



**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**



**BIRLA CAPS**

**2010-2011**  
**25th Annual Report**



BIRLA CAPS

Dear Shareholders,

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. This is also a golden opportunity for every shareholder of Birla Capital & Financial Services Limited to contribute to the Corporate Social Responsibility initiative of the Company. It will also ensure prompt receipt of communication and avoid loss in postal transit.

To support this green initiative of the Government in full measure the management of the company proposes to henceforth effect all communication or documents, as may be allowed from time to time in electronic mode to its shareholders, to the e-mail address provided/updated by you and made available to the company. Therefore, the members who have not registered their e-mail address, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with Bigshare Services Private Limited, Registrar & Transfer Agent of the Company.

In case there is any change in your e-mail address, please inform the Company/ Registrar & Transfer Agent (RTA) of the Company from time to time.

We are sure you would appreciate the "Green Initiative" taken by MCA & as a responsible citizen, you will whole heartedly support this initiative.

Thanking you,  
Yours faithfully

For Birla Capital & Financial Services Limited  
Arun Singh  
Director

## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 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
5. Shri. D. S. Sharma (Appointed on 02.08.2011)

### CHIEF EXECUTIVE OFFICER

Shri V. Subramonian

### AUDITORS

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

### BANKERS

Bank of India  
HDFC Bank Ltd.

### REGD. OFFICE

Industry House  
159, Churchgate Reclamation.  
Mumbai - 400 020.  
Tel. : +91 - 022 - 22026340  
Fax : +91 - 022 - 22828865  
E-mail : investors@birlacaps.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

#### 25TH ANNUAL GENERAL MEETING

DATE : 23<sup>rd</sup> September, 2011  
TIME : 3.00 P.M.  
Venue : "126", Sitaram Poddar Marg,  
Fanas Wadi,  
Mumbai - 400 002.

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# BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

## NOTICE

**NOTICE** is hereby given that 25<sup>th</sup> Annual General Meeting of the Members of Birla Capital and Financial Services Limited will be held on Friday, 23<sup>rd</sup> September, 2011 at 3.00 P.M. at "126", Sitaram Poddar Marg, Fanas Wadi, 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 2011 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri B.L.Varma, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS**

4. To appoint Shri. D.S.Sharma as an Independent Director

To consider and if though fit, to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Shri D.S.Sharma who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956, who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under section 257 of Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company."

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

**Dated: - 25.08.2011  
Place: - Mumbai.**

**Arun Singhi  
Executive Director**



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### **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 20.09.2011 to 23.09.2011 (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 year ended 31<sup>st</sup> March, 2011 to enable us to provide satisfactory reply.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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

Name of the Director	Shri. Bajranglal Ranmalram Varma	Shri. D. S. Sharma
Date of Birth	10.12.1940	03.08.1954
Qualification	B. A. L. L. B.	B.Sc., M. B. A.
Date of Appointment	25.08.2004	02.08.2011
Expertise	Rich experience of more than 40 years in the field of Corporate Sector. He has been overseeing the administrative and other commercial functions of Yash Birla Group for over 3 decades and has hands on experience in management and administration.	Having varied and rich experience of 33 years in the field of Banking, Managerial and legal and financial services sector.
List of other Directorship Held	Niranjan Shipping Agency Pvt Ltd Sonakshi Consultancy Pvt Ltd Birla Infrastructure Ltd Green Route Consultancy (P) Ltd.	Katha Mediatrix Limited Vajra Steels Limited
Chairman / Member of the Committee of the Board of the other Companies in which he is a Director	NIL	NIL
Shareholding of Director	NIL	NIL



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956  
ANNEXED TO THE NOTICE**

**Item no. 4** To appoint Shri. D.S.Sharma as an Independent Director

The Board of Directors of the Company had appointed Shri D.S.Sharma as Non-executive Independent Director w.e.f. 02.08.2011 under Section 260 of the Companies Act, 1956, Shri. D.S.Sharma holds office till the date of forthcoming Annual General Meeting. Notice has been received from a member as required under Section 257 of the Companies Act, 1956, together with the requisite deposit proposing Shri. D.S.Sharma as a candidate for the office of Director.

