash Flow From Investing Activities</u>		
	Net Purchase of Fixed Assets	7,50,611	11,22,211
	Deferred Revenue Expenditure	1,34,577	1,34,577
	Adjustment for Depreciation	(7,50,611)	(11,22,211)
	<b>Net Cash from Investing Activities</b>	<b>1,34,577</b>	<b>1,34,577</b>
C.	<u>Cash Flow From Financing Activities</u>		
	Interest Income / (Expense)	-	-
	<u>Extraordinary Items</u>	-	-
	<b>Net Cash used in Financing Activities</b>	<b>-</b>	<b>-</b>
	Net Increase in Cash & Cash Equivalents	(24,895)	(74,358)
	Net Increase in Cash & Cash Equivalents	24,895	74,358
	Opening Balance of Cash & Cash Equivalents	82,182	1,56,540
	Closing Balance of Cash & Cash Equivalents	57,287	82,182

AS PER OUR REPORT OF EVEN DATE

FOR B.S KEDIA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

Vikash Kedia  
Partner  
M. No : 066852  
FRN. 317159E

Anil Purohit  
Managing Director  
(DIN:00082942)

Jauhar Singh  
Director  
(DIN : 00113986)

Ram Prakash Chowdhary  
CFO

Place : Kolkata  
Date : 30th May 2019

Place : Mumbai  
Date : 30th May 2019

**NOTES AND ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS****1. Background**

M/s. Blue Circle Services Limited (referred to as “Company”) has been incorporated on February 22, 1983 vide CIN L74140MH1983PLC029378 having registered office at Unit No. 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053.

M/s. Blue Circle Services Limited is in the business of Trading Activities in Shares & Securities, and also engaged in treasury operations by way of providing funding solutions to clients i.e. Loans to its Clients.

**2. Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) prescribed under section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 30th May, 2019.

**3. Basis of Preparation**

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

All assets and liabilities have been classified as current or non-current as per Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013 and Ind AS 1- Presentation of Financial Statements

based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### **5. Revenue Recognition**

Revenue from the sale of shares is recognised when significant risks and rewards of ownership have been transferred to the customers (which generally coincide with their delivery to customers), the amount of revenue can be measured reliably and recovery of the consideration is probable. It is measured at the fair value of the consideration received or receivable for goods supplied net of returns and discounts to customers.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Revenue from services is recognised at the fair value of the consideration received or receivable for services rendered in the periods in which the services are rendered on a prorated basis over the period or as per the terms of the contract.

Dividend income from investments is recognised when the shareholder's right to receive dividend has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Profit / loss on sale of securities are determined based on the FIFO cost of the securities sold. Profit / loss on FNO Segment and Commodity transactions is accounted for as explained below:

Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Commodity Spot Trading/ Currency Futures and or Equity Index / Stock Options / Currency Options, which are released on final settlement / squaring-up of underlying contracts, are disclosed under "Other current assets". Mark-to-market margin-Equity Index / Stock Futures / Currency Futures representing the amounts paid in respect of mark to market margin is disclosed under "Other current assets".

Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option, before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity / Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

## BLUE CIRCLE SERVICES LIMITED

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### 6. Fixed Assets & Depreciation on Tangible Assets

All assets held with the intention of being used for the purpose of providing services and not for sale in the normal course of business are recognized as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.

### 7. Depreciation and Amortisation of Tangible Assets

Depreciation on tangible assets is calculated on a pro-rata basis. Depreciation is charged over the estimated useful life of the fixed assets on a Written Down Value Method prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:-

Assets	Estimated useful life as estimated by the company	Estimated useful life under schedule II of Companies Act, 2013
Computer	3-6 years	6 years
Motor Car	8 years	8 years

Assets costing Rs 5,000/- or less are fully depreciated in the year of purchase.

