

PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF BLUE CIRCLE SERVICES LIMITED

(Regd. Office: The Nest, 6th Road, Santacruz (East), Mumbai-400 055)

This Public Announcement ('PA') is being issued by Ashika Capital Limited ('Manager to the Offer'), on behalf of Yash Shelters Limited (hereinafter referred to as 'Acquirer') pursuant to and in compliance with regulation 10 & 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as 'Regulations').

1. THE BACKGROUND OF THE OFFER:

- This Open Offer is being made by Yash Shelters Limited, a company incorporated under the Companies Act, 1956 and having its registered office at A/5, Jaymangal House, Opp. Gandhigram Railway Station, Near Nehru Bridge Corner, Ashram Road, Ahmedabad to the Equity Shareholders of Blue Circle Services Limited (hereinafter referred to as 'Target Company' or 'BCSL').
- The Acquirer has entered into a Share Purchase Agreement ('Agreement') on November 13, 2006 with a group of shareholders who are part of the Promoter Group (hereinafter collectively referred to as 'Sellers') duly represented by Mr. Virendra Patel for the acquisition of 4,84,500 fully paid up equity Shares of Rs. 10/- each, representing 64.86% of voting capital of the Target Company at a price of Rs. 1.13 per share.

2. THE OFFER:

- The Acquirer is now making this Open Offer ('Offer') to the Shareholders of BCSL (other than 'Sellers') to acquire up to 1,49,400 Equity Shares of Rs. 10/- each at a price of Rs. 12.50 per share ('Offer Price') representing 20% of its voting capital, payable in cash.
- The Equity Shares of BCSL are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and Ahmedabad Stock Exchange Limited, Ahmedabad (ASE). The shares of BCSL deemed to be infrequently traded on the Stock Exchange(s) in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:

a) Negotiated Price under the Agreement	: Rs. 1.13 per fully paid-up share
b) Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	: Nil
c) Other parameters	Based on audited Accounts for the year-ended 31.03.06
Book Value	: Rs. 12.31 per share
Earning Per Share	: Negative
Return on Networth	: Negative
Price Earning	: --

In view of the aforesaid financial parameters, the Offer Price of Rs. 12.50 per share is justified in terms of regulation 20 of the Regulations.

- For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of regulation 2(1) (e) of the Regulations.
- As on date of this PA, the Acquirer does not hold any Equity Shares of BCSL. The Acquirer has not acquired either directly or through any other person any Shares of BCSL during the twelve months preceding the date of this PA.
- As on date of this PA, the Manager to the Offer does not hold any equity share in the Target Company. The Manager to the Offer undertakes not to deal in the equity shares of BCSL upto a period of fifteen days after closure of the Offer.
- The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.
- This is not a competitive bid.
- The Acquirer has not entered into any separate non-compete agreement with the Sellers.
- The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

3. INFORMATION ABOUT THE ACQUIRER:

- Yash Shelters Limited (YSL) having its registered office at A/5, Jaymangal House, Opp. Gandhigram Railway Station, Near Nehru Bridge Corner, Ashram Road, Ahmedabad was originally incorporated in the name & style of 'Redex Leasing and Finance Private Limited' on 13.04.1992 under the Companies Act, 1956 in the State of Gujarat. The name of the company was subsequently changed to 'Redex Leasing and Finance Limited' and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Gujarat, Dadra & Nagar Haveli on 29.02.1996. The name of the company was further changed to 'Redex Shelters Limited' on 02.04.1996 and finally to 'Yash Shelters Limited' on 21.07.2005.
- YSL was promoted by Mr. Rajendra D. Bhagat and Mr. Vikram Bhagat.
- YSL is presently engaged in Hospitality Business. The present Board of Directors of the company consists of Mr. Biren B. Shah, Mrs. Angana G. Bhagat and Mr. Darshan A. Bhagat. The shares of YSL are not listed on any of the Stock Exchange(s).
- The financial highlights of YSL as per the audited accounts for the year ended March 31, 2006 are as follows:
The Authorised Share Capital of YSL is Rs. 30.00 Lakhs comprising of 3,00,000 Equity Shares of Rs. 10/-each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 29.09 Lakhs comprising of 2,90,900 fully paid up equity shares of Rs. 10/- each. For the financial year ended 31.03.2006, YSL earned a total income of Rs. 58.01 Lakhs and a net profit after tax of Rs. 4.18 Lakhs. The Networth, Book Value, Earnings Per Share and Return on Networth are Rs. 31.60 Lakhs, Rs. 10.86 per share, Rs. 1.43 & 13.22% respectively. [Source: Audited Annual Report of YSL for the year ended 31.03.2006]