The Board considers that the varied experience of Shri. D.S.Sharma in the field of Banking, Managerial and Consultancy sector would benefit the company and it is desirable to continue to avail his services.

The Board recommends the resolution for approval by members.

None of the Directors except Shri.D.S.Sharma are interested in the said resolution.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

Dear Shareholders,

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2011. The Financial Results of your company are summarized below.

#### 1. FINANCIAL RESULTS (Rs. In lacs)

PARTICULARS	March,2011	March,2010
Total Income	251.40	98.48
Less : Total Expenditure	231.73	95.45
Profit Before Tax & Depreciation	19.67	3.03
Less: depreciation	0.26	0.22
Profit Before Tax	19.41	2.81
<u>Less: Provision for Taxation</u>		
Provision for Income tax	3.75	-
Provision for Deferred tax	0.00	(0.33)
Profit (Loss)After Tax	15.66	3.15
<u>Add: Profit &amp; Loss Account Balance Brought Forward From Previous Year</u>	96.98	93.83
Profit & Loss Account Balance Carried over	112.64	96.98
Earning per share	0.04	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. BUSINESS REVIEW & FUTURE PROSPECTS

The company has set-up adequate infrastructure along with a team of professionals for carrying on the 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, ESOP Advisory, Equity/Debt Placements and Restructuring 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.

During the year under review the total income of the Company increased by Rs. 15292306/- and the profit after tax increased by Rs. 1250529/- over the previous year





**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 Merchant Banking.

**(ii) Opportunities and Threats:**

Immense opportunities exist in the Investment/Merchant 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/Merchant 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.

**(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 B. L. Varma who, retires by rotation, being eligible for reappointment, offers himself for re-appointment in the Annual General Meeting.

**6. 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.

**7. 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.

**8. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2011, the applicable accounting standards have been followed along with proper explanation relating to material developments/deviations.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- (ii) The Directors 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 as at 31<sup>st</sup> March 2011 and of the Profit/Loss of the company for the year under review.
- (iii) The Directors 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) The Directors have prepared the accounts on a “going concern” basis.

### 9. PARTICULARS OF EMPLOYEES-

The Company did not have any employee falling within the purview of Section 217(2A) of the Companies Act, 1956, as amended with effect from 01/04/2011 Vide CIR-03.05.2011 and hence Particulars of Employees are not included.

### 10. 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 to the Company, to the extent is applicable is given below :

#### FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR :-

Consultancy charges & reimbursement of expenses received Rs. 2832119/-

### 11. CORPORATE GOVERNANCE

A report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is attached as a separate Annexure and forms part of the report. Corporate Governance Compliance Certificate obtained from the Auditors of the Company is already attached to this report.

### 12. AUDITORS

M/s. M. L. Choraria & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from M/s. M. L. Choraria & Associates, Chartered Accountants to the effect that their appointment if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

### 13. AUDITORS REPORT

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

### 14. DISCLOSURE

The Company belongs to the Yash Birla Group.

### 15. 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 authorities, Customers, Vendors & Employees of the Company.

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

Dated: 18.05. 2011.

Place: Mumbai.

**Arun Singhi**  
(Executive Director)

**G.L.Lath**  
(Director)



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 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 value to the shareholders of the Company. The Corporate Governance policies of the Company are comparable to the best in the industry and it envisages:

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.

#### **I) BOARD OF DIRECTORS:**

##### **a) Composition and Category**

The Company has an optimum combination of Executive and Non-Executive Directors. The Board comprises of Executive Director, Non-Executive Directors and Independent Directors with vast experience in financial services industry. The Composition of the Board is as follows:

Name of Director	Category
Shri Arun Singhi	Executive Director
Shri G. L. Lath	Non Executive, Non independent
Shri B. L. Varma	Non Executive, Non independent
Shri Ashok Parmar	Non Executive, Independent

##### **b) Details of the other Directorship and Chairmanship/Membership of Committee of each Director in various Companies as on 31<sup>st</sup> March 2011 is as follows:**

Director	Executive / Non Executive / Independent	No. of Directorship held in other Companies		No. of Membership/ Chairmanship on other Board Committees	
		Public	Private	Member	Chairman
Shri. Arun Singhi	Executive	2	7	-	-
Shri. G. L. Lath	Non Executive	5	10	-	-
Shri. B. L. Varma	Non Executive	1	3	-	-
Shri Ashok Parmar	Independent Director	-	2	-	-



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

**c) Non-Executive Directors' compensation & disclosures:**

Apart from sitting fees that are paid to the Non Executive and Independent Directors for attending Board and Committee Meetings, no other fee/compensation was paid during the year. During the year under review, there was no pecuniary relationship or business transaction by the Company with any Non-Executive Directors. The details of sitting fees paid to the Directors are given separately in this Report.

