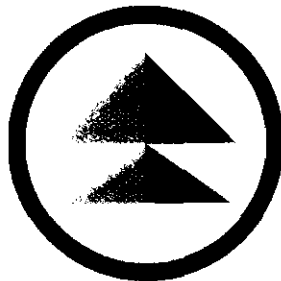




**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**



**BIRLA CAPS**

**2009-2010**  
**24th Annual Report**



**BOARD OF DIRECTORS**

1. Shri. Arun Singhi - Executive Director
2. Shri. G. L. Lath
3. Shri. B. L. Varma
4. Shri. Ashok Parmar - Independent Director

**CHIEF EXECUTIVE OFFICER**

Shri V. Subramonian

**AUDITORS**

M/s. M. L. Choraria & Associates,  
Chartered Accountants,  
C-712, Dosti City,  
Wadala (E), Mumbai - 37.

**BANKERS**

Bank of India  
HDFC Bank Ltd.  
UCO Bank

**REGD. OFFICE**

Industry House  
159, Churchgate Reclamation.  
Mumbai - 400 020.  
Tel. : +91 - 022 - 22026340  
Fax : +91 - 022 - 22828865  
E-mail : [birlainternational@mtnl.net.in](mailto:birlainternational@mtnl.net.in)  
[birlaleasing@gmail.com](mailto:birlaleasing@gmail.com)

**REGISTRAR & SHARE TRANSFER AGENTS**

**M/s BigShare Service Private Limited**  
E-2/3 Ansa Industrial Estate,  
Saki Vihar Road, Sakinaka, Andheri (East),  
Mumbai - 400 072.  
Tel. : +91-022-28470652-3  
Fax : +91-022-28475207

**INFORMATION FOR SHAREHOLDERS**  
**24TH ANNUAL GENERAL MEETING**

DATE : 28 th September, 2010  
TIME : 3 P.M.  
Venue : "126", Sitaram Poddar Marg,  
Fanas Wadi,  
Mumbai - 400 002.

Contents	Page No.
Notice	2-4
Director's Report	5-7
Corporate Governance Report	8-12
Auditor's Report	18-21
Balance Sheet	22
Profit & Loss Account	23
Schedule to Account	24-33
Cash Flow Statement	34
Additional Information under part IV of Schedule VI	35



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### NOTICE

**NOTICE** is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of Birla Capital and Financial Services Limited will be held on Tuesday, the 28<sup>th</sup> September, 2010 at 3.00 P.M. at "126", Sitaram Poddar Marg, Fanaswadi, Mumbai – 400 002 to transact the following business: -

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit & Loss Account for the period ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Parmar, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**By order of the Board**  
**For BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

Dated: - 25.08. 2010.  
Place: - Mumbai.

*Sd/-*  
G.L.Lath  
Director



NOTES: -

1. A MEMBER ENTITLED TO ATTEND THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM DULY FILLED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Company's Shares Transfer Agent M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, and to their respective Depository Participants for shares held in electronic form.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2010 to 28.09.2010 (both days inclusive).
5. Members who hold shares in the electronic form are requested to bring their DP Id/Client Id/ Folio number for easy identification at the Meeting.
6. Members are requested to write to the Company at least seven days in advance before the date of Meeting, in case they need any information as regards to the Audited Accounts for the period ended 31<sup>st</sup> March, 2010 to enable us to provide the satisfactory reply.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

7. As required in terms of paragraph IV (G) of clause 49 of the Listing Agreement, the details of Director retiring by rotation and eligible for re-appointment are furnished below: -

Name of the Director	Shri. Ashok Khimjibhai parmar
Date of Birth	06.07.1972
Qualification	B.Com.,FCA
Date of Appointment	27.10.2005
Expertise	Rich experience in the field of Finance and Corporate Sector
List of other Directorship Held	NIL
Chairman / Member of the Committee of the Board of the other Companies in which he is a Director	NIL
Shareholding of Director	NIL

By order of the Board  
For BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

Dated: - 25.08. 2010  
Place: - Mumbai.

Sd/-  
Ashok K. Parmar  
Director



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

Dear Shareholders,

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010. The Financial Results of your company are summarized below.

#### 1. FINANCIAL RESULTS

(Rs. in lacs)

PARTICULARS	March,2010	March,2008
Total Income	98.49	43.38
Less : Total Expenditure	95.67	47.34
Profit (Loss) Before Tax	2.82	(3.96)
<u>Less: Provision for Taxation</u>		
Provision for Income tax	-	-
Provision for Deferred tax	0.33	0.52
<u>Add: Excess Provision of Income-tax w/off</u>		-
<b>Profit (Loss)After Tax</b>	<b>3.15</b>	<b>(3.44)</b>
Less : Amount transferred to Special Reserve		-
<u>Add: Balance Brought Forward From Previous Year</u>	<u>93.83</u>	<u>97.27</u>
Balance Carried Over	96.98	93.83
Earning per share	0.01	-

#### 2. DIVIDEND

With a view to conserve the resources and to strengthen the financial position of the company your Directors do not recommend any dividend during the financial year under review.

#### 3. COMPANY'S OPERATIONS - FOCUS ON FINANCIAL SERVICES

Your Company has increased its Authorised Share Capital from Rs. 8 crore to Rs. 15 crore to augment its requirement of funds for increasing its scope of business

The Company has received Category - I Merchant Banking Licence from Sebi vide their certificate of registration dated 23rd September 2009, it is valid for the period of three years i.e. upto 22nd September 2012. The registration code allotted the Company is MB/INM000011567.

The Company has surrendered its Non-Banking Finance Company (NBFC) Licence to undertake Merchant Banking business to Reserve Bank of India in compliance with the Chapter II, Clause 6 (a) of SEBI (Merchant Bankers) Regulations 1992.

