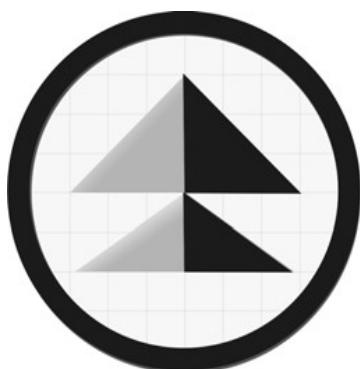




BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED



2021-22

36th Annual Report

BOARD OF DIRECTORS

Mr. Satyanarayana Dahagama	Director
Mr. Abhijeet Bhingarde	Director
Mr. Pritam Dhanawade	Director
Mrs. Minal Pote	Director
Mr. Ramesh Samria	Director

AUDITORS

M/s. Agarwal Jain and Gupta
Chartered Accountants
Head Office: - F-36, Dwarika Tower,
Central Spine, Vidhyadhar Nagar, Jaipur- 302023

BANKER

Bank of Baroda

REGISTERED OFFICE

Industry House 159, 5th Floor
Churchgate reclamation, Mumbai – 4000020
Tel No +91-022-23867498
Web: www.birlacaps.com
Email: ib@birlacaps.com

SHARE LISTING

BSE – Scrip Code - 512332
ISIN – INE776E01027

REGISTRAR & SHARE TRANSFER AGENT (RTA)

M/s. Big Share Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (E), Mumbai – 400 059
Tel:- +91-022-62638204 / +91-7045454394
Fax:- +91-022-28475207

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of **Birla Capital and Financial Services Limited** will be held on Friday, 30th September, 2022 at 3.00 pm through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM") to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement i.e. Balance sheet as at and the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on 31st March, 2022 together with the Reports of Directors and Auditors thereon.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2022, and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

2. Mr. Ramesh Samria, Non-Executive director retires by rotation at the ensuing AGM and eligible for re-appointment

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ramesh Samria who retires by rotation and being eligible offers himself for reappointment, be and is hereby re-appointed as a director of the Company."

3. To Appoint M/s. Agrawal Jain and Gupta, Chartered Accountants, Mumbai as Statutory Auditors of the Company and to fix their remuneration

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Agrawal Jain and Gupta, Chartered Accountants (ICAI Firm Registration No. 013538C), be and are hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of forty first (41st) Annual General Meeting of the Company to be

held in the year 2027 at a remuneration plus applicable taxes and out of pocket expenses to be fixed by the Audit Committee and/or Board of Directors of the Company.

RESOLVED FUTHER THAT any director of the Company be and is hereby authorized to do all acts, all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Director

Place:Mumbai
Date: 12/08/2022

Ramesh Samria
Director
DIN: 08066932

NOTES:

4. Considering the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular 05 May 2022 read together with circulars 05 May 2020, 13 January 2021 (collectively referred to as "MCA Circulars") and Securities Exchange Board of India ("SEBI") vide its Circular No. SEBI/HQ/CFD/CMD2/CIRP/P/2022/62 dated 13 May 2022 and other applicable notifications in this regard have permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue till 31 December 2022. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with.

6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately of any change in their address with Pin code to the Company's Share Transfer Agent M/s. Big share Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059 and to their respective Depository Participants for shares held in electronic form.
8. The Register of Members and share transfer books of the Company will remain closed from Saturday, 24th September, 2022 to Friday, the 30th September, 2022 (both days inclusive).
9. Members who hold the shares in the electronic form are requested to bring their DP Id/ Folio number for easy identification at the meeting.
10. Members are requested to write to the Company at least seven days in advance before the date of the meeting, in case they need any information as regards to the Audited Financial Statements for the year ended 31st March, 2022 to enable us to provide satisfactory reply.

The Annual Report for the year 2021-22 of the Company circulated to the members of the Company will be made available on the Company's website at www.birlacaps.com and also on the website of the stock exchange viz., www.bseindia.com.

11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Voting through electronic means Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015, the Company is pleased to provide members facility to exercise their rights to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

Procedure / Instructions for e-voting are as under:

- (i) The voting period begins on Tuesday, 27th September, 2022 (9:00 a.m.) and ends on Thursday, 29th September, 2022 (5:00p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 23rd September, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy) as recorded in your Demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member ID/Folio No. in the dividend bank details field as mention in instruction v.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy) as recorded in your Demat account or in the company records in order to login.</p> <p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the</p>

	Dividend Bank details field as mentioned in instruction (iv)
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for **Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any,

should be uploaded in PDF format in the system or the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

M/s. Ekata Agrawal & Associates Practicing Company Secretary (C.P. No. 25098) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The result of the e-voting along with the scrutinizer's report shall be placed on the Company's website www.birlacaps.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the Stock Exchange where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice dated 12th August, 2022.

Item No. 3

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. Agrawal Jain and Gupta, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 41th AGM. On the recommendation of the Committee, the Board also recommended for the approval of the Members, the remuneration of M/s. Agrawal Jain and Gupta, for the Financial Year 2022-23 as set out in the Resolution relating to their appointment.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. Agrawal Jain and Gupta, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

M/s. Agrawal Jain and Gupta have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends the Ordinary Resolution set out at item no. 3 for the approval of Members.