**d) Information on Directors re-appointment:**

A brief resume of the Director being proposed to be appointed or reappointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of the Companies in which they holds directorship (excluding directorship held in Private Limited and Section 25 Companies and the membership of committees of the Board is furnished in this report.

**e) Other provisions as to Board & Committees:**

During the year ended 31<sup>st</sup> March 2011, Five Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 22<sup>nd</sup> April 2010, 29<sup>th</sup> July 2010, 25<sup>th</sup> August 2010, 29<sup>th</sup> October 2010 and 31<sup>st</sup> January 2011.

The Company has held atleast one meeting in every three months and the maximum gap between any two board meetings was not more than four months. None of the Directors of the Company were a member of more than ten committees or Chairman of more than five committees across all public limited companies in which he was a director.\

For the purpose of considering the limit of the committees as stated above, only Audit Committee and Shareholders/ Investors Grievances Committee across all public limited companies has been considered in accordance with clause 49 of the Listing Agreement.

Details of the Attendance of Directors at the Board Meetings and the Annual General Meeting are as follows:

Sr. No.	Name of Director	No. of Board Meetings attended	Whether attended previous AGM
1.	Mr. Arun Singhi	5	Yes
2.	Mr. G. L. Lath	4	Yes
3.	Mr. B. L. Varma	5	Yes
4.	Mr. Ashok Parmar	5	Yes

**f) Code of Conduct:**

The Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. The Code of Conduct is available on Company's website [www.birlacaps.com](http://www.birlacaps.com).

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 the Board has approved the "Code of Conduct for prevention of Insider Trading" and authorized the Compliance Officer to implement and monitor the various requirements as set out in the Code under the superintendence and control of the Board of Directors of the Company.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### II) Committees of the Board

#### A. AUDIT COMMITTEE:

The Audit Committee, comprising of three Directors look after various matters relating to the finance and accounts of the Company, which are also in conformity with the requirements as per Clause 49 of the Listing Agreement with the Stock Exchange.

Name	Title	Status
Shri. Ashok Parmar	Chairman	Independent
Shri. G. L. Lath	Member	Non Executive
Shri. Arun Singhi	Member	Executive

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

#### Terms of Reference

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange, read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time.

#### Meetings during the year 2010-11

Five 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
22.04.2010	3
29.07.2010	3
25.08.2010	2
29.10.2010	3
31.01.2011	3

#### Attendance of Directors during the year 2010-11:

Name of Director	No. of Meeting	
	Held	Attended
Shri. Ashok Parmar	5	5
Shri Arun Singhi	5	5
Shri. G. L. Lath	5	4



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### B. REMUNERATION COMMITTEE:

The Composition of the Committee is as under: -

Name	Title	Status
Shri. Ashok Parmar	Chairman	Independent
Shri. G. L. Lath	Member	Non Executive
Shri. B. L. Varma	Member	Non Executive

The Committee has been constituted to fix remuneration payable to the Managing Director/ Executive Directors, and such other matters relating to the remuneration and compensation payable to the Director(s) and Employees.

The Company does not pay any remuneration to its non executive directors except sitting fees for attending each Meeting of the Board of Directors and Committee.

Details of remuneration paid to all the Directors of the Company during the year:

Sr. No.	Name of Director	Remuneration (Rs.)	Sitting Fees (Rs.)
1.	Shri Arun Singhi	2,04,918/-	N.A.
2.	Shri G. L. Lath	-	1000/-
3.	Shri B. L. Varma	-	1250/-
4.	Shri Ashok Parmar	-	1250/-

Except for, Shri. Arun Singhi and Shri. G. L. Lath, who hold 16200 and 5000 Equity shares in the Company respectively, no other directors hold shares in the Company.