Your company has set-up adequate infrastructure along with a team of professionals for carrying on the business of Merchant banking business. Your company aims to provide quality advice to its corporate clients and has built ability to execute client specific transactions. It provides a broad range of services including capital raising advisory, merger and acquisition advisory and transaction execution relating to structured finance. Your company is working towards developing a healthy pipeline of mandates in all segments of business and will endeavor to be reckoned with by industry for its efficient service delivery and execution capabilities.



**4. MANAGEMENT DISCUSSION AND ANALYSIS**

**(i) Business Developments:**

Your company has set-up adequate infrastructure along with a team of professionals for carrying on the business of investment banking.

**(ii) Opportunities and Threats:**

Immense opportunities exist in the investment banking business depending on the economic growth of the country. Major threat to your Company's fortune would be on account of adverse capital market trends and sentiments affected by domestic and global factors.

**(iii) Segment-wise or product-wise performance:**

The Company being in the capital market, is trying to overcome the hurdles to achieve the best and expand the scope of its activities.

**(iv) Outlook:**

Company is very optimistic about the opportunity in the investment banking business and envisages immense growth of the said industry on the back of the strength of the Indian economy and Indian stock market.

**(v) Risks and concerns:**

Your company is exposed to the fluctuations of economy and industry cycles. The management believes that efficient business planning, risk management and product diversification would help mitigate such risks.

**(vi) Internal control system and their adequacy:**

The Company has adequate internal control systems, commensurate with its size and nature of the business. The assets of the Company are insured adequately.

**(vii) Material development in Human Resources:**

The human resources are the valuable assets of the Company. Personnel policies are designed to ensure growth of the personnel in the organization and provide a challenging work environment required for nurturing professional development.

**5. DIRECTORS**

Shri. Ashok Parmar who, retire by rotation, being eligible for re-appointment, offer himself for re-appointment in the Annual General Meeting.

**6. COMPANY SECRETARY**

Ms. Varsharani Katre, the Company Secretary of the Company resigned on 16/09/2009

**7. PUBLIC DEPOSIT**

Your Company has not accepted any fixed deposit from public. As such, no amount of principal or interest is outstanding as on the Balance Sheet date.

**8. COMPLIANCE WITH SEBI GUIDELINES**

As per the guidelines issued by the Securities Exchange Board of India, the Company has adequately complied with prescribed Merchant Banking rules & regulations, wherever applicable.

**9. DIRECTORS RESPONSIBILITY STATEMENT**

Directors Responsibility Statement as required u/s. 217 (2AA), of the Companies Amendment Act, 2000, your Directors confirm:

- i) that in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material developments/deviations.
- (ii) that we have 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 at the end of the period ended on 31.03.2010 and of the Profit/Loss of the company for that period.

## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

(iii) that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(iv) that we have prepared the accounts on a "going concerns basis."

### 10. EMPLOYEES-

As required under the provisions of section 217 (2A) of the Companies Act, 1956 read along with the Companies (Particulars of Employees) Rule, 1975 as amended, one employee was employed in the company for part of the Year of which the particulars are set out below:-

Name	Qualification & Age (Yrs)	Date of Joining & Designation	Experience (Years)	Gross Remuneration (in Lacs)	Last Employment held Name of Employer /Designation
Mr. T. R. PRASHANTH KUMAR	MBA 49 Yrs	02/03/09 C.E.O.	22 Years	36.90	IL & FS Investment Securities Ltd.
Mr. V.SUBRAMONIAN	Masters in Financial Management 55 Yrs.	18/01/2010 C.E.O.	30 Years	36.00	GV Films Limited President- Corporate Affairs

### 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

There is no Foreign Exchange Earnings and Outgo during the year.

As the Company is in Financial Services it's not possible for the company o absorb new technology

### 12. CORPORATE GOVERNANCE

As per the Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, Mumbai, the Company has enclosed separate report on Corporate Governance along with the Certificate of compliance from the Auditors forming part of the annual report.

### 13. AUDITORS

M/s. M.L. Choraria & Associates, Chartered Accountant, Mumbai, retires as Auditors of the Company and being eligible, offer themselves for re-appointment as Auditors of the Company.

### 14. AUDITORS REPORT

The notes to accounts referred to in the Auditors Report are self-explanatory and do not need any further comments.

### 15. DISCLOSURE

The Company belongs to the Yash Birla Group.

### 16. APPRECIATION

Your Directors deeply acknowledge the trust and confidence you have placed in the management of the Company. Your Directors also place on record their appreciation for co-operation received from Banks, Share Transfer Agent, Government authority, Customers, Vendors & Employees of the Company.

**By Order of the Board  
For BIRLA CAPITAL AND FINANCIAL SERVICES LTD.**

Dated: 22.04. 2009.

Place: Mumbai.

Sd/-  
**Arun Singhi**  
(Executive Director)

Sd/-  
**G.L.Lath**  
(Director)



**CORPORATE GOVERNANCE REPORT****PHILOSOPHY OF THE COMPANY:**

The Company is committed to implement good corporate governance. The Company respects the rights of its shareholders to be informed on the performance of the Company and it is its endeavor to maximize the long term value to the shareholders of the Company. The Corporate Governance policies of the Company envisages along with the following principles:

1. Recognizing the roles and responsibilities of Board and Management.
2. An effective composition and size of the Board and commitment to effectively discharge its responsibilities.
3. Independent verification and safeguarding integrity of the Company's financial reporting.
4. Timely and balanced disclosure of all material information related to the Company.
5. Compliance with applicable rules and regulations from time to time.

**BOARD OF DIRECTORS:**

The Board of the Company comprises of Executive Director, Non-executive Directors and Independent Director with vast experience in their respective field.