By Order of the Board of Directors

**Ramesh Samria
Director
DIN: 08066932**

**Place: Mumbai
Date: 12/08/2022**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 36th Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2022. The financial results of your company are summarized below.

FINANCIAL HIGHLIGHTS:

Particulars	Standalone	
	Year ended 31-03-2022 (Rs.)	Year ended 31-03-2021 (Rs.)
Revenue from Operations	19.00	8.01
Other Income	0.15	3.45
Total Income	19.15	11.46
PBDIT	1.50	(1.64)
Interest and Finance Expenses	0.01	0.02
PBDT	1.49	(1.66)
Depreciation	1.06	1.04
PBT	0.43	(2.70)
Less: Deferred Tax Liability/ (Asset)	0.00	0.00
Profit After Tax (PAT)	5.69	(2.70)
Profit transferred to Reserves	0.00	0.00

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the Current year's classification/ disclosure.

Operating and Financial Performance of the Company:-

During the financial year 2021-22, our Company revenue is Rs. 19.00 Lakhs. Net profit of the Company is Rs. 5.69 Lakhs in 2021-22 as compared to Loss of Rs. 2.70 Lakhs in the corresponding year 2020-21. The financial performance of the Company is adversely impacted due to slowdown in deal completion activities due to difficult economic conditions in larger developed and emerging markets and unfavorable domestic factors marked by persistent inflation, high interest rates, lower growth and weaker investments.

Dividend & Reserves

In view of there being no profits, the directors are unable to recommend dividend for the year under review, nor do they propose to carry any amount to reserves.

Share Capital

The Paid-up Equity Share Capital as on 31st March, 2022 stood at Rs. 9,38,31,264 /-. The Company has not issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

Share Listing

The Equity Shares of the Company continue to remain listed with BSE Limited – Scrip code - 512332.

Meetings of the Board/Committees

- A.** During the year Three Board Meetings were held.

The Meeting were held on the following dates:-			
-	30 th June, 2021	30 th July, 2021	24 th March, 2022
-	-	-	-

Details of Directors attendance at Board Meetings and at the Last Annual General Meeting (AGM) held on September 26, 2019 are given in the following table:

Name of Directors	Board Meeting		Attended Last AGM
	Held During Tenure	Attended	
Mr. Satyanarayana Dahagama	3	3	Yes
Mr. Abhijeet Bhingarde	3	3	Yes
Mr. Pritam Dhanawade	3	3	Yes
Mrs. Minal Pote	3	3	Yes
Mr. Ramesh Samria	3	3	Yes

B. Statutory Board Committees

1. Audit Committee

The Audit Committee met three times during the financial year 2021-22, on the following dates before finalization of annual accounts and adoption of quarterly financial result by the Board:

The Meeting were held on the following dates:-			
-	30 th June, 2021	30 th July, 2021	24 th March, 2022
-	-	-	-

The attendance of each member of the Committee is given below:

Name	Committee Meeting	
	Held During Tenure	Attended
Mr. Satyanarayana Dahagama (Non-Executive Independent)	3	3
Mr. Abhijeet Bhingarde (Non-Executive Independent)	3	3
Mr. Ramesh Samria (Non-Executive Independent)	3	3

2. Nomination & Remuneration Committee

The Nomination & Remuneration Committee met One time during the financial year 2021-22, on the following dates.

30th July, 2021

The attendance of each member of the Committee is given below:

Name	Committee Meeting	
	Held During Tenure	Attended
Mr. Satyanarayana Dahagama (Non-Executive Independent)	1	1
Mr. Abhijeet Bhingarde (Non-Executive Independent)	1	1
Mr. Ramesh Samria (Non-Executive Independent)	1	1

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee met one times during the financial year 2021-22, on the following dates.

30th July, 2021

The attendance of each member of the Committee is given below:

Name	Committee Meeting	
	Held During Tenure	Attended
Mr. Satyanarayana Dahagama (Non-Executive Independent)	1	1
Mr. Abhijeet Bhingarde (Non-Executive Independent)	1	1
Mr. Ramesh Samria (Non-Executive Independent)	1	1

Subsidiaries, Joint Venture and Associates Company

Our Company does not have any Subsidiary, Joint Venture and Associate Companies on the date of this report.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of the Company state as under that:

- a. In the preparation of the annual accounts for the year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b. The selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the financial year ended 31st March, 2022 and the Loss of the Company for the financial year ended 31st March, 2022
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on a 'going concern' basis.
- e. Internal financial controls had been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. Proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance Report

As per Regulation 15(2)(a) of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 Corporate Governance Report is not applicable to your Company. The Paid-up Capital of the Company is less than Rs. 10 Crores and the Net worth is less than Rs. 25 Crores, but still your Company follows Corporate Governance of highest standards.

Company's Policy on Directors Appointment and Remuneration etc.

The Company has prepared a policy on Director's appointment and remuneration pursuant to Section 178 of the Act. The Company has also laid down criteria for determining qualifications, positive attributes and independence of Director.

