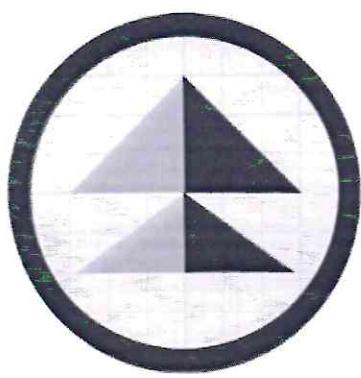




**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**



**2022-23**

**37<sup>th</sup> Annual Report**

## **BOARD OF DIRECTORS**

Mr. Satyanarayana Dahagama	Director
Mr. Abhijeet Bhingarde	Director
Mrs. Minal Pote	Director
Mr. Ramesh Samria	Director
Mr. Sandeepkumar Surendra Gupta	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, 5<sup>th</sup> Floor  
Churchgate reclamation, Mumbai – 4000020  
Tel No +91-022-23867498  
Web: [www.birlacaps.com](http://www.birlacaps.com)  
Email: [info@birlainternational.net](mailto:info@birlainternational.net)

## **SHARE LISTING**

BSE – Scrip Code - 512332  
ISIN – INE776E01027

## **REGISTRAR & SHARE TRANSFER AGENT (RTA)**

M/s. Big Share Services Private Limited  
1<sup>st</sup> 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

# **BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

23, Birla Mansion No. 2, 1st Floor, 1st Floor, D. D. Sathe Marg,  
Prathna Samaj, Mumbai - 4. Tel. : 2386 7498 / 2387 6489  
Fax : 2385 8269 • E-mail : [info@birlainternational.net](mailto:info@birlainternational.net)  
CIN : L51900MH1985PLC 036156

## **NOTICE**

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of Birla Capital and Financial Services Limited will be held on Saturday, 30<sup>th</sup> September, 2023 at 12:00 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 31<sup>st</sup> March, 2023 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 2023, 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. Satyanarayana Dahagama, 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. Satyanarayana Dahagama 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**

Sd/-

Place:Mumbai  
Date: 12/08/20223

Minal Umesh Pote  
Director  
DIN: 07163539

**NOTES:**

1. The Ministry of Corporate Affairs ('MCA') vide its circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021 and 2/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and the Securities and Exchange Board of India ('SEBI') vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020,

SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 ("SEBI Circulars") has permitted holding of the Annual General Meeting through VC / OAVM, without the physical presence of Members at a common venue. Further, SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated May 13, 2022 (Collectively referred as "SEBI Circulars") has granted relaxation in respect of sending physical copies of the Annual Report.

2. 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.
3. 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.
4. 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., PINNACLE BUSINESS PARK, Office No S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai, Maharashtra - 400093 and to their respective Depository Participants for shares held in electronic form.
5. The Register of Members and share transfer books of the Company will remain closed from Saturday, 23<sup>rd</sup> September, 2023 to Saturday, the 30<sup>th</sup> September, 2023 (both days inclusive).
6. Members who hold the shares in the electronic form are requested to bring their DP Id/ Folio number for easy identification at the meeting.
7. 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 31<sup>st</sup> March, 2023 to enable us to provide satisfactory reply.

The Annual Report for the year 2022-23 of the Company circulated to the members of the Company will be made available on the Company's website at [www.birlacaps.com](http://www.birlacaps.com) and also on the website of the stock exchange viz., [www.bseindia.com](http://www.bseindia.com).

8. 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.
9. 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 Wednesday, 26<sup>th</sup> September, 2023 (9:00 a.m.) and ends on Friday, 29<sup>th</sup> 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 Saturday, 23<sup>rd</sup> September, 2023, 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](http://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](http://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"> <li>• 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.</li> </ul> <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	Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy) as recorded in your Demat account or in the

Details OR Date of Birth (DOB)	company records in order to login. 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.
Dividend Bank Details	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. Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio. 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 Dividend Bank details field as mentioned in instruction (iv)

- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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 2023-24 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**

**MINAL UMESH POTE**  
**Director**  
**DIN: 07163539**

**Place: Mumbai**  
**Date: 12/08/2023**

# BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

23, Birla Mansion No. 2, 1st Floor, 1st Floor, D. D. Sathe Marg,  
Prathna Samaj, Mumbai - 4. Tel. : 2386 7498 / 2387 6489  
Fax : 2385 8269 • E-mail : info@birlainternational.net  
CIN : L51900MH1985PLC 036156

## DIRECTORS' REPORT

Dear Shareholders,  
Your Directors have pleasure in presenting their 37<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2023. The financial results of your company are summarized below.