Director	Executive / Non-Executive / Independent	No. of Outside Directorship Held		No. of outside Committee position held	
		Public	Private	Member	Chairman
Shri. Arun Singhi	Executive	4	6	-	-
Shri. G. L. Lath	Non-Executive	9	9	-	-
Shri. B. L. Varma	Non-Executive	1	4	-	-
Shri Ashok Parmar	Independent	-	-	-	-

**MEETING OF THE BOARD:**

The Board of the Company met six times during the year, as detailed below to review the quarterly results and to discuss other matters.

Date of Board Meeting	City	No. of Directors Present
9.04.2009	Mumbai	5
28.04.2009	Mumbai	4
30.07.2009	Mumbai	4
21.08.2009	Mumbai	4
28.10.2009	Mumbai	4
28.01.2010	Mumbai	4

**BOARD COMMITTEES:**

There are currently three sub committees of the Board of Directors:-

**AUDIT COMMITTEE:**

An Audit Committee, comprising of three Directors as mentioned hereunder to look after various matters, which are in conformity with the requirements as per Clause 49 of the Listing Agreement with the Stock Exchange.

1. Shri. Ashok Parmar - Chairman
2. Shri. Arun Singhi
3. Shri G.L.Lath

Four Meeting of the Audit Committee were held during the year to discuss on the various matters as detailed below:-

Date of Meeting	No. of Directors Present
30.07.2009	3
21.08.2009	3
28.10.2009	3
28.01.2010	3

The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The Statutory Auditors of the Company are also invited to deliberate any issue and to clarify the queries raised at the Meeting.

The attendance of members during the year 2009-10 is as under:

Name of Director	No. of Meeting	
	Held	Attended
Shri. Ashok Parmar	4	4
Shri Arun Singhi	4	4
Shri. G.L.Lath	4	4

The Company Secretary of the Company acts as a Secretary to the Audit Committee.

**REMUNERATION COMMITTEE:**

The Composition of the Committee is as under: -

1. Shri. Ashok Parmar – Chairman
2. Shri. G. L. Lath
3. Shri. B.L.Varma

Remuneration provided by the Company to Executive and/or Whole-time Director on the Board of the Company is as per Section II (A) (ii) of Part II Schedule XIII of the Companies Act 1956.

Total remuneration paid to Shri Arun Singhi for the year ended 31<sup>st</sup> March, 2010 is Rs.1,97,372 including leave travel allowances, medical allowances excluding motor car and driver facilities.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

No remuneration has been paid to the other members of the Board of Directors, except sitting fees, details of which have been given below: -

Director	Sitting Fees Paid during the period. (In Rs.)	No. of Board Meeting		No. of Audit Committee Meeting		Attended Last AGM held on 25.09.2009
		Held	Attended	Held	Attended	
Shri. K. P. Chokhani	250	6	1	N.A.	N.A.	N.A.
Shri. G. L. Lath	1500	6	6	4	4	Yes
Shri B.L. Varma	1500	6	6	N.A.	N.A.	Yes
Shri Ashok Parmar	1500	6	6	4	4	Yes
Shri Arun Singhi	N.A.	6	6	4	4	Yes

### **SHAREHOLDERS' GRIEVANCE COMMITTEE:**

A Shareholder Grievance Committee of the Board is in place to inter alias look into issue relating to Shareholders including transfer / transmission of shares, issue of Duplicate Share Certificate / Non-receipt of Dividend, Annual Report etc. The Composition of the Committee is as under: -

1. Shri. B.L.Varma – Chairman
2. Shri. G. L. Lath

The Company Secretary of the Company acts as a Secretary to the committee.

No complaint was received from the shareholders during the period ended on 31<sup>st</sup> March, 2010. To expedite the process of share transfer in physical segment, authority has been delegated to certain officers of the Company to approve Share transfers.

### **OTHER DISCLOSURES:**

#### **CODE OF CONDUCT:**

The Company is in the process of formulating a Code of Conduct for its Board of Directors and its Senior Management Personnel.

#### **MANAGEMENT DISCUSSION & ANALYSIS:**

Management Discussion & Analysis forms part of the Directors' Report.



**GENERAL BODY MEETINGS**

The last three Annual General Meetings of the Company were held as under:

Year	Venue	Date	Time
2006-2007	126, Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002	28.09.2007	3.00 P.M.
2007-2008	126, Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	25.09.2008	3.00 P.M.
2008-2009	126, Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	29.09.2009	3.00 P.M.

No Special Resolutions were passed by the members during the last three Annual General Meetings:

**DISCLOSURES:**

1. **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.**

The Company has not entered into any transactions with the Promoters, Directors or the Management, their subsidiaries and relatives that may have a potential conflict with the interest of the Company.

2. **Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory Authorities, on any matter related to Capital Markets, during last three years.**

There have been no instances of non-compliance by the Company on any matters related to Capital Markets, during last three years and hence no penalties and strictures have been imposed on the Company by the Stock Exchanges or SEBI, or any statutory authority.

**CEO/CFO CERTIFICATION:**

Shri V.Subramonian, CEO of the company has given the certificate about review and compliance in the financial statements which is attached as annexure I.

**GENERAL SHAREHOLDERS' INFORMATION:****ANNUAL GENERAL MEETING:**

Annual General Meeting of the Company to be convened on :-

Day & Date : 28-09-2010, Tuesday  
Venue : "126", Sitaram Poddar Marg, Fanas wadi,  
Mumbai - 400 002.  
Time : 3.00 pm.

**MEANS OF COMMUNICATIONS**

<b>Quarterly Results:</b>	
Newspapers where published in:	1. Business Standard 2. Mumbai Lakshadeep
Whether half yearly results sent to each household of shareholders?	No
Any website, where displayed?	No
<b>Financial Calendar (Tentative) for the year 2010-11</b>	
First Quarterly Results	Before end of July, 2010
Second Quarterly Results	Before end of October, 2010
Third Quarterly Results	Before end of January, 2011
Fourth Quarterly Results	Before end of April, 2011
Audited yearly financial results	Before the end of August, 2011

**Date of Book Closure:**24<sup>th</sup> September, 2010 to 28<sup>th</sup> September, 2010(Both days inclusive)**Date of Dividend. Disclosure:**

Not Applicable.