### 8. Intangible Assets & Amortisation

Intangibles assets are stated at cost less accumulated amortisation. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Residual Value for the intangible assets is considered as NIL

### 9. Borrowing Costs

Interest and other costs connected with the borrowing for the acquisition / construction of qualifying fixed assets are capitalised up to the date such asset are put to use and other borrowing cost are charged to statement of profit & loss. Borrowing cost includes exchange rate difference to the extent regarded as an adjustment to the borrowing cost.

### 10. Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialized.

### 11. Cash Flow Statement

As required by IND-AS-7 “Cash Flow Statement” issued by “The Institute of Chartered Accountants of India” the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks. Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily

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convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### **12. Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions. Gains / losses arising on foreign currency transactions settled during the year are recognised in the standalone statement of profit and loss.

Exchange differences arising on translation of monetary items are recognised in the standalone statement of profit and loss. Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

Non-monetary items denominated in foreign currency are carried at cost. There are no Foreign Currency transactions during the financial year.

### **13. Derivatives**

The Company has not yet entered into derivative financial instruments, primarily foreign exchange forward contracts.

### **14. Inventories**

Inventories are measured at lower of the cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credit) and other costs incurred in bringing the inventories to their present location and condition. Costs of consumable and trading products are determined by using the First-In First-Out Method (FIFO).

### **15. Employee Benefits**

#### **Gratuity**

The liability for gratuity has not been provided as per the provisions of Payment of Gratuity Act, 1972 since no employee of the company is eligible for such benefits during the year.

#### **Provident Fund**

The provisions of the Employees Provident Fund are not applicable to the company since the numbers of employees employed during the year were less than the minimum prescribed for the benefits.

#### **Leave Salary**

In respect of Leave Salary, the same is accounted as and when the liability arises in accordance with the provision of law governing the establishment.

### **16. Taxation**

Tax expenses comprise current and deferred tax.

#### **Current tax**

Current tax is measured at the amount expected to be paid to tax authorities in accordance with the Income Tax Act, 1961. The Company's current tax is calculated using tax rates and tax laws that have been enacted during the period, together with any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred tax**

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Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are off set when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

### 17. Depreciation

Depreciation is provided to the extent of depreciable amount on written Down Value (WDV) at the rates and method prescribed in the Schedule II of the Companies Act, 2013 and manner at written down value Method Rates and on pro rata basis for the additions during the year.

### 18. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure of contingent liability is made.

FINANCIAL YEAR	DISPUTED AMOUNT	FORUM WHERE DISPUTE IS PENDING
2011-12	14,27,63,400.00	INCOME TAX APPEAL C.I.T
2013-14	35,57,240.00	INCOME TAX APPEAL C.I.T
2014-15	2,19,97,591.00	INCOME TAX APPEAL C.I.T
2015-16	3,04,50,363.00	INCOME TAX APPEAL C.I.T

### 19. Operating Segments

The company is primarily engaged in the single business of trading in shares and securities and there is no reportable secondary segment i.e. geographical segment. Hence, the disclosure requirement of IND-Accounting Standard-108 "Segment Reporting" as notified by Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable

**20. Non Current Investments:**

Investment are valued at fair market value on the reporting date either through other comprehensive income, or through the Statement of Profit and Loss.

**21. Borrowing Cost**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as a part of such assets. All other borrowing costs are charged off to revenue.

**22. Recognition**

Financial assets include investments, trade receivables, cash and cash equivalents, other bank balances, loans and other financial assets. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**23. Loan Origination Cost**

Brokerage, commission, incentive to employee etc paid (if any) at the time of acquisition of loans are charged to revenue

**24. Impairment of Non Financial Assets:**

The Management periodically assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of the cash flow expected to arise from the continuing use of the asset and its eventual disposal. A provision for impairment loss is made when the recoverable amount of the asset is lower than the carrying amount.

**25. Financial Instruments:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

**26. De-Recognition**

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Consequently, if the asset is one that is measured at Amortised cost, the gain or loss is recognised in the standalone statement of profit and loss.

Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the standalone statement of profit and loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**27. Financial Liabilities and Equity Instruments**

Classification:

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received.