### FINANCIAL HIGHLIGHTS:

Particulars	Standalone	
	Year ended 31-03-2023 (Rs.)	Year ended 31-03-2022 (Rs.)
Revenue from Operations	12.00	19.00
Other Income	4.16	0.15
Total Income	16.16	19.15
PBDIT	2.70	1.50
Interest and Finance Expenses	0.01	0.01
PBDT	0.69	1.49
Depreciation	1.06	1.06
PBT	-0.37	0.43
Less: Deferred Tax Liability/(Asset)	0.00	0.00
Profit After Tax (PAT)	3.54	5.69
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 2022-23, our Company revenue is Rs. 12.00 Lakhs. Net profit of the Company is Rs. 1.91 Lakhs in 2022-23 as compared to profit of Rs.5.69 Lakhs in the corresponding year 2021-22. 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 31<sup>st</sup> March, 2023 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 <sup>th</sup> May,2022	8 <sup>th</sup> September, 2022	12 <sup>th</sup> August, 2022	14 <sup>th</sup> November, 2022
12 <sup>th</sup> October,2023	14 <sup>th</sup> February,2023	-	-

Details of Directors attendance at Board Meetings and at the Last Annual General Meeting (AGM) held on September 30, 2022 are given in the following table:

Name of Directors	Board Meeting		Attended Last AGM
	Held During Tenure	Attended	
Mr.Satyanarayana Dahagama	6	6	Yes
Mr. Abhijeet Bhingarde	6	6	Yes
Mr. Pritam Dhanawade	5	5	Yes
Mrs. Minal Pote	6	6	Yes
Mr. Ramesh Samria	6	6	Yes
Mr.Pritam Dhanawade	1	1	No

### **B. Statutory Board Committees**

#### **1. Audit Committee**

The Audit Committee met three times during the financial year 2022-23, 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 <sup>th</sup> May, 2022	12 <sup>th</sup> August , 2022	8 <sup>th</sup> September, 2022	14 <sup>th</sup> November,2022
12 <sup>th</sup> October,2023	14 <sup>th</sup> February,2023	-	-

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

Name	Committee Meeting	
	Held During Tenure	Attended
Mr. Satyanarayana Dahagama (Non-Executive Independent)	6	6
Mr. Abhijeet Bhingarde	6	6

(Non-Executive Independent)		
Mr. Ramesh Samria	6	6
(Non-Executive Independent)		

## 2. Nomination & Remuneration Committee

The Nomination & Remuneration Committee met One time during the financial year 2022-23, on the following dates.

12<sup>th</sup> August, 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)	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 2022-23, on the following dates.

12th August, 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)	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, 2023, 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, 2023 and the Loss of the Company for the financial year ended 31st March, 2023
- 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 2023.

### **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 31<sup>st</sup> March, 2023. 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 31<sup>st</sup> March, 2023.

### **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: 12/08/2023  
Place: Mumbai

Sd/-  
Ramesh Samria  
Director  
DIN: 08066932

Sd/-  
Minal Umesh Pote  
Director  
DIN: 07163539





# Ekata Agrawal & Associates

## Company Secretaries

**Office Add.:** C/o Saawariya Tower, 1<sup>st</sup> Floor, SRIT Colony, Budharaja,

**City:** Sambalpur, **Pincode:** 768 004, **State:** Odisha, **Country:** India.

**Email Id:** csekataagrawal@gmail.com | **Cont. No.:** +91 – 94390 72151

**Peer Review No.:** 2129/2022

FORM No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

(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 **31<sup>st</sup> March, 2023** 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 2023, 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.