**INFORMATION PERTAINING TO THE STOCK EXCHANGES: -**

The Equity Shares of the Company are listed at The Stock Exchange, Mumbai and Listing Fees for the year 2009-10 has been paid to the Stock Exchange.

(VI) Stock Code: -

The Bombay Stock Exchange Limited, Mumbai :- 512332

ISIN No. for the Company's ordinary shares in Demat Form :- INE776E01027

Depository Connectivity :- NSDL & CDSL

**MARKET PRICE DATA**

The monthly High/Low of market price of the company's equity shares traded on the Bombay Stock Exchange, Mumbai during the twelve months period ended March, 2010 was as under.

Month	High(Rs.)	Low (Rs.)
April,2009	3.97	1.98
May,2009	4.57	2.74
June,2009	6.09	3.55
July,2009	4.60	3.37
August,2009	4.21	3.30
September,2009	4.44	3.80
October,2009	4.17	3.51
November,2009	5.92	3.83
December,2009	4.44	3.75
January,2010	4.33	3.50
February,2010	3.90	3.40
March,2010	4.00	3.45



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### REGISTRAR AND SHARE TRANSFER AGENTS: -

The Company has appointed M/s. **Big Share Services Private Limited** as its share transfer Agents for both physical and demat segments of the Equity Shares of the company.

**Address: - M/s. Big Share Services Private Limited**  
E-2/3, Ansa Industrial Estate  
Sakivihar Road, Saki Naka, Andheri (East)  
Mumbai – 400 072.  
Tel: +91-022-/28470652-53.  
Fax: +91-022-28475207  
E-mail : investor@bigshareonline.com

### SHARE TRANSFER SYSTEM: -

Share Transfers are registered and returned within a period of thirty days from the date of receipt, if the documents are clear in all respects. Officers of the Company have been authorized to approve the transfer in addition to Shareholder's Grievance Committee.

### Distribution of shareholding

The Shareholding distribution of Equity Shares of face value of Rs.2/- each as of 31<sup>st</sup> March, 2010 is given below: -

Sr. No.	Range (in Rs.)	Total holders	% of total Holders	Total holding Rupees	% of total capital
1	1 to 5000	5427	87.00	6894408	8.83
2	5001 to 10000	405	6.56	3257222	4.17
3	10001 to 20000	194	3.14	3089438	3.95
4	20001 to 30000	54	0.87	1377142	1.76
5	30001 to 40000	22	0.36	780422	1
6	40001 to 50000	15	0.24	692394	0.89
7	50001 to 100000	30	0.49	2081822	2.66
8	100001 to 99999999	28	0.45	59947152	76.74

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

Total 6175 78120000 100.00  
Shareholding Pattern as on 31<sup>st</sup> March, 2010

Sr. No.	Category	No. of Shares	% of Shareholding
1	Resident Individual	10165104	26.02
2	Directors	27400	0.07
3	Rel/Friend of Directors	6200	0.02
4	Promoters	800600	2.05
5	Body Corporate	3344278	8.56
6	N R I	119845	0.31
7	Group Companies	24593281	62.96
8	Clearing Member	3292	0.01
	<b>Total</b>	<b>39060000</b>	<b>100.00</b>

**DEMATERIALIZATION OF SHARES**

The Company's total paid-up capital representing 3,08,98,400 equity shares (79.10%) of total Equity share capital is held in dematerialized form with NSDL and CDSL and remaining 81,61,600 shares (20.90%) in physical form as on 31<sup>st</sup> March, 2010.

**Principal Office/Registered Office: -****BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

159, Industry House, Churchgate Reclamation, Mumbai - 400 020.

Tel: - +91-022-22026340 / 22022708

Fax: - +91-022-22828865

e-mail address: [birlainternational@mtnl.net.in](mailto:birlainternational@mtnl.net.in)  
[birlaleasing@gmail.com](mailto:birlaleasing@gmail.com)

**For Investor Correspondence: -****Big Share Services Private Limited**

Registrar and Share Transfer Agents

E-2/3 Ansa Industrial Estate, Saki Vihar Road,  
Sakinaka, Andheri (East),

Mumbai - 400072

Tel: - +91-022-28470652-53

Fax:- +91-022-28475207

E-mail : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)





**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

Annexure I

To the Board of Directors,  
Birla Capital and Financial Services Limited.

Dear Sirs,

Sub : CEO Certificate

(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

I have reviewed the financial statements for the year ended on March 31, 2010 and that to the best of my knowledge and belief, I state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and Regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's policies.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee any significant changes in accounting policies made during the period and that the same have been disclosed suitably in the notes to the financial statements.

Dated:22.04. 2010  
Place: Mumbai.