4. INFORMATION ABOUT THE TARGET COMPANY:

- Blue Circle Services Limited (BCSL) was originally incorporated in the name & style of 'Blue Circle Industrial Services Limited' on 22.02.1983 under the Companies Act, 1956 in the State of Maharashtra and a Certificate of Commencement of Business was obtained from Registrar of Companies, Maharashtra State on 19.03.1983. The name of the company was subsequently changed to 'Blue Circle Services Limited' and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Maharashtra on 17.06.1996. The Registered Office of the Company is situated at The Nest, 6th Road, Santacruz (East), Mumbai-400 055.
- As on this Public Announcement, the Authorised Share Capital of the company is Rs. 100.00 Lakhs comprising of 10,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of the company is Rs. 74.70 Lakhs comprising of 7,47,000 fully paid-up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares.
- BCSL is presently not carrying on any business activity except earning income on its investments.
- The Equity Shares of BCSL are listed on BSE and ASE. The equity shares of the company are infrequently traded on BSE & ASE in terms of explanation (i) to regulation 20(5). The trading in equity shares of the company have been suspended on BSE on account of non-compliance with the clauses of listing agreement.
- As per Audited Accounts for the year ended 31st March 2006, the company earned a Total Income of Rs. 0.04 Lakhs and incurred a Net Loss After Tax of Rs. 0.63 Lakhs. The Networth, Book Value, Earning Per Share and Return on Networth for the year ended 31.03.2006 was Rs. 91.97 Lakhs, Rs. 12.31 per share, Negative and Negative respectively.

5. REASONS FOR THE ACQUISITION AND THE OFFER:

- The Offer has been made pursuant to regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.
- The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the company.
- The Acquirer is engaged in areas of Hospitality business and through this acquisition, the Acquirer intends to diversify into management and industrial consultancy services and its related activities with the help of professionals and also derive the benefits of a Listed Company.
- The Acquirer does not have any plans to sell, dispose off or otherwise encumber any assets of BCSL in the next two years, except in the ordinary course of business. The Acquirer undertake not to sell, dispose off or otherwise encumber any substantial Assets of BCSL except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

6. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

- The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments thereto for acquiring equity shares tendered by Non Resident Shareholders, if any.
- As on date of this PA, to the best of the knowledge of the Acquirer, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.
- In case of delay in receipt of Statutory Approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI under regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the Approvals, regulation 22(13) of the Regulations will also become applicable.

7. OPTION IN TERMS OF REGULATION 21:

Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in BCSL fall below the limit specified in the Listing Agreement with Stock Exchange(s) for the purpose of listing on continuous basis, the Acquirer undertakes to acquire only such number of Equity Shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

8. FINANCIAL ARRANGEMENTS:

- The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of its own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. Dharmesh Hariyani (Membership No. 40531) Partner of M/s. D. Hariyani & Co., Chartered Accountants, having Office at C-5, Vishram Flats, Nr. Havmor Rest, Navrangpura, Ahmedabad. Tel. No. 079-26460403; Fax No: 079-26463508 has certified vide letter dated November 15, 2006 that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.
- The total fund requirement for the Offer is Rs. 18,67,500/- (Rupees Eighteen Lakhs Sixty Seven Thousand and Five Hundred only). In accordance with regulation 28 of the Regulations, the Acquirer has opened an Escrow Account in HDFC Bank Limited, Fort Branch, Mumbai-400001 and made a Cash deposit of Rs. 4,70,000/- (Rupees Four Lakhs and Seventy Thousand only) in the account being more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the offer by the bank.
- The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations.
- The Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