Formal Annual Evaluation

The Formal Annual Evaluation has been made as follows:

- a. The Company has laid down evaluation criteria separately for Board, Independent Directors, Directors other than Independent Directors and various committees of the Board. The criteria for evaluation of Directors included parameters such as willingness and commitment to fulfill duties, high level of professional ethics, and contribution during meetings and timely disclosure of all the notice/details required under various provisions of laws. Based on such criteria, the evaluation was done in a structured manner through peer consultation & discussion.
- b. Evaluation of the Board was made by a Separate Meeting of Independent Directors, (without attendance of non - Independent Director and members of management).
- c. The performance evaluation of all committees were done by the Board of Directors namely:
 - 1. Audit Committee
 - 2. Nomination and Remuneration Committee

3. Stakeholders Relationship Committee

- d. Performance evaluation of non - Independent Directors was done by Separate meeting of Independent Directors.
- e. Evaluation of Independent Directors was done (excluding the Director who was evaluated) by the Board of Directors of the Company.
- f. In addition, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance as required under Section 178 (2) of Companies Act, 2013.
- g. The Directors expressed their satisfaction with the evaluation process.

Fixed Deposits

As per Section 73 to 76 of the Companies Act, 2013 read with rules made under Chapter V of the Companies Ac, 2013, your Company has not taken any fixed deposits for the year under review. As such, no amount of principal or interest is outstanding as on the Balance Sheet date.

Related Party Transactions

Contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. However, the disclosure of transactions with related party for the year, as per Accounting Standard -18 Related Party Disclosures is given in the Notes of Accounts attached with the Balance Sheet of Statement of Significant Accounting Policies to the Balance Sheet as at 31st March 2022.

Annual Return

The Annual Return is accessible at the given link.

Significant and Material Orders Passed by the Regulators or Courts

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

Auditors

Statutory Auditors

In accordance with Section 139 of the Companies act, 2013, M/s. Agarwal Jain & Gupta, Chartered Accountants, Jaipur, Statutory Auditors of the Company, are appointed by the shareholders of the Company at the ensuing Annual General Meeting (AGM) as Statutory Auditors for a period of five years to hold office until the conclusion of 41th Annual General Meeting of the Company in the calendar year 2027. In accordance with the provisions of

Section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014.

The auditor's Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2022. The statements made by the Auditor's in their report are self – explanatory statement and do not call for any further comments.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed M/s. Ekata Agrawal & Associates Practicing Company Secretary (C.P. No. 25098) as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed and forms as integral part of this Report. Reply to the remarks has been mentioned in the report.

Particulars of Loans, Guarantees and Investments

During the year under review, the Company has not given loans, guarantees or investments under Section 186 of the Companies Act, 2013.

Employees' Safety

The Company is continuously endeavoring to ensure safe working conditions for all its employees.

Particulars of Employees and related disclosures

There were no employees receiving remuneration above the prescribed limit in terms of Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014 during the year ended 31st March, 2022.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.

The particulars relating to energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is not applicable to the Company.

Personnel

Your Directors place on the record their appreciation of the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve the desired results during the period.

Acknowledgements

The Board of Directors wishes to acknowledge the invaluable support extended to the Company by the Government authorities, Members, Bankers, Vendors, Suppliers, Shareholders and Customers during the year under review. The Directors also wish to place

on record their deep sense of appreciation for the committed services by the Company's executives and staff.

Disclosure

The Company belongs to The Yash Birla Group.

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 and employees of the Company.

By order of the Board of Director

Date: 12/08/2022

Place: Mumbai

Ramesh Samria

Director

DIN: 08066932

Minal Umesh Pote

Director

DIN: 07163539

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

BIRLA CAPITAL & FINANCIAL SERVICES LTD

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BIRLA CAPITAL & FINANCIAL SERVICES LTD having CIN **L51900MH1985PLC036156** and having registered office at 159, Industry House, 5th Floor, Churchgate Reclamation, Mumbai, Maharashtra, 400020 (hereinafter referred to as 'the Company') produced before me / us the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary ad explanations furnished to us by the Company and its officers. We hereby certify that all the Directors on the Board of the Company except Mr. Satyanarayana Sharma Dahagama, as stated below for the Financial Year ending on March 31, 2022, have not been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India. Ministry of Corporate Affairs, or any such other Statutory Authority

Sr.No	Name of Director	DIN	Date of appointment in Company
1	MR. SATYANARAYANA SHARMA DAHAGAMA Status: Disqualified by RoC u/s 164(2)	01346189	02/08/2011
2	MR. ABHIJEET NAMDEO BHINGARDE	06376231	10/08/2016
3	MRS. MINAL UMESH POTE	07163539	10/03/2016

4	MR. PRITAM PARSHURAM DHANAWADE	07496528	10/08/2016
5	MR. RAMESH BHURALAL SAMRIA	08066932	06/03/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

For Ekata Agrawal & Associates,
Company Secretaries

Sd/-

Date: 12-08-2022

Ekata Agrawal
A065640D000944254
ACS:65640
COP:25098

:

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

BIRLA CAPITAL & FINANCIAL SERVICES LTD, Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BIRLA CAPITAL & FINANCIAL SERVICES LTD (CIN: L51900MH1985PLC036156) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Authorized Representatives, and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, warranted due to the spread of the COVID-19 pandemic during the conduct of secretarial audit, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March 2022, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under, as applicable.
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[not applicable to the Company during the audit period];**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable to the Company during the audit period];**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable to the Company during the audit period];**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable to the Company during the audit period];** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable to the Company during the audit period];**

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

- (i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India (ICSI) and applicable to the Company for audit period.
- (ii) The Listing Agreements entered by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. The time gap between two consecutive board meetings are more than one hundred and twenty days.
2. The Company has not held minimum four board meetings during the year under review.
3. The Company has not held minimum found Audit Committee meetings during the year under review.