**28. Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the standalone statement of profit and loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the balance sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

**29. Earnings Per Share**

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto.

For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.

<b>PARTICULARS</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Net profit/(loss) for the year as per Statement of Profit and Loss (Rs.)	(3,20,65,188)	(47,530,067)
Weighted Average number of equity shares for calculating Basic EPS	20,34,70,000	20,34,70,000
Weighted Average number of equity shares for calculating Diluted EPS	20,34,70,000	20,34,70,000
Face value per Share (Rs)	10	10
Basic & Diluted EPS on Face Value of Rs.10	(1.57)	(2.34)

**30. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**31. Financial Risk Management Objectives and Policies:**

The Company's activities are exposed to a variety of Financial Risks from its Operations. The key financial risks include Market risk, Credit risk and Liquidity risk.

**(a) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk; Foreign currency risk, Interest rate risk and other price risk such as Equity price risk and Commodity Price risk.

**(b) Foreign Currency Risk:**

There are no Foreign Currency transactions during the financial year.

**(c) Foreign Currency Sensitivity:**

There are no Foreign Currency transactions during the financial year.

**(d) Interest Rate Risk and Sensitivity:**

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The Company does not have any term borrowings.

(e) Commodity price risk:

The Company does not have any trading Activity during the Financial Year.

(f) Equity price risk: The Company has not made any investment in equity Instruments.

(g) Credit Risk:

Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

(h) Liquidity Risk:

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

### 32. Trade Receivables:

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss and the same, if any, is provided as per its respective customer's credit risk as on the reporting date.

### 33. NOTE NO. 18

#### A) Amount Paid/Payable to Auditors:

a) Statutory Audit Fee	-	-
b) Tax Audit Fee	59000	59000
c) Other Certification Charges	-	-
d) Reimbursement of Expenses	-	-
	<u>59000</u>	<u>59000</u>

#### B) Amount Paid/Payable to Cost Auditors Included in Misc. Expenses

a) Audit Fees	Nil	Nil
b) Reimbursement of Expenses	Nil	Nil

### 34. NOTE NO. 26

Accounts in respect of Current and Non-Current Liabilities, Trade Receivables, Other Current Assets, Loans and Advances and Deposits are subject to confirmations of respective parties.

### 35. NOTE NO. 27

The management has certified that the Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any,

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relating to total outstanding dues of Micro Enterprises and Small Enterprises and the Principal amount and Interest due thereon remaining unpaid and the amount of Interest paid/ payable as required under amended Schedule III of the Companies Act.2013 could not be compiled and disclosed. The Auditors have relied on the certificate of the management in this regard.

### 36. Capital Management :

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

PARTICULARS	AS AT 31ST MARCH,2019	AS AT 31ST MARCH,2018
Borrowings*	-	-
Less: Cash and Cash equivalents	57,287	82,182
Net debt	(57,287)	(82,182)
Equity Share Capital	203470000	203470000
Other Equity	(16,42,68,566)	(1322361891)
Total Capital	3,92,01,434	71,108,109
Capital and net debt	39144147	71025927
Gearing ratio	99.95	99.88

- Borrowings does not include Preference Share Capital.

### Disclosure of Related Party Transactions:

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions. As required by AS-18 "Related Party Disclosure" only following related party relationships are covered

Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);

Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;

Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;

Key management personnel (KMP) and relatives of such personnel; and

Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence.

- Disclosure of related party transactions :
  - a. Wholly owned Subsidiary : Not Any
  - b. Company under same Management : Not Any
  - c. Transactions with related parties

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Name of Related Party	Nature of Transaction	Value(Rs)
JMD Ventures Limited	Sundry Creditor	9,21,459
Kiran Vyas	Advance given	3,350,000.00

d. List of Related Parties & their Relations & details of Key Managerial Person:

NAME	NATURE OF RELATION	NATURE OF TRANSACTION (SALARY)
Mr. ANIL PUROHIT	Managing Director	-
Mr. DHRUVA NARAYAN JHA	Chief Financial Officer	3,00,000

### USE OF ESTIMATES AND JUDGEMENTS:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about the significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are related to:

Useful life of property, plant and equipment and intangible assets

Provision for product warranties

Provision for employee benefits

Fair value of financial assets / liabilities

Provisions and contingent liabilities

### 37. Useful Life of Property, Plant and Equipment and Intangible Assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgment.