### C. SHAREHOLDER'S GRIEVANCE COMMITTEE:

A Shareholder Grievance Committee of the Board is in place to inter alia look into issues relating to Shareholder's 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 year ended 31<sup>st</sup> March, 2011. To expedite the process of share transfer in physical segment, authority has been delegated to certain officers of the Company to approve Share transfers.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### III) GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
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.
2009-2010	126, Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	28.09.2010	3.00 P.M.

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

### IV. CEO/CFO CERTIFICATION:

The Board of Directors has received a certificate issued by Shri Arun Singhi, Executive Director, in his capacity as Chief Executive Officer (CEO) of the Company as envisaged in Clause 49 (V) of the Listing Agreement.

### V. DISCLOSURES:

1. 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. The Company has complied with all the requirements relating to Capital Market, Stock exchanges, SEBI and other regulatory bodies. No regulatory body has imposed any penalty or had initiated any inquiry in the past three years.

### VI. MEANS OF COMMUNICATIONS

- i. Quarterly Results  
In compliance of the provisions of Clause 41 of the Listing Agreement, the un-audited and audited financial results, as approved by the Board were duly published within the stipulated time period in "Business Standard" (English) and "Mumbai Lakshadeep" (Vernacular).
- ii. Management Discussion and Analysis Report forms part of the Directors' Report which is posted to the Shareholders of the Company.
- iii. The Company has designated the following email id for redressal of Investor Grievances and the necessary disclosures to this effect has also been made on the Company's website **www.birlacaps.com - investors@birlacaps.com**

### VII. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting:

Day & Date : 23.09.2011, Friday.

Venue : "126", Sitaram Poddar Marg, Fanas Wadi, Mumbai - 400002.

Time : 3.00 P.M.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### Financial Calendar 2011-12 (Tentative):

First Quarterly Results	: On or before 14 <sup>th</sup> August, 2011.
Second Quarterly Results	: On or before 14 <sup>th</sup> November, 2011
Third Quarterly Results	: On or before 14 <sup>th</sup> February, 2012
Fourth Quarterly Results	: On or before 15 <sup>th</sup> May, 2012

### Date of Book Closure:

20<sup>th</sup> September, 2011 to 23<sup>rd</sup> September, 2011 (Both days inclusive)

### Date of Dividend Disclosure:

Not Applicable.

### Listing of Equity Shares on:

The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai -400 001  
Stock Code: 512332

**Annual Listing Fees** were duly paid to the Stock Exchange for the year 2011-12.

**Demat ISIN Number in NSDL & CDSL for equity shares:** INE776E01027

### Stock Prices

Monthly High/Low of market price of the company's equity shares (Face value Rs 2 per share) traded at Bombay Stock Exchange during the year along with BSE Sensex:

Month	Birla Capital & Financial Services Limited (BCFSL)		Bombay Stock Exchange, Sensex	
	BCFSL High (Rs.)	BCFSL Low (Rs.)	BSE High (Rs.)	BSE Low (Rs.)
April,2010	4.76	3.50	18047.86	17276.80
May,2010	4.39	3.11	17536.86	15960.15
June,2010	4.15	3.05	17919.62	16318.39
July,2010	3.89	3.35	18237.56	17395.58
August,2010	4.92	3.26	18475.27	17819.99
September,2010	3.88	3.25	20267.98	18027.12
October,2010	4.45	3.35	20854.55	19766.96
November,2010	4.34	2.85	21108.64	18954.82
December,2010	3.40	2.63	20552.03	19074.57
January,2011	3.61	2.87	20664.80	18038.48
February,2011	3.10	2.35	18690.97	17295.62
March,2011	2.92	1.89	19575.16	17792.17





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### REGISTRAR AND SHARE TRANSFER AGENTS: -

**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: -** The share transfers which are received in physical form are processed and the share certificates returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's Securities to the Shareholders' Grievance Committee for noting. The Company obtains from a Company Secretary in practice half yearly certificate for compliance with the share transfer formalities as required under Clause 47 (C) of the Listing Agreement with Stock Exchange and files a copy of the Certificate with the Stock Exchanges.