4. The Company has not paid Annual Listing Fees.
5. The Company has not held Annual general meeting for the Financial Year 2019-20 and 2020-21.
6. Further I'm unable to comment on the compliance with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in the absence of any disclosure from the Insiders.

(v) Further the Company has identified following other statutes as mentioned here below:

- (a) Water (Prevention & Control of Pollution) Act, 1974.
- (b) The Air (Prevention & Control of Pollution) Act, 1981

The provisions of which the Company has generally complied with during audit period.

I further report that:

- (a) the Board of Directors of the Company is Constituted comprising of Executive Director, Non-Executive Director, and Independent Directors.
- (b) notices were given to all Directors at least seven days in advance to schedule the Board Meetings, including Meetings of the Committees of the Board. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that:

- (a) as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

(b) during the audit period, there has been no significant event having material implication on the existing business of the Company, requiring approval of the Board.

Place: Mumbai

Date: 12-08-2022

For Ekata Agrawal & Associates,
Company Secretaries

Sd/-

Ekata Agrawal

A065640D000944331

ACS:65640

COP:25098

*Note: This Report is to be read with our letter of even date which is annexed as Annexure A and
Forms an integral part of this Report.*

'Annexure A to Secretarial Audit Report 21-22'

To,
The Members,
BIRLA CAPITAL & FINANCIAL SERVICES LTD, Mumbai

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

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

Place: Mumbai

Date: 12-08-2022

For Ekata Agrawal & Associates,
Company Secretaries
Sd/-
Ekata Agrawal
ACS:65640
COP:25098

INDEPENDENT AUDITOR'S REPORT

To the Members of
BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

Opinion

We have audited the financial statements of **BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its profit/loss and its cash flows for the year ended on that date,

- a) In the case of the balance sheet, of the state of affairs of the company as at March 31, 2022
- b) In the case of the Profit and Loss Account, of the profit for the period ended on that date and
- c) In the case of cash flow statement, for the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Accounting Standards (AS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matters
1. Company not having full time company secretary As per section 203 of the Companies Act,	Company not having full time company secretary as per section 203 of the Companies Act. As per explanation given by the management, they are in the process to appoint the company secretary.
2. <i>Company name in the list of shell companies (Vide SEBI on its letter bearing no. SEBI /HO/ISD/OW/P/2017/18183 dated August 7, 2017)</i>	<ul style="list-style-type: none"> • <i>We draw attention that company name in the list of shell companies (Vide SEBI on its letter bearing no. SEBI /HO/ISD/OW/P/2017/18183 dated August 7, 2017). Exchanges shall initiate a process of verifying the credentials / fundamentals of the company. Exchanges shall appoint an independent auditor to conduct audit of such listed company and if necessary, even conduct forensic audit of these company to verify its credentials/fundamentals</i> • <i>On verification, if Exchanges do not find appropriate credentials / fundamentals about existence of the company, Exchanges shall initiate the proceeding for compulsory delisting against the company, and the said company shall not be permitted to deal in any security on exchange platform and its holding in any depository account shall be frozen till such delisting process is completed Our opinion is not qualified in respect of this matter.</i>
3. <i>Provision for doubtful loans and advances</i>	<ul style="list-style-type: none"> • <i>Company provides Provision for Doubtful Advances of Rs 532.30.18 Lacs. These</i>

	<p><i>advances have been given to the company shareholder, Nireved Traders Private Limited 280.16 Lacs and Shearson Investment and trading company private limited 252.12. We are not giving any comment on the same. Said provision was made as per the management opinion.</i></p> <ul style="list-style-type: none"> • <i>During the year company recovered of Rs 2.20 Lacs from these parties. We are not giving any comment on the same</i>
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Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. No dividend have been declared or paid during the year by the company.

For AGRAWAL JAIN & GUPTA

Chartered Accountants

Firm Reg. No. 013538C

CA NARAYAN PRASAD SWAMI

Partner

Membership No. 409759

UDIN: 22409759AJVZOB1964

Date: 30th May, 2022

Place: Mumbai

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.

We report that:

- (i)** (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) As explained to us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, company not having any immovable properties. Clause is not applicable.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)** (a) As explained to us, company in service industry and not having any Inventory therefore this clause is not applicable.
- (b) The company has not sanctioned any working capital Loans therefore this clause not applicable.
- (iii)** (a) During the year the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (b) According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not *prima facie* prejudicial to the company's interest;
- (c) There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.

- (d) Since the term of arrangement do not stipulate any repayment schedule, we are unable to comment whether the amount is overdue or not. Clause is not applicable.
- (e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties except following:

S/ no.	Name of Company	Opening Balance	Given	Repaid/A djusted	Closing Balance
1.	Nirved Traders Pvt Ltd	280.16	NIL	NIL	280.16
2.	Shearson Investments Trading Co Pvt Ltd	252.12	2.20	2.20	252.12

Company provides Provision for Doubtful Advances (including the accrued interest) of Rs 532.30 Lacs. These advances have been given to the company shareholder, Nireved Traders Private Limited 280.16 Lacs and Shearson Investment and trading company private limited 252.12. we are not giving any comment on the same.

- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non-charging of interest on the loan.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2022 for a period of more than six months from the date they became payable.

Nature of Statues	Nature of Dues	Amount	Period for which amount related	Remark
Service Tax	Service Tax	2.33 Lacs	F.Y. 2014-15	Service tax not included interest on the same.

- (b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where Dispute is Pending
Income tax Act- 1961	Income Tax	63.25 Lacs	A.Y. 2011-12	CIT (A) Mumbai

(viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, except for:
- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by

the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- (x)** (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi)** (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii)** The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii)** According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements,
- (xiv)** (a) In our opinion and based on our examination, the company does not require to have an internal audit system.
- (xv)** On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi)** (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
(b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,
(c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.
- (xvii)** Based on our examination, the company has not incurred cash losses in

the financial year and in the immediately preceding financial year.

- (xviii)** There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix)** On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx)** Based on our examination, the provision of section 135 are not applicable on the company. Hence this clause is not applicable on the company.
- (xxi)** The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For AGRAWAL JAIN & GUPTA
Chartered Accountants
Firm Reg. No. 013538C

CA NARAYAN PRASAD SWAMI
Partner
Membership No. 409759
UDIN: 22409759AJVZOB1964
Date: 30th May, 2022
Place: Mumbai

Annexure 'B'

Report on Internal Financial Controls with reference to financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be

prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**For AGRAWAL JAIN & GUPTA
Chartered Accountants
Firm Reg. No. 013538C**

CA NARAYAN PRASAD SWAMI
Partner
Membership No. 409759
UDIN: 22409759AJVZOB1964
Date: 25th May, 2022
Place: Mumbai

<p style="text-align: center;">Birla Capital and Financial Services Limited Statement of Profit and Loss for year ended 31 March 2022 <i>(All amounts are in INR in lakhs, unless otherwise stated)</i></p>			
Particulars	Notes	For the year ending 31 March, 2022	For the year ending 31 March, 2021
Income			
Revenue from operations	12	19.00	8.01
Other income	13	0.15	3.45
Total Income		19.15	11.46
Expenses			
Cost of Operation	14	-	-
Employee benefits expense	15	4.50	0.57
Finance costs	16	0.01	0.02
Depreciation and amortisation expense	17	1.06	1.04
Other expenses	18	13.15	12.51
Total expenses		18.72	14.15
(Loss)/ Profit before exceptional and tax		0.43	(2.70)
Exceptional items		-	
Loss before tax		0.43	(2.70)
Tax expense:			
Current tax		-	-
Deferred tax Charge/ (Credit)		(5.26)	-
Loss for the year from continuing operations		5.69	(2.70)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Total Comprehensive loss for the year		5.69	(2.70)
Earnings per equity share: [Nominal Value per share: Rs.10 (2019: Rs.2)]	19		
-Basic		0.01	(0.01)
-Diluted		0.01	(0.01)
Corporate information and summary of significant accounting policies		1 & 2	
The accompanying notes form an integral part of the financial statements			
As per our report of even date			
FOR AGRAWAL JAIN & GUPTA CHARTERED ACCOUNTANTS Firm Reg. No.: 013538C		For and on behalf of the Board of Directors FOR BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED	
CA Narayan Prasad Swami Partner Membership No. : 409759 UDIN: 22409759AJVZOB1964		Minal Umesh Pote Director DIN: 07163539	Ramesh B Samria Director DIN: 08066932
PLACE: MUMBAI 30th May, 2022			

Birla Capital and Financial Services Limited
Statement of Balance Sheet as at March 31, 2022
(All amounts are in INR in lakhs, unless otherwise stated)

Particulars	Notes No.	As at 31-March- 2022	As at 31-March- 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	3.71	4.36
Total		3.71	4.36
Deferred Tax Assets		5.26	-
Current assets			
Financial assets			
Trade receivables	4	1.30	-
Cash and cash equivalents	5	1.06	1.33
Loan & Advances	6	-	-
Other current assets	7	17.08	15.98
		24.70	17.31
TOTAL ASSETS		28.41	21.67
EQUITY & LIABILITIES			
Equity			
Equity Share Capital	8A	938.31	938.31
Other equity	8B	(919.51)	(925.20)
Total		18.80	13.11
LIABILITIES			
Current Liabilities			
Financial liabilities			
Trade Payable	9	3.26	1.92
Other financial liabilities	10	4.41	4.40
Other current liabilities	11	1.94	2.24
Total		9.61	8.56
Total Equity and Liabilities		28.41	21.67
Difference Corporate information and summary of significant Accounting Policies		1 & 2	
The accompanying notes form an integral part of the financial statements			
As per our report of even date			
For and on behalf of the Board of Directors			
FOR AGRAWAL JAIN & GUPTA		FOR BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED	
CHARTERED ACCOUNTANTS			
Firm Reg. No.: 013538C			
CA Narayan Prasad Swami		Minal Umesh Pote	
Partner		Director	
Membership No. : 409759		DIN: 07163539	
UDIN: 22409759AJVZOB1964			
Ramesh B Samria			
PLACE: MUMBAI		Director	
30th May, 2022		DIN: 08066932	