### 38. Provision for Employee Benefits

The determination of Company's liability towards defined benefit obligation and other long term employee benefits to employees is made through independent actuarial valuation including determination of amounts to be recognised in the standalone statement of profit and loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to accounts.

### 39. Fair Value Measurements and Valuation Processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation, if required.

**40. Provisions and Contingent Liabilities**

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

**41. De-recognition of Financial Assets and Financial Liabilities**

The Company has opted to apply the de-recognition requirements for financial assets and financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**42. Classification and Measurement of Financial Assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**42.1 Fair Value Hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**43. Provisions and Contingent Liabilities**

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

**44. De-recognition of Financial Assets and Financial Liabilities**

The Company has opted to apply the de-recognition requirements for financial assets and financial liabilities in accordance with Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**45. Classification and Measurement of Financial Assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**46. Cash and bank balances**

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

**47. Securities premium account**

Securities premium includes:

The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.

The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

#### **48. Statement of Cash Flows**

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

#### **49. Key source of estimation**

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

#### **50. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):**

On March 31, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

- a) Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
- b) Ind AS 19— Employee benefits
- c) Ind AS 23 – Borrowing costs
- d) Ind AS 28— investment in associates and joint ventures
- e) Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
- f) Ind AS 109 — Financial instruments

#### **51. Purchases**

Purchase is recognized on passing of ownership in share based on broker's purchase note.

#### **52. Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

#### **53. Summary of Significant Accounting Policies General**

53.1.1 Contingent Liabilities & Commitments-NIL

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## BLUE CIRCLE SERVICES LIMITED

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53.1.2 Additional Information disclosed as per Part II of the Companies Act, 2013 –NIL

### 54. Segment Reporting

The company is primarily engaged in the single business of trading in shares and securities and there is no reportable secondary segment i.e. geographical segment. Hence, the disclosure requirement of Accounting Standard-17 “Segment Reporting” as notified by Companies (Accounting Standards) Rules, 2006 (as amended) is not applicable.

Vikash Kedia  
Partner  
M. No : 066852  
FRN. 317159E

Anil Purohit  
Managing Director  
(DIN:00082942)

Jauhar Singh  
Director  
(DIN : 00113986)

Place : Kolkata  
Date : 30th May 2019

Ram Prakash Chowdhary  
CFO  
Place : Mumbai  
Date : 30th May 2019

## BLUE CIRCLE SERVICES LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2019

Note No. 2.2 OTHER NON- CURRENT ASSETS			
Particulars		As at 31st March 2019	As at 1st April 2018
		Rs.	Rs.
(Unsecured Considered Goods)			
Deferred Revenue expenditure		5,38,309	6,72,886
<b>Total</b>		<b>5,38,309</b>	<b>6,72,886</b>