# Ekata Agrawal & Associates

## Company Secretaries

**Office Add.:** C/o Saawariya Tower, 1<sup>st</sup> Floor, SRIT Colony, Budharaja,

**City:** Sambalpur, **Pincode:** 768 004, **State:** Odisha, **Country:** India.

**Email Id:** csekataagrawal@gmail.com | **Cont. No.:** +91 – 94390 72151

**Peer Review No.:** 2129/2022

(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:



# Ekata Agrawal & Associates

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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.



# Ekata Agrawal & Associates

## Company Secretaries

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- (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

**For Ekata Agrawal & Associates,**  
**Company Secretaries**

Date: 08-09-2023

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**Ekata Agrawal**

**ACS: 65640 CoP: 25098**

UDIN issued by the ICSI: A065640E000973338

*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.*



# Ekata Agrawal & Associates

## Company Secretaries

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'Annexure A to Secretarial Audit Report 22-23'

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.



# Ekata Agrawal & Associates

## Company Secretaries

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**Peer Review No.:** 2129/2022

**For Ekata Agrawal & Associates,**

Place: Mumbai

**Company Secretaries**

Date: 08-09-2023

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**Ekata Agrawal**

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**Peer Review No.:** 2129/2022

### 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](http://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, 2023, 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: Deactivated due to non-filing of DIR-3 KYC	01346189	02/08/2011
2	MR. ABHIJEET NAMDEO BHINGARDE  Status: Deactivated due to non-filing of DIR-3 KYC	06376231	10/08/2016
3	MRS. MINAL UMESH POTE	07163539	10/03/2016



# Ekata Agrawal & Associates

## Company Secretaries

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**Peer Review No.:** 2129/2022

4	MR. RAMESH BHURALAL SAMRIA	08066932	06/03/2018
5	SANDEEPKUMAR SURENDRA GUPTA	08403308	12/10/2022

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**

Date: 08-09-2023

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by EKATA  
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Date: 2023.09.08  
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**Ekata Agrawal**  
**ACS: 65640 CoP: 25098**  
UDIN issued by the ICSI:  
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**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 2023, 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, 2023, 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, 2023
- 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"> <li>• 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</li> <li>• 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.</li> </ul>
3. <i>Provision for doubtful loans and advances</i>	<ul style="list-style-type: none"> <li>• Company provides Provision for Doubtful Advances 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. Said provision was made as per the management opinion.</li> <li>• During the year company recovered of Rs 2.20 Lacs from these parties. We are not giving any comment on the same</li> </ul>

### **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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 Sarwan Kumar Prajapati**  
Partner  
Membership No. 199969  
UDIN: 23199969BGTBSZ3798  
Date: 30<sup>th</sup> May, 2023  
Place: Mumbai



**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/n o.	Name of Company	Opening Balance	Given	Repaid/Ad justed	Closin g Balan ce
1.	Nirved Traders Pvt Ltd	280.16	NIL	NIL	280.16
2.	Shearson Investments Trading Co Pvt Ltd	252.12	8.90	8.90	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, 2023 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
Income tax	TDS	2.23 Lacs	A.Y. 2020-21 to 2022-23 and prior years	Rectification filing pending
Income tax Act-1961	Income Tax	116.49 Lacs	A.Y. 1996-97	Settlement done in settlement commission but effect is pending.
Income tax Act-1961	Income Tax	94.00 Lacs	A.Y. 1998-99	
Income tax Act-1961	Income Tax	91.35 Lacs	A.Y. 1996-97	

**(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 Sarwan Kumar Prajapati**  
Partner  
Membership No. 199969  
UDIN: 23199969BGTBSZ3798  
Date: 30<sup>th</sup> May, 2023  
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, 2023 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, 2023, 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 Sarwan Kumar Prajapati**  
Partner  
Membership No. 199969  
UDIN: 23199969BGTBSZ3798  
Date: 30<sup>th</sup> May, 2023  
Place: Mumbai

## **NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **1) CORPORATE INFORMATION:**

**Birla Capital and Financial Services Limited** is a company Limited by Shares incorporated on 07<sup>th</sup> May, 1985. It is classified as non-govt company and is registered at Registrar of Companies, Mumbai. Its authorized share capital is Rs. 15,00,00,000 and its paid-up capital is Rs. 9,38,31,000. Birla Capital and Financial Services Limited Corporate Identification Number is (CIN) L51900MH1985PLC036156. Its registered address is 5<sup>th</sup> Floor, 159, Industry House Churchgate, Reclamation, Mumbai, Maharashtra-400 020.