Birla Capital and Financial Services Limited
Statement of cash flows for the year ended March 31, 2022
(All amounts are in INR in lakhs, unless otherwise stated)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Cash flow from operating activities		
Profit/(Loss) Before Tax	0.43	(2.70)
Adjustment for:		
Depreciation	1.06	1.04
Fair value gain of Investments		
Operating Profit Before Working Capital changes	1.49	(1.66)
Adjustment for:		
(Increase)/Decrease in Trade Receivable	(1.30)	-
(Increase)/Decrease in short term loans & advance	-	-
(Increase)/Decrease in Other Current Assets	(1.10)	(0.80)
Increase / (Decrease) in Trade Payables	1.33	(0.12)
Increase / (Decrease) in Other Financial Liabilities	0.01	3.32
Increase / (Decrease) in Current Liabilities	(0.29)	0.15
Sub Total of working capital adjustments	(1.35)	2.55
Cash Generated from Operations	0.14	0.89
Direct Taxes paid	-	
Exceptional Items	-	-
Net cash from operating activities (A)	0.14	0.89
Cash flow from investing activities		
Purchase of Fixed Assets	(0.41)	-
Investment made	-	-
Net cash from /(in used) in investing activities(B)	(0.41)	-
Cash flow from financing activities		
Repayment of Borrowings	-	-
Net cash flow from financing activities ('C)	-	-
Net increase in Cash and Cash equivalent (A+B+C)	(0.27)	0.89
Cash & Cash equivalent at the beginning of the year	1.33	0.44
Cash & Cash equivalent at the end of the year	1.07	1.33
Components of Cash and Cash equivalent		
Cash on Hand	0.01	1.02
With Banks-		
On current account	1.05	0.32
On deposit account	-	-
Total	1.07	1.33
	0.00	0.00

As per our report of even date

FOR AGRAWAL JAIN & GUPTA
CHARTERED ACCOUNTANTS
Firm Reg. No.: 013538C

For and on behalf of the Board of Directors

FOR BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

CA Narayan Prasad Swami
Partner
Membership No. : 409759
UDIN: 22409759AJVZOB1964

Minal Umesh Pote
Director
DIN: 07163539

Ramesh B Samria
Director
DIN: 08066932

PLACE: MUMBAI
30th May, 2022

Birla Capital and Financial Services Limited
Statement of changes in equity for the year ended 31 March 2022
(All amounts are in INR in lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number	Amount
Balance at the beginning of the year - As at 01 April 2020	4,69,15,632	938.31
Changes in equity share capital during the F.Y. 2020-21	-	-
Balance at the end of the year 31 March 2021	4,69,15,632	938.31
Changes in equity share capital during the F.Y. 2021-22		
Balance at the end of the year 31 March 2022	4,69,15,632	938.31

B. Other Equity

Particulars	Reserves & Surplus		Total other equity
	Securities premium reserve	Retained Earnings	
Balance at the beginning of the reporting period - 01 April 2020	39.52	(959.63)	(920.11)
Profit for the financial year 2020-21		(2.70)	(2.70)
Balance at the end of the reporting period 31 March 2021	39.52	(962.32)	(922.80)
Profit for the financial year 2021-22		5.69	5.69
Balance at the end of the reporting period 31 March 2022	39.52	(956.63)	(917.11)

Corporate information and significant accounting policies **1&2**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors
FOR BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

FOR AGRAWAL JAIN & GUPTA
CHARTERED ACCOUNTANTS
Firm Reg. No.: 013538C

CA Narayan Prasad Swami
Partner
Membership No.: 409759
UDIN: 22409759AJVZOB1964

Minal Umesh Pote
Director
DIN: 07163539

Ramesh B Samria
Director
DIN: 08066932

PLACE: MUMBAI
30th May, 2022

Birla Capital and Financial Services Limited

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in INR in lakhs, unless otherwise stated)

Note 3: Property, plant & equipment

Particulars	Computer & Peripherals	Plant & Machinery	Furniture & Fixture	Total
Gross block				
Deemed cost as at 1 April 2020	2.95	0.72	8.54	12.21
Addition	-	-	-	-
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2021	2.95	0.72	8.54	12.21
Addition	-	-	0.41	0.41
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2022	2.95	0.72	8.94	12.61
Accumulated Depreciation				
Balance as at 1 April 2020	2.14	0.50	4.16	6.81
Depreciation charge	-	-	1.04	1.04
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2021	2.14	0.50	5.20	7.85
Depreciation charge	-	-	1.06	1.06
Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2022	2.14	0.50	6.26	8.91
Net block				
Balance as at 01 April 2020	0.80	0.22	4.38	5.40
Balance as at 31 March 2021	0.80	0.22	3.34	4.36
Balance as at 31 March 2022	0.80	0.22	2.69	3.71

Birla Capital and Financial Services Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in INR in lakhs, unless otherwise stated)

4. Financial asset -Current (measured at amortized cost)

Particulars	As at 31-March-2022	As at 31-March-2021
Trade receivables		-
b) Doubtful-More than 6 Months	-	-
a) Unsecured, Considered Good :	1.30	-
Total	1.30	-

Trade Receivables ageing schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables -Considered Good	1.30					1.30
(ii) Undisputed Trade Receivables -Considered Doubtful						-
(iii) Disputed Trade Receivables Considered Good						-
(iv) Disputed Trade Receivables Considered Doubtful						-
Total	1.30		-	-	-	1.30