Note. No 2.3 INVENTORIES				
Particulars	Numbers	Face Value	As at 31st March 2019	As at 1st April 2018
			Rs	Rs
<b>Inventories</b>				
<b>Market Price and at Cost which ever is lower</b>				
<b>(1) IN FULLY PAID-UP EQUITY SHARES (QUOTED)</b>				
Unisys softwares & holding Industries Ltd	2,03,370	10.00	16,65,600	-
Luharuka Media Infra Ltd	1,56,810	1.00	83,109	83,109
Divine Multimedia Ltd	48,000	1.00	28,800	28,800
North Eastern Carring Corporation Ltd	28,001	10.00	4,41,016	4,41,016
Scan Steel Ltd	13,85,770	2.00	3,02,09,787	3,02,09,787
Scan Infrastructure Ltd	3,34,285	10.00	1,10,31,405	-
Pine Animation Ltd	12,54,358	10.00	2,26,51,008	-
	34,10,594			
			<b>6,61,10,725</b>	<b>3,07,62,712</b>
<b>(2) IN MUTUAL FUND (QUOTED)</b>				
Axis Tripal Advantage Fund			-	5,00,000
			-	<b>5,00,000</b>
<b>(2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)</b>				
The Calcutta Stock Exchange Association Ltd	250	10.00	4,00,000	4,00,000
Forgenfire Technologies Pvt Ltd	15,00,000	10.00	1,50,00,000	1,50,00,000
Cornam Trading Co Ltd	90,000	10.00	9,00,000	-
Magnificus trading Ltd	90,000	10.00	9,00,000	-
Sangam Infratech Ltd	33,300	10.00	33,30,000	-
Gold Eternity		10.00	62,385	62,385
	17,13,550		2,05,92,385	1,54,62,385
<b>Total</b>			<b>8,67,03,110</b>	<b>4,67,25,097</b>

Note No. 2.4 TRADE RECEIVABLE		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
(Unsecured Considered Goods)		
Outstanding for the period of more then six months	32,89,462	32,89,462
Other Debts	-	-
<b>Total</b>	<b>32,89,462</b>	<b>32,89,462</b>

Note No 2.5 CASH AND CASH EQUIVALENT		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
<b>Cash and Cash Equivalents</b>		
Balances with banks	32,905	30,260
In current accounts		
Cash in hand	24,383	51,922
<b>Total</b>	<b>57,287</b>	<b>82,182</b>



## BLUE CIRCLE SERVICES LIMITED

Note No. .2.6 SHORT-TERM LOANS & ADVANCES (Unsecured)		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
<u>Unsecured Considered good</u>		
Loan & Advances to others	1,34,44,249	1,86,04,431
<b>Total</b>	<b>1,34,44,249</b>	<b>1,86,04,431</b>

Note No. 2.7 OTHER CURRENT ASSETS		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
Tax deducted at source	30,77,061	30,77,061
Income Tax	30,182	-
<b>Total</b>	<b>31,07,243</b>	<b>30,77,061</b>

Note No.2.8 SHARE CAPITAL				
Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rs.	Number	Rs.
<b>Authorised</b>				
Equity Shares of ₹10/- each (Previous Year ₹10/-)	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
<b>Issued, Subscribed &amp; Paid Up:</b>				
Equity Shares of ₹10/- each (Previous Year ₹10/-)	2,03,47,000	20,34,70,000	2,03,47,000	20,34,70,000
<b>Total</b>	<b>2,03,47,000</b>	<b>20,34,70,000</b>	<b>2,03,47,000</b>	<b>20,34,70,000</b>

**Reconciliation of number of shares.**

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	2,03,47,000	20,34,70,000	20,34,70,000	20,34,70,000
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,03,47,000	20,34,70,000	20,34,70,000	20,34,70,000

The company has one class of Equity shares having a par value of ₹10/- each. Each shareholder is eligible to one vote per share held.

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

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Total	-	-	-	-
Total	-	-	-	-

## BLUE CIRCLE SERVICES LIMITED

Note No. 2.9 OTHER EQUITY		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
Securities Premium account- Opening balance	6,05,00,000	6,05,00,000
Add.Transfer from statement of profit & loss a/c	-	-
	<b>6,05,00,000</b>	<b>6,05,00,000</b>
General reserve- Opening balance	-	-
Add.Transfer from statement of profit & loss a/c	-	-
	-	-
<b>Surplus in Profit &amp; Loss Statement</b>		
Opening balance	(19,28,61,891)	(14,53,31,824)
Add: Net Profit for the year	(3,19,06,674)	(4,75,30,067)
	<b>(22,47,68,566)</b>	<b>(19,28,61,891)</b>
<b>Total</b>	<b>(16,42,68,566)</b>	<b>(13,23,61,891)</b>