Yours sincerely,

*Sd/-*  
**V.Subramonian**  
Chief Executive Officer



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### AUDITORS CERTIFICATE

We have reviewed the Company's procedure and compliance with the provisions of Clause 49, regarding Corporate Governance of the Listing Agreement. On the basis of our review and according to the information and explanations given to us and the representations made to us by the management, we state that to the best of our knowledge and belief, the Company has complied with the mandatory requirements of the provisions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchange

For M. L. Choraria & Associates,  
Chartered Accountants

Dated: -22.04.2010  
Place: - Mumbai

Sd/-  
(M. M. Choraria)  
Proprietor  
Membership No.44180



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

M.L.CHORARIA & ASSOCIATES  
CHARTERED ACCOUNTANTS

To,  
The Members of BIRLA CAPITAL & FINANCIAL SERVICES LIMITED ( Formerly Birla Leasing & Infrastructure Limited )

We have audited the attached Balance Sheet of Birla Capital & Financial Services Limited as at 31<sup>st</sup> March 2010, and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1 We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclosed in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 3 Further to our comments in the annexure referred to above subject to no
  - a) Sundry Debtors, Sundry, Creditors, Bank accounts, Loans & Advances, Assets on Lease in custody of the parties, Stock on hire in custody of the parties are subject to adjustments due to verification and reconciliation of amounts as per books..
  - b) No provision has been made in respect of the following: -
    - (i) Income Tax Demands aggregating Rs. 5,32,21,791/- against which the company has referred the matter to the Settlement Commission. The Settlement commission has admitted the company's application under section 245D(1) of the Income Tax Act, 1961,
    - (ii) Income matters of earlier years in appeals, rectification, towards which the liability is not ascertained, will be accounted for in the year in which the matters are settled.
    - (iii) Gratuity amounting to Rs 61725/- Upto March 2010, since the same will be accounted for at the time of settlement of the employees accounts.

we report that,

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) 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 the Books of the Company;
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of the Company;



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 to the extent applicable;

v) On the basis of written representations received from the Directors, as at 31<sup>st</sup> March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

4. In our opinion and to the best of our information and according to the explanations given to us and management representation made to us, the said accounts read together with Schedules and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, present a true and fair view, in conformity with the accounting principles generally accepted in India;

i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2010;

ii) in the case of the profit and loss account, of the Loss for the year ended on that date;

**For M.L.Choraria & Associates  
Chartered Accountants**

Date: 22/04/2010  
Place: Mumbai

*Sd/-*  
M.M.Choraria  
Proprietor  
Membership No: 44180



**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March, 2010 OF BIRLA CAPITAL & FINANCIAL SERVICES LIMITED**

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- i. In respect of its fixed assets;
  - a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets;
  - b) As explained to us, considering the nature of the Fixed Assets, the same have been physically verified by the management at reasonable intervals during the year as per the verification plan adopted by the Company, which is reasonable having regard to the size of the company and nature of its assets except in case of Leased Assets, where the confirmations have been received from the lessees. According to the information and explanations given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material however the same have been properly dealt with in the Books of Account.
  - c) During the year under audit, the Company has not disposed off substantial part of its fixed assets;
- ii. In respect of its Inventories;

The Company does not have inventory, accordingly the clause 4 (ii) (a) to (c) are not applicable;
- iii. In respect of its Loans;
  - a) The Company has granted interest bearing Inter corporate Deposits, to Companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) The Company has not taken Inter corporate Deposits, from Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business;
- v.
  - a) On the basis of audit procedures performed by us, and according to the information and explanation given to us, the transactions required to be entered in the register required to be maintained under Section 301 of the Companies Act has been so entered;
  - b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regards to prevailing market prices at the relevant time except and unless as mentioned in Para (iii) above;
- vi. In our opinion, during the year the Company has not accepted any public deposits and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public is not applicable.
- vii. In our opinion the Company has system of internal audit commensurate with the size and nature of its business
- viii. According to information and explanation provided to us, maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956;
- ix.
  - a) According to the records of the Company, it has been regular in depositing undisputed statutory dues including Income tax, Sales tax, Provident fund Act, Employees' State Insurance Act and other material Statutory Dues with the appropriate authorities;



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- b) On the basis of our examination of the documents and records of the Company and the information and explanations given to us upon our enquiries in this, there are no disputed amounts payable in respect of Sales Tax, Income Tax Service Tax, outstanding at the last day of the period ended 31st March 2010. The amount disputed in respect of Income Tax is Rs. 532.22 lacs against which the company has referred the matter to the settlement commission. The settlement commission has admitted the company's application under section 245(D)(1) of the Income Tax Act 1961,
- x The Company has not borrowed any sums from financial institutions nor through debentures;
- xi The Company has maintained proper records of transaction and contracts in respect of investments in securities and timely entries have been made therein. All investments at the close of the year have been held in the name of the Company.
- xii As per the information and explanations given to us on our enquiries and records of the company examined by us, the Company has not given any guarantee for loans taken from financial institutions and/or banks by others;
- xiii According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term asset except permanent working capital
- xiv As per the information and explanation given to us and on our enquiries in this behalf there were no frauds reported by the Company during the year;
- xv As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities; para 4(xii) of the Order is not applicable; However the Company has pledged its fixed deposit to Union Bank Of India against the overdraft facilities granted to a Company.
- xvi In our opinion, considering the nature of activities carried on by the company during the period, the provisions of any special statute, applicable to Chit Fund/Nidhi/Mutual benefit Fund/Societies are not applicable to the Company;
- xvii In our opinion, on the basis of information and explanations given to us, since the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, para 4(xviii) of the Order is not applicable;
- xvii In our opinion, on the basis of information and explanations given to us, since the company has not issued any debenture during the period, para 4(xix) of the Order is not applicable;
- xviii In our opinion, on the basis of information and explanations given to us, since the company has not raised any money by public issue during the period, para 4(xx) of the Order is not applicable;
- xix During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the period nor have been informed of any such case by the management.