Trade Receivables ageing schedule as at 31st March,2021

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 Years	
(i) Undisputed Trade Receivables -Considered Good						-
(ii) Undisputed Trade receivables -Considered Doubtful						-
(iii) Disputed Trade Receivables Considered Good						-
(iv) Disputed Trade Receivables Considered Doubtful						-
Total	-	-	-	-	-	-

5. Cash and Cash Equivalent

Particulars	As at 31-March-2022	As at 31-March-2021
Balances with Banks in Current Account:	1.05	0.32
Cash on hand	0.01	1.02
Total	1.06	1.33

6. Loans (Unsecured, considered good)

Particulars	As at 31-March-2022	As at 31-March-2021
Advances given to related parties	532.30	532.30
Provision for Doubtful Advances	(532.30)	(532.30)
Total	-	-

7. Other Current Assets

Particulars	As at 31-March-2022	As at 31-March-2021
TDS and Advance Income Tax	17.08	15.98
Total	17.08	15.98

Birla Capital and Financial Services Limited
 Notes to the financial statements for the year ended March 31, 2022
 (All amounts are in INR in lakhs, unless otherwise stated)

8A. Equity Share Capital

Particulars	As at 31-March-2022	As at 31-March-2021
Authorised capital		
7,50,00,000 (March 31, 2019 : 7,50,00,000, April 1, 2018 : 7,50,00,000)	1,500.00	1,500.00
Equity Shares of Rs. 2/- each	1,500.00	1,500.00
Issued & Subscribed & Paid Up Capital		
4,69,15,632 (March 31, 2021 : 4,69,15,632, March 31, 2020 : 4,69,15,632)		
Equity Shares of Rs. 2/- each	938.31	938.31
Total	938.31	938.31

Details of shareholders holding more than 5% shares in the company

Name of share holders	Number & % of holding	Number & % of holding
Godavari Corporation Private Limited	73,80,844 (15.73%)	73,80,844 (15.73%)
Shearson Investments Trading Co Pvt Ltd.	86,70,900 (18.48%)	86,70,900 (18.48%)
Nirved Traders Pvt. Ltd	54,95,000 (11.71%)	54,95,000 (11.71%)
KGR Securities Private Limited	65,55,236 (13.97%)	65,55,236 (13.97%)

Terms & Conditions attached to equity shares:

The Company has only one class of equity shares having par value of Rs 2/- per share. Each holder of equity shares having par value of Rs 10/- per equity share is entitled to one vote per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by promoters at the end of the year 31st March 2022			% Change during the year***
Promoter Name	No. of Shares**	% of total shares**	
			0.00%
			0.00%
			0.00%
			0.00%
Total	-	0.00%	0.00%

** Details shall be given separately for each class of shares

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.]

Shares held by promoters at the end of the year 31st March 2022			% Change during the year***
Promoter Name	No. of Shares**	% of total shares**	
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%
Total	-	0.00%	0.00%

8B. Other Equity

Particulars	As at 31-March-2022	As at 31-March-2021
a) Security Premium Reserve	39.52	39.52
Other Comprehensive Income - Employee Benefits	39.52	39.52
b) Retained Earnings - Opening	(964.73)	(962.03)
Addition during the year	5.69	(2.70)
Closing	(959.03)	(964.73)
Total (a)+(b)	(919.51)	(925.20)

Birla Capital and Financial Services Limited
 Notes to the financial statements for the year ended March 31, 2022
 (All amounts are in INR in lakhs, unless otherwise stated)

9. Trade Payables (Measured at amortized cost)

Particulars	As at 31-March-2022	As at 31-March-2021
Payable for expenses	3.26	1.92
Total	3.26	1.92

Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	3.26	-	-	-	3.26
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	3.26	-	-	-	3.26

Trade Payables ageing schedule: As at 31st March 2021

Particulars	Outstanding for following periods from due date of Payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	1.92	-	-	-	1.92
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	1.92	-	-	-	1.92

10. Other financial liabilities

Particulars	As at 31-March-2022	As at 31-March-2021
Salary payable	-	-
Other liabilities	4.41	4.40
Total	4.41	4.40

11. Other current liabilities

Particulars	As at 31-March-2022	As at 31-March-2021
Profession Tax - Employee	0.05	0.05
GST Payable	1.21	1.21
TDS payable	0.68	0.98
Total	1.94	2.24

Birla Capital and Financial Services Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in INR in lakhs, unless otherwise stated)

12. Income from operation

Particulars	31-03-2022	31-Mar-21
Income from operation	19.00	8.01
Total	19.00	8.01

13. Other income

Particulars	31-03-2022	31-Mar-21
Other income	0.15	3.45
Provision for Doubtful Advances	-	-
Total	0.15	3.45

14. Cost of Operations

Particulars	31-03-2022	31-Mar-21
Cost of Operations	-	-
Total	-	-

15. Employee benefit expense

Particulars	31-03-2022	31-Mar-21
Salaries and wages	3.32	0.57
Staff welfare	1.18	-
Total	4.50	0.57

16. Finance cost

Particulars	31-03-2022	31-Mar-21
Bank charges	0.01	0.02
Total	0.01	0.02

17. Depreciation and Amortisation Expenses

Particulars	31-03-2022	31-Mar-21
Depreciation & amortisation expense	1.06	1.04
Total	1.06	1.04