Note No. 2.10 TRADE PAYABLE		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
Unsecured considered goods		
Outstanding to Custmer	6,69,09,482	10,21,459
<b>Total</b>	<b>6,69,09,482</b>	<b>10,21,459</b>

Note No. 2.11 OTHER CURRENT LIABILITIES		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
<b>Other payables</b>		
Provision for Expenses	26,24,623	19,77,527
Trade Advance	-	5,00,000
Tds Payable	-	32,000
<b>Total</b>	<b>26,24,623</b>	<b>25,09,527</b>

Note No. 2. 12 DEFERRED TAX LIABLITIES(NET)		
Particulars	As at 31st March 2019	As at 1st April 2018
	Rs	Rs
Deferred tax liabilities	1,23,610	3,90,019
Less: Deferred Tax Assets	1,58,514	2,66,409
<b>Total</b>	<b>(34,904)</b>	<b>1,23,610</b>

## BLUE CIRCLE SERVICES LIMITED

<b>Note No.13 Revenue form Operations</b>		
<b>Particulars</b>	<b>31st March 2019 Rs.</b>	<b>31st March 2018 Rs</b>
Sale of Shares/ Mutual Fund	9,04,476	8,32,30,643
<b>Total</b>	<b>9,04,476</b>	<b>8,32,30,643</b>

<b>Note No. 2.14 Change of Inventories</b>		
Openig Stock Of Shares	4,67,25,096	14,81,62,114
Less: Closing Stock Of Shares	8,67,03,110	4,67,25,096
<b>Total</b>	<b>(3,99,78,014)</b>	<b>10,14,37,018</b>

<b>Note No. 2.15 Cost Of Purchase</b>		
Purchase of Shares	7,04,68,023	2,62,70,000
<b>Total</b>	<b>7,04,68,023</b>	<b>2,62,70,000</b>

<b>Note No. 2.16 Employee Cost</b>		
Salaries	6,84,000	6,96,000
Staff welfare expenses	6,025	14,449
<b>Total</b>	<b>6,90,025</b>	<b>7,10,449</b>

<b>Note No. 2.17 Other Expenses</b>		
Payment to Auditors	59,000	59,000
RTA Fees	70,066	96,055
Conveyance & Travelling Expenses	29,281	27,582
Bank Charges	462	30,540
Telephone Charges	5,540	9,394
Listing & Depository Fees	4,72,000	5,63,901
Postage & Telephone Exp.	8,151	9,275
Professional Fees	1,000	1,15,000
Printing & Stationery	21,380	25,145
Internal Audit fee	10,000	7,500
Advertisements	31,506	62,956
Rent Expenses	1,20,000	1,20,000
Books & Periodicals	-	2,469
Accounting Charges	-	26,250
ROC Fees	5,400	13,200
Certification Charges	2,500	10,000
Secratarial Audit fee	10,000	7,500
Office Maintanance Charges	34,311	1,11,282
Electricity	14,310	-
Demat Charges	-	25,325
Board Meeting & AGM Expenses	9,535	23,770
Web Desinning Expenses	-	6,720
<b>Total</b>	<b>9,04,442</b>	<b>13,52,864</b>

## BLUE CIRCLE SERVICES LIMITED

<b>Note No. 2.18 Depreciation &amp; Amortisation Expenses</b>		
Depreciation	7,50,611	11,22,211
Deferred revenue expenditure w/off	1,34,577	1,34,577
<b>Total</b>	<b>8,85,188</b>	<b>12,56,788</b>

<b>Note No.2.19 Tax Expenses</b>		
Income tax	-	-
Deffered Tax Assets	(1,58,514)	(2,66,409)
Income tax earlier year	-	-
<b>Total</b>	<b>(1,58,514)</b>	<b>(2,66,409)</b>