**For M.L.Choraria & Associates  
Chartered Accountants**

*Sd/-*  
**M.M.Choraria  
Proprietor**

Membership No:44180

Date: 22/04/2010

Place: Mumbai

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****BALANCE SHEET AS AT 31st MARCH, 2010**

SCHEDULES	AS AT	AS AT	
	31.3.2010	31.3.2009	
	Rs.	Rs.	
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's funds</b>			
Share Capital	A	78,120,000	78,120,000
Reserves & surplus	B	13,650,597	13,335,689
<b>TOTAL</b>		<b>91,770,597</b>	<b>91,455,689</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	274,958	391,818
Depreciation		153,143	282,009
Net Block		<u>121,815</u>	<u>109,809</u>
Investments	D	20,715,718	10715718
Current Assets and Loans & Advances	E	84259469	93062417
Less: Current Liabilities	F	13215383	12287428
<b>Net Current assets</b>		<u>71,044,086</u>	<u>80774989</u>
Deferred Tax Assets		121755	121755
Less :- Deferrred Tax Liability		<u>(232,777)</u>	<u>(266,581)</u>
<b>Net Deferred Tax Assets</b>		<u>(111,022)</u>	<u>(144,826)</u>
<b>TOTAL</b>		<b>91,770,597</b>	<b>91,455,689</b>

**Singnificant Accounting Policies & Notes to Accounts**

As per our report of even date attached

For M.L.Choraria & Associates.  
Chartered AccountantsSd/-  
M.M.Choraria  
Proprietor  
M.No.-44180

For and on behalf of the Board

Sd/-  
Arun Singhi  
(Executive Director)Sd/-  
G.L. Lath  
(Director)

Dated: 22/04/2010

Place:Mumbai



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2010

SCHEDULES	For the Period ended	For the Period ended
	31.3.2010	31.3.2009
	Rs.	Rs.
<b>INCOME</b>		
Interest	3,241,672	4,251,992
Consultancy Charges Received	6,500,000	
Commission & Brokerage	431	863
Miscellaneous Income	106,229	85,717
	<u>9,848,332</u>	<u>4,338,572</u>
<b>EXPENDITURE</b>		
Employees remuneration & Benefits	G 6,904,105	969,067
Administrative and Other Expenses	H 2,640,871	3,760,250
Depreciation	C 22,252	5,366
	<u>9,567,228</u>	<u>4,734,684</u>
<b>PROFIT BEFORE TAX</b>	281,104	(396,112)
<b>LESS: PROVISION FOR TAX</b>		
Current Tax	0	0
Deferred Tax	(33,804)	(51,894)
<b>PROFIT AFTER TAX</b>	314,908	(344,218)
ADD :- Balance Brought Forwards from Previous Year	9,383,367	9,727,584
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<u>9,698,275</u>	<u>9,383,367</u>

#### Significant Accounting Policies & Notes to Accounts

As per our report of even date attached

For M.L.Choraria & Associates.  
Chartered Accountants

Sd/-  
M.M.Choraria  
Proprietor  
M.No.-44180

Sd/-  
Arun Singhi  
(Executive Director)

For and on behalf of the Board

Sd/-  
G.L. Lath  
(Director)

Dated: 22/04/2010  
Place: Mumbai



**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2010**

	For the Period 31.03.2010	For the Period 31.03.2009
	<u>Rs.</u>	<u>Rs.</u>
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
75000000 Equity Shares of Rs.2/- Each (Previous Year 4,00,00,000 Equity shares of Rs.2/- each)	150,000,000	80,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
39060000 Equity Shares of Rs.2/- Each Fully paid up, out of which 29060000 Equity Shares of Rs.2/-Each issued pursuant to the Scheme of amalgamation with Birla Leasing & Investment Co. Ltd. vide High Court Order Dated 8th Oct. 1999	78,120,000	78,120,000
	<u>78,120,000</u>	<u>78,120,000</u>
<b>SCHEDULE "B"</b>		
<b>RESERVE AND SURPLUS</b>		
Capital Reserve	2,838,728	2,838,728
Special Reserve	1,113,594	1,113,594
<b>PROFIT &amp; LOSS ACCOUNT</b>	9,698,275	9,383,367
	<u>13,650,597</u>	<u>13,335,689</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2010

SCHEDULE-"C"

FIXED ASSETS AS ON 31 ST MARCH, 2010

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening As at 01.04.2009 Rs.	Additions During the Period Rs.	Deduction during the Period Rs.	Total cost As at 31.3.2010 Rs.	Total Upto 01.04.2009 Rs.	Adjustment \ Deduction During the year Rs.	For the year Rs.	Total As At 31.3.2010 Rs.	As At 31.3.2010 Rs.	As At 31.03.2009 Rs.
COMPUTER EQUIPMENTS	206,978	67,980	0	274,958	130,891	0	22,252	153,143	121,815	76,087
XEROX MACHINE	62,840	0	62,840	0	29,118	(29,118)	0	(0)	0	33,722
	269,818	67,980	62,840	274,958	160,009	(29,118)	22,252	153,143	121,815	109,809
Previous Year	314808	77010	0	391818	218876	57767	5366	282,009	109,809	95,932

25

BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2010**

	For the Period 31.03.2010 Rs.	For the Period 31.03.2009 Rs.
<b>SCHEDULE "D"</b>		
<b>INVESTMENT</b>		
<b>QUOTED OTHER SECURITIES (AT COST)</b>		
493253 ( P.Y.293253 ) Equity shares of Birla Sholkha Eductech Ltd. (Market value Rs. 33713843/-)	20,615,718	10,615,718
<b>UNQUOTED OTHER SECURITIES (AT COST)</b>		
10000, Equity shares of Birla Integrated Textile Park Ltd. @ Rs. 10/- per share	100,000	100,000
	<u>20,715,718</u>	<u>10,715,718</u>
<b>SCHEDULE "E"</b>		
<b>CURRENT ASSETS &amp; LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
Stock on Hire	14,230,914	14,230,914
Cash & Bank Balance with Schedule Bank	1,136,008	856,993
Fixed deposit with Union Bank Of India	31,300,000	0
Sundry Debtors(Unsecured considered good)	50,996	0
	<u>46,717,918</u>	<u>15,087,907</u>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured & considered good)		
Advances Tax , TDS & S A Tax	29,166,472	28,180,880
Loans(ICD & Other)	5,282,880	45,964,659
Interest Receivable & Others	3,092,199	3,828,971
	<u>37,541,551</u>	<u>77,974,510</u>
	<u>84,259,469</u>	<u>93,062,417</u>
<b>SCHEDULE "F"</b>		
<b>CURRENT LIABILITIES AND PROVISION</b>		
<b>CURRENT LIABILITIES</b>		
Liabilities for Expenses	1,467,063	543,357
TDS payable	4,461	212
	<u>1,471,524</u>	<u>543,569</u>
<b>PROVISION</b>		
Provision for Income Tax	11,682,859	11,682,859
Provision for interest Tax	61,000	61,000
	<u>11,743,859</u>	<u>11,743,859</u>
	<u>13,215,383</u>	<u>12,287,428</u>