9. OTHER TERMS OF THE OFFER:

- The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of BCSL (other than the parties to the Agreement) whose names appear on the Register of Members of BCSL at the close of business hours on November 24, 2006 (the "Specified Date").
- Shareholders who wish to accept the offer and tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. January 23, 2007, in accordance with the instructions specified in the Letter of Offer and Form of Acceptance cum Acknowledgement
- All owners of the shares, Registered or Unregistered (except the parties to the Agreement) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the Original Share Certificate(s), valid Share Transfer Deeds and the original Contract Note(s) issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.
- In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in point 'c' above, so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. January 23, 2007.
- The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form(s) on behalf of the shareholders of BCSL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.
- Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the Shareholders/Unregistered Owners sole risk to the sole/first shareholder.
- In case the shares tendered in the Offer by the shareholders of BCSL are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The rejected Applications / Documents will be sent by Registered Post.
- The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of BCSL whose equity share certificates and other documents are found in order accepted, with in 15 Days from the date of Closing of the Offer.
- In terms of Regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptance tendered up to three working days prior to the date of Closing of the Offer by submitting the required documents, to the Registrar to the Offer. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of Form of Withdrawal, the withdrawal can be exercised by making it on plain paper along with the details as mentioned in the point 'c' above. The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.
- A Schedule of some of the major activities in respect of the Offer is given below:

Activities	Date	Day
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	November 24, 2006	Friday
Last Date for a Competitive Bid, if any	December 6, 2006	Wednesday
Date by which the Letter Of Offer to be Despatched to the shareholders	December 29, 2006	Friday
Date of Opening of the Offer	January 4, 2007	Thursday
Last date for revising the Offer Price/ Number of Shares	January 12, 2007	Friday
Last date for Withdrawal of Acceptance by shareholders who have accepted the Offer	January 18, 2007	Thursday
Date of Closing of the Offer	January 23, 2007	Tuesday
Date by which communicating acceptance /rejection and payment of consideration for accepted shares / despatch of Share Certificate in case of rejection	February 7, 2007	Wednesday

10. GENERAL:

- Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to January 18, 2007 i.e. three working days prior to the date of Closure of the Offer.
- If there is any upward revision in the Offer Price up to seven working days prior to the date of Closure of the Offer i.e. January 12, 2007 or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this original Public Announcement appeared and such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and accepted under the Offer.
- If there is a Competitive Bid:
 - The Public Offers under all the subsisting bids shall close on the same date.
 - As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
- The Acquirer, the Sellers and BCSL have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other Regulations made under the SEBI Act.
- Pursuant to regulation 13 of the Regulations, the Acquirer has appointed Ashika Capital Limited, as Manager to the Offer.
- The Acquirer has appointed Purva Sharegistry India Private Limited as Registrar to the Offer having office at 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001; Tel: 022-56348073; Fax: 022-22626407. E-mail: busicom@vsni.com. The Contact Person is Mr. V. B. Shah.
- The Board of Directors of the Acquirer accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.
- This Public Announcement will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. January 4, 2007 and apply in the same.
- For further details, please refer to the Letter of Offer and Form of Acceptance cum Acknowledgement.



Place: Mumbai
Date: November 17, 2006

Issued by Manager to the Offer on behalf of the Acquirer:

ASHIKA CAPITAL LIMITED

1008, 10th Floor, Raheja Centre,
214, Nariman Point, Mumbai-400021.

Tel: +91-22-66111700 Fax: +91-22-66111710

E-Mail: mbd@ashikagroup.com

Contact Person: Mr. Narendra Kumar Gamini