<b>Note No. 2.20 Earning Per Share (EPS)</b>	<b>Rs.</b>	<b>Rs.</b>
i) Net Profit after Tax as per statement of profit and loss attributable to equity shareholder	(3,19,06,674)	(4,75,30,067)
ii) Number of equity shares used as denominator for calculating EPS	2,03,47,000	2,03,47,000
iii) Basic and Diluted Earning per Share	(1.57)	(2.34)
iv) Face Value per equity Share	10.00	10.00

DEPRECIATION AS PER COMPANIES ACT AS ON 31ST MARCH, 2019

NOTE 2.1 : FIXED ASSETS

(Amt. in Rs.)

Particulars	Useful Life	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Cost as on 01.04.2018	Addition during the year	Deduction during the year	Cost as on 31.03.2019	Up to 31.03.2018	For the year 2018-19	Up to 31.03.2019	As on 31.03.2019	As on 31.03.2018
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer		1,72,42,350	-	-	1,72,42,350	1,51,52,637	6,93,168	1,58,45,805	13,96,545	20,89,713
Motor Car		6,00,000	-	-	6,00,000	3,78,127	57,443	4,35,570	1,64,430	2,21,873
Previous Year		1,78,42,350.00	-	-	1,78,42,350	1,55,30,764	7,50,611	1,62,81,375	15,60,975	23,11,586
		1,78,42,350	-	-	1,78,42,350	1,44,08,553	11,22,211	1,55,30,764	23,11,586	-

# BLUE CIRCLE SERVICES LIMITED

CIN : L74140MH1983PLC029378

Regd. Office : Unit No. 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053

Tel : +91 22 69969555, Email : [blue.circl@gmail.com](mailto:blue.circl@gmail.com); Website : [www.bluecircleservices.com](http://www.bluecircleservices.com)

## ATTENDANCE SLIP

<b>Regd. Folio / DP ID &amp; Client ID</b>		
<b>Name and Address of the Shareholder</b>		

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 23rd September 2019 at 11.00 A.M. at Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053 and at any adjournment thereof.

2. Signature of the Shareholder/Proxy Present

--

3. Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.

4. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**Please hand it over at the Attendance Verification Counter at the Entrance of the Meeting Venue**

**PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING VENUE**

.....

## ELECTRONIC VOTING PARTICULARS

(1) EVSN (E-Voting Sequence No.)	(2) USER ID	(3) PAN or Relevant No. as under	(4) Bank Account No.
			(See Note No.1)

### Notes:

- Where Bank Account Number is not registered with the Depositories or Company, please enter your User Id as mentioned in column (2) above.
- Please read the Instructions printed under the Item No. 32 to the Notice dated 30<sup>th</sup> May 2019 of the 36<sup>th</sup> Annual General Meeting. The e-Voting period starts from 9.00 A.M. on 20.09.2019 and ends at 5.00 P.M. on 22.09.2019, the e-voting module shall be disabled by NSDL for voting thereafter.

No. gift of any nature will be distributed at the Annual General Meeting
--

# BLUE CIRCLE SERVICES LIMITED

CIN : L74140MH1983PLC029378

Regd. Office : Unit No. 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053  
Tel : +91 22 69969555, Email : [blue.circl@gmail.com](mailto:blue.circl@gmail.com); Website : [www.bluecircleservices.com](http://www.bluecircleservices.com)

## Form No. MGT – 11, PROXY FORM / BALLOT FORM

(Pursuant to the section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Name of the Member \_\_\_\_\_

Registered Address \_\_\_\_\_

Folio No. / DP/Client ID \_\_\_\_\_ Email ID \_\_\_\_\_

I/We being the members of \_\_\_\_\_ Shares of Blue Circle Services Ltd., hereby appoint -

1. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
2. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
3. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 23rd September 2019 at 11.00 AM at Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053 and at any adjournment thereof in respect of such resolution(s) as are indicated below:

Ordinary Business :	For	Against
1. Adoption of Financial Statements for the year ended March 31, 2019		
2. Appointment of M/s. Mahato Prabir & Associate, Chartered Accountants, Kolkata as Auditors and to fix their remuneration.		
<b>Special Business :</b>		
3. Appointment of Mr. Dhruva Narayan Jha as an Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

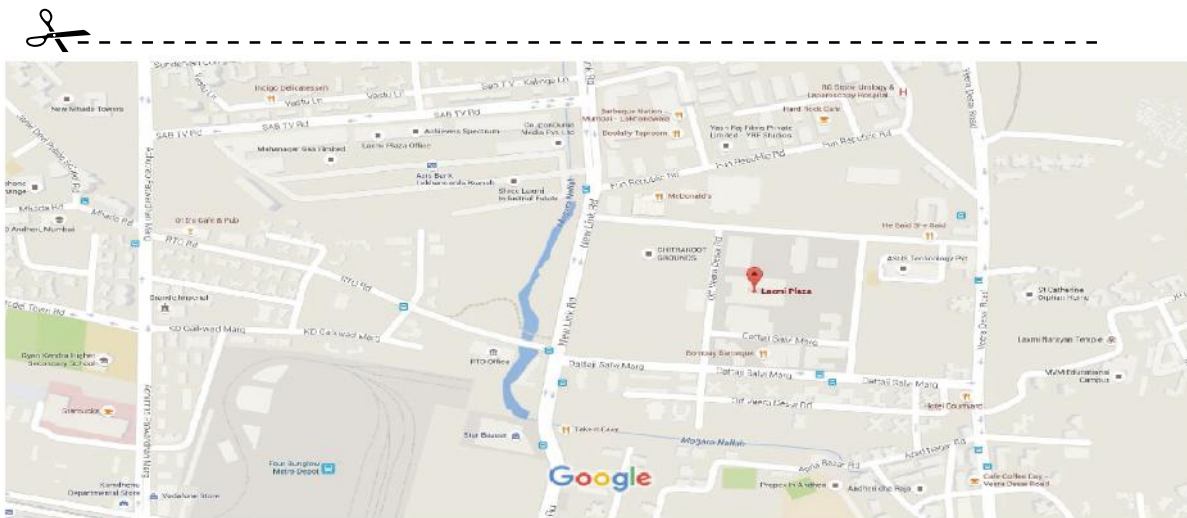
Signature of Shareholder \_\_\_\_\_ Signature of Proxy \_\_\_\_\_

Affix  
Revenue  
Stamp  
Rs. 1/-

### Notes :

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. A Proxy need not be a Member of the Company.
3. Optional. Please put a '√' in the appropriate column against the resolutions indicated in the box.

### Location Plan of Registered Office (Venue of AGM) of M/s. Blue Circle Services Limited



# BLUE CIRCLE SERVICES LIMITED

CIN : L74140MH1983PLC029378

Regd. Office : Unit No. 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road,  
Andheri (West), Mumbai-400 053

Tel : +91 22 69969555, Email : [blue.circl@gmail.com](mailto:blue.circl@gmail.com); Website : [www.bluecircleservices.com](http://www.bluecircleservices.com)

Dear Shareholder(s),

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE & CSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., Phone no. and E-mail id in our records. We would also like to update your current signature records in our system to have better services in future.

To achieve this we solicit your co-operation in providing the following details to us :

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following :

Folio No.	:	
PAN No.	:	
E-mail ID	:	
Telephone Nos. with STD Code	:	+91
Name and Signatures	:	1.
		2.
		3.

Thanking you,

**For BLUE CIRCLE SERVICES LIMITED**

S/d-

**ANIL KUMAR PUROHIT**

**(DIN : 00082942)**

**Chairman & Managing Director**





If undelivered, please return to  
**BLUE CIRCLE SERVICES LIMITED**  
Unit No. 324, 3rd Floor, Building No. 9, Laxmi Plaza  
New Link Road, Andheri (West), Mumbai 400053