### Distribution of shareholding as on 31<sup>st</sup> March 2011

Sr. No.	Shareholding Range (in Rs.)	No. of Shareholders	% of total Holders	Total Share holding Rupees	% of total capital
1	1 to 5000	5546	87.93	7042748	9.02
2	5001 to 10000	415	6.58	3320112	4.25
3	10001 to 20000	200	3.17	3135214	4.01
4	20001 to 30000	53	0.84	1355012	1.73
5	30001 to 40000	24	0.38	851272	1.09
6	40001 to 50000	17	0.27	811176	1.04
7	50001 to 100000	23	0.36	1525546	1.95
8	100001 to 99999999	29	0.46	60078920	76.91
	<b>Total</b>	<b>6307</b>		<b>78120000</b>	<b>100.00</b>



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### Shareholding Pattern as on 31<sup>st</sup> March, 2011

Sr. No.	Category	%
1	Clearing Member	0.0186
2	Corporate Bodies	6.8485
3	Corporate Bodies (Promoter Companies)	62.9772
4	Non Resident Indians	0.2556
5	Promoters	2.0497
6	Promoters/Directors	0.0543
7	Public	27.7803
8	Relative of Director	0.0159
	<b>Total</b>	<b>100</b>

### DEMATERIALISATION OF SHARES

The Company's total paid-up capital representing 3,10,09,300 equity shares (79.39%) of total Equity share capital is held in dematerialized form with NSDL and CDSL and remaining 80,50,700 shares(20.61%) in physical form as on 31<sup>st</sup> March, 2011.

#### Address for Correspondence:

Principal Offices:

Regd Office:

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

**Tel: - +91-022-22026340 / 22022708**

Fax: - +91-022-22828865

E-mail Id : investors@birlacaps.com

Corporate Office:

Dalamal House, 1<sup>st</sup> Floor,  
Nariman Point,  
Mumbai- 400 021

#### 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: - +91-022-40430200

Fax: - +91-022-28475207

E-mail: investor@bigshareonline.com



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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

Dear Sirs,

**Sub: CEO/CFO Certificate**

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I 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.

Dated : 18.05. 2011  
Place : Mumbai.

Yours sincerely,

**Arun Singhi**  
(Executive Director)



## 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 : 18-05-2011  
Place : Mumbai

(M. M. Choraria)  
Proprietor  
Membership No.44180

F.R.N. 113782W



## 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 2011, 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 :
  - 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. 125709/- Upto March 2011, 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 2011, 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 2011, 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, 2011;
  - (ii) in the case of the profit and loss account, of the profit for the year ended on that date;

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

Date: 18/05/2011  
Place: Mumbai

M. M. Choraria  
**Proprietor**  
Membership No:44180  
F.R.N. 113782W



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 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, 2011 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, Employee's 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 2011. 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 group 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;
- xviii. 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;
- xix. 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;
- xx. 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**

**M.M.Choraria  
Proprietor**

Date: 18/05/2011  
Place: Mumbai

F.R.N. 113782W Membership No:44180



BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011

	SCHEDULES	AS AT	AS AT
		31.3.2011	31.3.2010
		Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's funds</b>			
Share Capital	A	78,120,000	78,120,000
Reserves & surplus	B	15,216,034	13,650,597
<b>TOTAL</b>		<b><u>93,336,034</u></b>	<b><u>91,770,597</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	341,908	274,958
Depreciation		179,904	153,143
Net Block		<u>162,004</u>	<u>121,815</u>
Investments	D	20,715,718	20,715,718
<b>Current Assets and Loans &amp; Advances</b>	E	85,359,229	84,259,469
Less: Current Liabilities	F	12,790,363	13,215,383
<b>Net Current assets</b>		<u>72,568,866</u>	<u>71,044,086</u>
Deferred Tax Assets		12,175	12,175
Less :- Deferrred Tax Liability		(232,309)	(232,777)
<b>Net Deferred Tax Assets</b>		<u>(110,554)</u>	<u>(111,022)</u>
<b>TOTAL</b>		<b><u>93,336,034</u></b>	<b><u>91,770,597</u></b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>			
I			