18. Other Expenses

Particulars	31-03-2022	31-Mar-21
Communication costs	0.30	0.00
Printing & Stationery Expenses	1.50	0.18
Advertisement & Publicity	1.32	-
Provision for Doubtful advances	(2.20)	
Repairs and Maintenance expenses	1.64	-
Travelling and conveyance	2.74	0.11
Legal and professional fees	4.25	6.07
Interest On T.D.S	0.01	
Listing fees CDSL / NSDL	2.93	5.25

Auditors Remuneration

Statutory Audit Fees	0.60	0.59
Filing Fees	0.06	0.31
Other expenses	-	0.01
Total	13.16	12.51

Birla Capital and Financial Services Limited
Notes to the financial statements for the year ended March 31, 2022
~~(All amounts are in INR in lakhs, unless otherwise stated)~~

19 Income tax

Income tax expense in the statement of profit and loss consists of:

Statement of profit or loss	For the year ended	
	March 31, 2022	March 31, 2021
Current income tax:		
In respect of the current period	-	-
Deferred tax		
In respect of the current period (credit)	(5.26)	-
Income tax expense reported in the statement of profit or loss	(5.26)	-

Income tax recognised in other comprehensive income

- Deferred tax arising on income and expense recognised in other comprehensive income

Total

(5.26)

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the year ended	
	March 31, 2022	March 31, 2021
Loss before tax	0.43	(2.70)
Enacted income tax rate in India	25.75%	30.90%
Computed expected tax expense	0.11	(0.83)
Effect of:		
Loss on which deferred tax asset not recognized	(0.11)	0.83
Expenses disallowed for tax purpose		
Others		
Total income tax expense (credit)	-	-

Deferred tax

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	As at	For the year ended	March 31, 2022	March 31, 2021
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Property, plant and equipment	3.71	4.36	(0.65)	(1.04)
Net deferred tax (charge)			(0.65)	(1.04)
Net deferred tax assets/ (liabilities)	3.71	4.36		

Birla Capital and Financial Services Limited
Notes to the financial statements for the year ended March 31, 2022
(All amounts are in INR in lakhs, unless otherwise stated)

Financial instruments

The carrying value and fair value of financial instruments by categories are as below:

	Carrying value	
	March 31, 2022	March 31, 2021
Financial assets		
Fair value through profit and loss		
Investment in equity shares (*)	-	-
Amortised cost		
Loans and advances (^)	-	-
Security deposit (^)	-	-
Trade receivable (^)	1.30	-
Cash and cash equivalents (^)	1.06	1.33
Advances given to related parties (^)	532.30	532.30
Others advances (^)	(532.30)	(532.30)
Total assets	2.36	1.33
Financial liabilities		
Amortised cost		
Borrowings (^)	-	-
Trade and other payables (^)	3.26	1.92
Other financial liabilities (^)	4.41	4.40
Total liabilities	7.67	6.33

Fair value hierarchy

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

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

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

(*) The fair value of these investment in equity shares are calculated based on discounted cash flow approach for un-quoted market instruments which are classified as level III fair value hierarchy.

(^) The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature. Accordingly, these are classified as level 3 of fair value hierarchy.

Birla Capital and Financial Services Limited
Notes to the standalone financial statements for the year ended March 31, 2022
_(All amounts in INR lakhs, unless otherwise stated)

21 Financial risk management

The Company has exposure to following risks arising from financial instruments:-

- Credit risk
- Market risk
- Liquidity risk

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) from its financing activities including deposits with banks and investment in quoted and un-quoted equity instruments.

i) Trade and other receivables:

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Expected credit loss (ECL) assessment for corporate customers as at 31 March 2021 and 31 March 2022

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (including but not limited to past payment history, security by way of deposits, external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement.

ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent is limited as (including bank balances, fixed deposits and margin money with banks) the Company generally transacts with banks with high credit ratings assigned by international and domestic credit rating agencies.

(c) Market Risk

Equity price risk

The Company is exposed to equity price risk from investments in equity securities measured at fair value through profit and loss. The Management monitors the proportion of equity securities in its investment portfolio based on market indices and based on company performance for un-quoted equity instruments. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors. Further, major investments in un-quoted equity instruments are strategic in nature and hence invested for long-term purpose.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its short term borrowings in nature of working capital loans, which carry floating interest rates. Accordingly, the Company's risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

(d) Liquidity Risk

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its non-derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Carrying value	Contractual cash flows		
		Total	On demand	< 1 Yr
31 March 2022				
Borrowings	-	-	0	-
Trade and other payables	3.26	3.26	3.26	-
Other financial liabilities	4.41	4.41	4.41	-
	7.67	7.67	7.67	-
31 March 2021				
Borrowings	-	-	-	-
Trade and other payables	1.92	1.92	1.92	-
Other financial liabilities	4.40	4.63	4.63	-
	6.33	6.55	6.55	-

22 Capital management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value. The Capital Management focusses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company's adjusted net debt to equity ratio is analysed as follows:

Particulars	31 March 2022	31 March 2021
Total equity (A)	18.80	13.11
Total borrowings (B)	-	-
Total capital (C)= (A)+(B)	18.80	13.11
Total loans and borrowings as a percentage of total capital (B/C)	0.00%	0.00%
Total equity as a percentage of total capital (A/C)	100.00%	100.00%