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2010**

	For the Period 31.03.10	For the Period 31.03.09
	Rs.	Rs.
<b>SCHEDULE "G"</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salaries, wages and bonus	6,904,105	969,067
	<u>6,904,105</u>	<u>969,067</u>
<b>SCHEDULE "H"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
<u>Auditors Remuneration</u>		
Audit fees & other remuneration	30,000	12,500
For Certification	10,000	4,000
Auditors out of pocket expenses	2,500	5,000
Advertisement Expenses	16,603	22,224
Conveyance & Travelling	443,569	2,618
Vehicle Expenses	45,286	0
Legal & Professional Fees	61,547	191,684
Listing Fees	66,584	47,032
Office Maintenance & Repairs	7,500	750
Machines Repairs & Maintenance	0	24,428
Postage & Telegram	80,138	85,065
Printing & Stationery	278,647	160,198
Sundry Dr/ cr bal w/off	(398)	2,701,498
Rent	14,500	13,484
Electricity	75,624	86,549
Misc. Expenses	423,491	233,794
Telephone Charges	161,720	85,051
Directors Fees	4,750	5,250
Share Transfer Charges	55,693	75,875
Filing Fees	863,117	3,250
	<u>2,640,871</u>	<u>3,760,250</u>



SCHEDULES 'I' :- NOTES FORMING PART OF ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India, the Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956. The Company follows Mercantile system of Accounting.

INCOME

The Company follows the practice of accounting all incomes on accrual basis except; In respect of hire purchase agreements, which is accounted applying the interest rate on reducing balance of the amount financed during the period of the agreement.

EXPENSES

Expenses are accounted on accrual basis except gratuity and leave encashment.

FIXED ASSETS

a) Fixed Assets are stated at cost of acquisition less accumulated depreciation.

b) Depreciation

i. Own Assets

Depreciation has been provided as per straight-line method under Schedule XIV of the Companies Act, 1956.

ii. Leased Assets

Depreciation is provided as per straight-line method, depreciating entire cost of leased assets over the lease period.

Depreciation on all assets acquired is provided on pro-rata basis from the month in which addition is made.

Aggregate value of Assets given on lease as on 31st March, 2010 is Rs. Nil  
( Previous year Rs Nil)

INVESTMENTS

Long term investments are stated at cost of acquisition. The diminution if any, in the value of investments stated at cost, is recognized when such diminution is permanent.



EMPLOYEES RETIREMENT BENEFITS

Gratuity will be provided on cash basis at the time of settlement of employees account.

TAXATION

Deferred Tax is recognized on timing difference between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted on the balance sheet date.

CONTINGENCIES

Liabilities which are material and whose future outcome can not be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

B. NOTES ON ACCOUNTS

- 1) In the opinion of the Board of Directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in the balance sheet unless otherwise stated.
- 2) Sundry Debtors, Sundry Creditors, Bank accounts, Loans & Advances, Assets on Lease in custody of the parties, Stock on hire in custody of the parties are subject to adjustments due to verification and reconciliation of amounts as per books.
- 3) No provision has been made in respect of the following: -
  - (i) Income Tax Demand aggregating to Rs. 5,32,21,791/- against which the company has referred the matter to the Settlement Commission. The Settlement commission has admitted the company's application under section 245D(1) of the Income Tax Act, 1961,
  - (ii) Income matters of earlier years in appeals, rectification, towards which the liability is not ascertained, will be accounted for in the year in which the matters are settled.
  - (iii) Gratuity amounting to Rs. 61725/- Upto March 2010, since the same will be accounted for at the time of settlement of the employees accounts.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 4) Deferred Tax :

In accordance with the requirements of Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India, the Company has given effect to Deferred tax accounting. The break-up of deferred tax assets / liabilities as on 31<sup>st</sup> March, 2010 is as under: -

Timing Difference on account of	As at 31.3.2010 (Rs.)	As at 31.3.2009 (Rs.)
Deferred Tax Assets	121756	121756
Deferred Tax Liability on account of Depreciation & Others	232777	266581
Deferred Tax Assets (Liability)	(111022)	(144824)

### 5) Earning per Shares

Particulars	As on 31.3.2010 Rs.	As on 31.3.2009 Rs.
Net Profit /(Loss) as per Profit & Loss Account	326,345	(396109)
Number of equity Shares	39060000	39060000
Earning per Share (Rs.)	0.01	N.A.