As per our report of even date attached

For M.L.Choraria & Associates.  
Chartered AccountantsM.M.Choraria  
Proprietor  
M.No -44180  
F.R.N. 113782W  
Dated: 18/05/2011  
Place: MumbaiFor and on behalf of the Board  
  
Arun Singhi  
(Executive Director)  
  
G.L. Lath  
(Director)

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH, 2011**

		For the Period ended 31.3.2011 Rs.	For the Period ended 31.3.2010 Rs.
<b>INCOME</b>	<b>SCHEDULES</b>		
Interest		2,439,718	3,241,672
Consultancy Charges Received		22,700,920	6,500,000
Commission & Brokerage		0	431
Miscellaneous Income		0	106,229
		<u>25,140,638</u>	<u>9,848,332</u>
<b>EXPENDITURE</b>			
Employees remuneration & Benefits	G	6,446,317	6,904,105
Administrative and Other Expenses	H	16,727,193	2,640,871
Depreciation	C	26,761	22,252
		<u>23,200,271</u>	<u>9,567,228</u>
<b>PROFIT BEFORE TAX</b>		1,940,367	281,104
<b>LESS: PROVISION FOR TAX</b>			
Current Tax		418,000	0
MAT Credit Entitlement		(42602)	0
Deferred Tax		(468)	(33,804)
<b>PROFIT AFTER TAX</b>		1,565,437	314,908
ADD :- Balance Brought Forward from Previous Year		9,698,275	9,383,367
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>11,263,712</u>	<u>9,698,275</u>

**Singnificant Accounting Policies & Notes to Accounts**

As per our report of even date attached

For M.L.Choraria & Associates.  
Chartered Accountants

For and on behalf of the Board

M.M.Choraria  
Proprietor  
M.No.-44180  
F.R.N. 113782WArun Singhi  
(Executive Director)G.L. Lath  
(Director)Dated: 18/05/2011  
Place:Mumbai



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2011

	For the Year 31.03.2011	For the Year 31.03.2010
	<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 7500,00,00 Equity shares of Rs.2/- each)	<u>150,000,000</u>	<u>150,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
39060000 (P.Y.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	<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
PROFIT & LOSS ACCOUNT	11,263,712	9,698,275
	<u>15,216,034</u>	<u>13,650,597</u>



**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2011**

**SCHEDULE-"C"  
FIXED ASSETS AS ON 31 ST MARCH, 2011**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Opening As at 01.04.2010 Rs.	Additions During the Period Rs.	Deduction during the Period Rs.	Total cost As at 31.3.2011 Rs.	Total Upto 01.04.2010 Rs.	Adjustment \ Deduction During the year Rs.	For the year Rs.	Total As At 31.3.2011 Rs.	As At 31.3.2011 Rs.	As At 01.04.2010 Rs.
COMPUTER EQUIPMENTS	274,958	66,950	0	341,908	153,143	0	26,761	179,904	162,004	121,815
<b>TOTAL</b>	<b>274,958</b>	<b>66,950</b>	<b>0</b>	<b>341,908</b>	<b>153,143</b>	<b>0</b>	<b>26,761</b>	<b>179,904</b>	<b>162,004</b>	<b>121,815</b>
Previous Year	269818	67980	62840	274,958	160009	(29,118)	22252	153,143	121,815	109,809



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2011

	<b>For the Year 31.03.2011</b>	<b>For the Year 31.03.2010</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>SCHEDULE "D"</b>		
<b>INVESTMENT</b>		
<b>QUOTED OTHER SECURITIES (AT COST)</b>		
493253 ( P.Y.493253 ) Equity shares of Birla Sholka Eductech Ltd. (Market value Rs. 7793397/-)	20,615,718	20,615,718
<b>UNQUOTED OTHER SECURITIES (AT COST)</b>		
10000, Equity shares of Birla Integrated Textile Park Ltd. @ Rs. 10/- per share	100,000	100,000
	<b><u>20,715,718</u></b>	<b><u>20,715,718</u></b>
<b>SCHEDULE "E"</b>		
<b>CURRENT ASSETS &amp; LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
Stock on Hire	0	14,230,914
Cash & Bank Balance with Schedule Bank	1,038,273	1,136,008
Fixed deposit with Union Bank Of India	31,300,000	31,300,000
Sundry Debtors(Unsecured considered good)	0	50,996
	<b><u>32,338,273</u></b>	<b><u>46,717,918</u></b>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured & considered good)		
Advances Tax , TDS & S A Tax	31,765,039	29,166,472
Loans(ICD & Other)	18,875,911	5,282,880
Interest Receivable & Others	2,380,006	3,092,199
	<b><u>53,020,956</u></b>	<b><u>37,541,551</u></b>
	<b><u>85,359,229</u></b>	<b><u>84,259,469</u></b>
<b>SCHEDULE "F"</b>		
<b>CURRENT LIABILITIES AND PROVISION</b>		
<b>CURRENT LIABILITIES</b>		
Liabilities for Expenses	671,106	1,467,063
TDS payable	0	4,461
	<b><u>671,106</u></b>	<b><u>1,471,524</u></b>
<b>PROVISION</b>		
Provision for Income Tax	12,058,257	11,682,859
Provision for interest Tax	61,000	61,000
	<b><u>12,119,257</u></b>	<b><u>11,743,859</u></b>
	<b><u>12,790,363</u></b>	<b><u>13,215,383</u></b>



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 ST MARCH 2011

	For the Year 31.03.11	For the Year 31.03.10
	Rs.	Rs.
<b>SCHEDULE "G"</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salaries, wages and bonus	6,446,317	6,904,105
	<b>6,446,317</b>	<b>6,904,105</b>
<b>SCHEDULE "H"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
<u>Auditors Remuneration</u>		
Audit fees & other remuneration	30,000	30,000
For Certification	10,000	10,000
Auditors out of pocket expenses	2,500	2,500
Advertisement Expenses	16,883	16,603
Conveyance & Travelling	266,327	443,569
Vehicle Expenses	0	45,286
Legal & Professional Fees	961,710	61,547
Listing Fees	64,280	66,584
Stock On Hire Purchase w/off	14,230,914	0
Office Maintenance & Repairs	0	7,500
Postage & Telegram	54,988	80,138
Printing & Stationery	90,629	278,647
Sundry Dr/ cr bal w/off	4,504	(398)
Rent	14,500	14,500
Electricity	71,798	75,624
Misc. Expenses	613,966	423,491
Telephone Charges	231,393	161,720
Directors Fees	3,500	4,750
Share Transfer Charges	57,281	55,693
Filing Fees	2,020	863,117
	<b>16,727,193</b>	<b>2,640,871</b>



**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, 2011 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.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 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. 125709/- Upto March 2011, 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, 2011 is as under: -

Timing Difference on account of	As at 31.3.2011 (Rs.)	As at 31.3.2010 (Rs.)
Deferred Tax Assets	121755	121755
Deferred Tax Liability on account of Depreciation & Others	232309	232777
Deferred Tax Assets (Liability)	(110554)	(111022)

### 5) Earning per Shares

Particulars	As on 31.3.2011 Rs.	As on 31.3.2010 Rs.
Net Profit as per Profit & Loss Account	1565437	314,908
Number of equity Shares	39060000	39060000
Earning per Share (Rs.)	0.04	0.01

### 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	18368826 754372
Birla Infrastructure Ltd.	Associate Co.	ICD (Dr.) Interest thereon	Nil 178078
Shri Arun Singhi	Executive Director	Remuneration	204918



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- 7) During the year Company has discarded for being obsolete stock since 2004.
- 8) Previous year's figures have been regrouped rearranged wherever necessary.
- 9) The Company does not have any business other than its main business of Merchant Banking hence segment information is not applicable.
- 10) Additional information required under schedule VI of the Companies Act, 1956.