### 6) Related Party Transaction :

List of related parties along with description of relationship and nature of transaction are as under:-

Name of the Party	Relationship	Nature of Transaction	Amount (Rs.)
Nirved Traders Pvt. Ltd.	Associate Co.	ICD (Dr.) Interest thereon	4120826 2839156
BCI International Ltd.	Associate Co.	ICD (Dr.) Interest thereon	Nil 178078
Birla Shloka Edutech Ltd.	Associate Co.	Investment in shares	20000000
Shri Arun Singhi	Executive Director	Remuneration	170760



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- 7) Previous year's figures have been regrouped rearranged wherever necessary.
- 8) The Company does not have any business other than its main business of Finance hence segment information is not applicable.
- 9) Provision for taxation has not been made due carried forward losses.
- 10) Disclosure pursuant to The Reserve Bank of India Notification DNBS. 167 / CGM (OPA) - 2003 dated March 29, 2003 (As per Annexure )





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### Annexure

Disclosure pursuant to The Reserve Bank of India Notificate DNBS. 167/CGM (OPA) -2003  
dated March 29, 2003

<b>Particulars</b>	(Rs. In Lacs)
<u>Liabilities Side</u>	Amount
	Outstanding
	as on 31.3.2010

1	Loans & advances availed by the NBFCs Inclusive of Interest accrued thereon but not paid		
	(a) Intercompany Loans & borrowing	-	
2	Break of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid )		
	(a) Other public deposits	-	

### Assets Side

3	Break of Loans and Advances including bills receivables (other than those included in (4) below		
	(a) Unsecured	41.21	
4	Break of Leased Assets and Stock on Hire and Hypothecation loans counting towards EL/HP activities		
	i) Lease assets including lease rentals under sundry debtors		
	(a) Financial Lease	-	
	ii) Stock on Hire including hire charges under debtors		
	(a) Assets on hire	142.31	
5	Break of Investments (Net of Provision for diminution in value)	Current	Long term
		Investments	Investments
1	<u>Quoted</u>		
	i) Shares		
	(a) Equity		207.16
2	<u>Unquoted</u>		
	i) Government Securities		-

6	Borrower group wise classification of all leased assets, stock on hire and loans and advances :-		
	<u>Category</u>		
		Amount net of provision	
1	Related parties	Secured	Unsecured
	a) Company in the same group	—	41.21
2	Other than related parties	0	142.31
	<b>Total</b>	<b>0.00</b>	<b>183.52</b>
			<b>183.52</b>



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 7 Investor group wise classification of all investments (Current and Long term )in shares and Securities (both quoted and unquoted and net of provision for diminution in value)

<u>Category</u>	Market Value Break up or fair Value of NAV	Book Value (Net of Provision)
1 Releted parties		
a) Company in the same group	337.14	207.16
2 Other than releted parties	-	-
<b>Total</b>	<b>337.14</b>	<b>207.16</b>

### 8 Other information

i) <u>Gross Non Performing Assets)</u>		
a) Releted parties		NIL
b) Other than releted parties		NIL
ii) <u>Net Non Performing Assets</u>		
a) Releted parties		NIL
b) Other than releted parties		NIL
Assets aquired in satisfaction of debts		

As per our report of even date attached

For M.L.Choraria & Associates.  
Chartered Accountants

*Sd/-*  
M.M.Choraria  
Proprietor  
M. No. 44180

*Sd/-*  
Arun Singhi  
(Executive Director)

For and on behalf of the Board

*Sd/-*  
G.L.Lath  
(Director)

Dated: 22/04/2010  
Place: Mumbai

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2010**

	31.3.2010	31.3.2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>Rs.</u>	<u>Rs.</u>
Net Profit/(Loss) before tax & extraordinary items	281,104	(396,112)
Adjustment for :		
Income written off	-	-
Prior Period Items	(29,118)	57,767
Depreciation	22,252	5,366
Operating Profit Before Working Capital Changes	274,238	(332,979)
Adjustment for :		
Stock on Hire	-	-
Increase /(Decrease) in Loans & Advances	40,381,963	10,849,125
Increase /(Decrease) in Current Liabilities	927,955	101,026
Income Tax Paid	-	-
Cash flow before extraordinary Items	41,584,156	10,617,172
Prior Period Items	-	-
Net Cash flow from Operating Activities	41,584,156	10,617,172
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,140)	(77,010)
Proceeds from Investments	(10,000,000)	(10,560,998)
Net Cash Used in Investing Activities	(10,005,140)	(10,638,008)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow from Unsecured Loan	-	-
Cash Credit	-	-
Net Cash Used in Financing Activities	-	-
Net Decrease in Cash & Cash Equivalents	31,579,016	(20,836)
Cash & Cash Equivalents at the beginning of the year	856,993	877,825
Cash & Cash Equivalents at the end of the year	32,436,008	856,993

As per our report of even date attached

For **M.L.Choraria & Associates.**

Chartered Accountants

Sd/-

**M.M.Choraria**

Proprietor

M. No. 44180

Date : 22/04/2010

Place : Mumbai

For and on behalf of the Board

Sd/-

**Arun Singhi**

(Executive Director)

Sd/-

**G.L.Lath**

(Director)

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31.03.2010**

(Rupees in thousands)

(a) Registration Details:	CIN - L51900MH1985PLC036156	State Code	: 11	
	Balance Sheet Date	: 31.3.2010		
(b) Capital Raised During the year :	Public Issue	: NIL	Right Issue	: NIL
	Bonus Issue	: NIL	Private Placement/Others	: NIL
(c) Position of Mobilisation & Repayment of Fund :	Total Liabilities	: 91770	Total Assets	: 91770

**SOURCES OF FUNDS :**

Paid Up Capital	: 78120	Reserve & Surplus	: 13650
Secured Loan	: NIL	Unsecured Loan	: NIL

**APPLICATION OF FUNDS :**

Net Fixed Assets	: 121	Investment	: 20715
Net Current Assets	: 70934	Misc. Expenditure	: NIL

Accumulate Losses	: NIL		
-------------------	-------	--	--

(d) Performance of Company:	Turnover	: 9848	Total Expenditure	: 9567
	Profit(Loss) before tax	: 281	Profit(Loss) after tax	: 281
	Earning Per Share in Rs.:	NA	Dividend Rate ( % )	: NIL

(e) Generic Names of Principal Products/ Services of Company : Finance & Investments

For and on Behalf of the Board

Dated : 22/04/2010  
Place : Mumbai

*sd/-*  
Arun Singhi  
(Executive Director)

*sd/-*  
G.L.Lath  
(Director)