<b>Earnings in Foreign Currency</b>	<b>Current year</b>	<b>Previous year</b>
Consultancy charges and reimbursement Of charges received	Rs. 2832119/-	Rs. 300000/-

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2011**

	31.3.2011	31.3.2010
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax & extraordinary items	1,940,366	281,104
Adjustment for :		
Income written off	14,230,914	-
Prior Period Items	-	(29,118)
Depreciation	26,761	22,252
Operating Profit Before Working Capital Changes	16,198,041	274,238
Adjustment for :		
Stock on Hire	-	-
Increase /(Decrease) in Loans & Advances	(15,428,409)	40,381,963
Increase /(Decrease) in Current Liabilities	(800,418)	927,955
Income Tax Paid	-	-
Cash flow before extraordinary Items	(30,786)	41,584,156
Prior Period Items	-	-
Net Cash flow from Operating Activities	(30,786)	41,584,156
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(66,950)	(5,140)
Proceeds from Investments	-	(10,000,000)
Net Cash Used in Investing Activities	(66,950)	(10,005,140)
<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	(97,735)	31,579,016
Cash & Cash Equivalents at the beginning of the year	32,436,008	856,993
Cash & Cash Equivalents at the end of the year	32,338,273	32,436,008

As per our report of even date attached

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

**For and on behalf of the Board**

**M.M.Choraria**  
Proprietor  
M.No.-44180  
F.R.N. 113782W  
Dated: 18/05/2011  
Place:Mumbai

**Arun Singhi**  
(Executive Director)

**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 31.03.2011

(Rupees in thousands)

(a) Registration Details:	CIN - L51900MH1985PLC036156	State Code	: 11
	Balance Sheet Date	: 31.3.2011	
(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	: 93336	Total Assets : 93336

#### SOURCES OF FUNDS :

Paid Up Capital	: 78120	Reserve & Surplus	: 15216
Secured Loan	: NIL	Unsecured Loan	: NIL

#### APPLICATION OF FUNDS :

Net Fixed Assets	: 162	Investment	: 20715
Net Current Assets	: 72459	Misc. Expenditure	: NIL
Accumulate Losses	: NIL		

(d) Performance of Company:	Turnover	: 25141	Total Expenditure	: 23200
	Profit(Loss) before tax	: 1940	Profit(Loss) after tax	: 1565
	Earning Per Share in Rs.:	0.04	Dividend Rate ( % )	: NIL

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

For and on Behalf of the Board

Dated : 18/05/2011  
Place : Mumbai.

**Arun Singhi**  
(Executive Director)

**G.L.Lath**  
(Director)

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

Regd. Office : Industry House, 159, Churchgate Reclamation, Mumbai - 400 020.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL

DP ID\*:- \_\_\_\_\_

FOLIO NO.:- \_\_\_\_\_

CLIENT ID\*:- \_\_\_\_\_

NAME(S) AND ADDRESS OF THE SHARE HOLDER.

\_\_\_\_\_ No. of Share held :- \_\_\_\_\_

I/We hereby record my/our presence at the 25th **ANNUAL GENERAL MEETING** of the Company held on Friday 23<sup>rd</sup> September, 2011 at 3.00 p.m. at "126", Sitaram Poddar Marg, Fanas Wadi, Mumbai - 2

\_\_\_\_\_  
SIGNATURE OF SHAREHOLDER

- \* Applicable for investors holding Shares in electronic form.
- \*\* Strike out whichever is not applicable.

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

Regd. Office : Industry House, 159, Churchgate Reclamation, Mumbai - 400 020.

**PROXY FORM**

DP ID\*:- \_\_\_\_\_

FOLIO NO.:- \_\_\_\_\_

CLIENT ID\*:- \_\_\_\_\_

I/We \_\_\_\_\_ being a Member / Members of BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_ (or failing him) \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me / us and my/ our behalf

at the 25th **ANNUAL GENERAL MEETING** of the Company to be held on Friday 23<sup>rd</sup> September, 2011 at 3.00 p.m. at "126", Sitaram Poddar Marg, Fanas Wadi, Mumbai -2, or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

- \* Applicable for investors holding Shares in electronic form.
- \*\* Strike out whichever is not applicable.

Signature \_\_\_\_\_

Affix  
Rs. 1  
Revenue  
Stamp

Note :

The Proxy in order to be effective, should be duly stamped, completed and signed must be deposited at the Registered Office of the Company at Industry House 159, Churchgate Reclamation, Mumbai - 400 020, not less than 48 Hours of before the time for holding the Meeting. The Proxy need not be Member of the Company.