### **2) SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the company have been prepared under historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act 2013 and comply in all material aspects with the Indian Accounting Standards (hereinafter referred as to 'Ind. AS') as notified by ministry of corporate affairs in pursuant to section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016.

The accounting policies have been consistently applied unless otherwise stated. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Act 2013. The Company considers 12 months to be its normal operating cycle for the purpose of current or non-current classification of assets and liabilities.

#### **2.2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Use of Estimates**

The preparation of financial statements in conformity with Generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

##### **b) Fixed Assets:**

Tangible Assets are stated at acquisition cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

**c) Impairment of Assets**

The carrying amounts of assets are reviewed to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**d) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and the revenue can be reliably measured.

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services adjusted for discounts net of taxes and goods return.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Fixed Deposit Interest is accounted as per statements / documents issued by banks.

Dividend income is accounted for on receipt basis.

**e) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost, less provision for diminution in value other than temporary.

**f) Foreign Currency Transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency

are reinstated at the year-end exchange rates. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement.

**g) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Profit and Loss A/c in the year in which they are incurred.

**h) Taxation**

Tax expense comprising current tax and deferred tax are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961

Deferred Taxation on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws enacted or subsequently enacted as on the balance sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

**i) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**j) Leases**

**Where the Company is the lessor**

Assets given on operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

### **Where the Company is the lessee**

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **k) Depreciation**

Depreciation on fixed assets is calculated on a Straight-Line method at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

<b>Particulars</b>	<b>Rate of Depreciation as per Companies Act 2013</b>
Computers & Laptop	31.67%
Furniture & Fixtures	9.50%
Computers & Laptop	19%

**Birla Capital and Financial Services Limited**  
**Statement of Balance Sheet as at March 31, 2023**  
**CIN: L51900MH1985PLC036156**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

Particulars	Notes No.	As at 31-March- 2023	As at 31-March- 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	2.65	3.71
<b>Total</b>		<b>2.65</b>	<b>3.71</b>
<b>Deferred Tax Assets</b>		5.54	5.26
<b>Current assets</b>			
Financial assets			
Trade receivables	4	11.90	1.30
Cash and cash equivalents	5	0.56	1.06
Loan & Advances	6	1.35	-
Other current assets	7	9.13	17.03
		<b>28.48</b>	<b>24.70</b>
<b>TOTAL ASSETS</b>		<b>31.13</b>	<b>28.41</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	8A	938.31	919.31
Other equity	8B	(917.61)	(919.52)
<b>Total</b>		<b>20.70</b>	<b>18.80</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial liabilities			
Trade Payable	9	6.79	3.26
Other financial liabilities	10	1.60	4.41
Other current liabilities	11	2.04	1.94
<b>Total</b>		<b>10.43</b>	<b>9.61</b>
<b>Total Equity and Liabilities</b>		<b>31.13</b>	<b>28.41</b>

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 BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

**FOR AGRAWAL JAIN & GUPTA**

**CHARTERED ACCOUNTANTS**

Firm Reg. No.: 013538C

CA Sarwan Kumar Prajapati

Partner

Membership No.: 199969

UDIN: 23199969BGTBSZ3798

Minal Umesh Pote

Director

DIN: 07163539

Ramesh B Samria

Director

DIN: 03066932

PLACE: MUMBAI

30th May, 2023

Company Secretary

Chief Financial Officer

**Birla Capital and Financial Services Limited**  
**Statement of Profit and Loss for year ended 31 March 2023**  
**CIN: L51900MH1985PLC036156**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

Particulars	Notes	For the year ending 31 March, 2023	For the year ending 31 March, 2022
<b>Income</b>			
Revenue from operations	12	12.00	19.00
Other income	13	4.16	0.15
<b>Total Income</b>		<b>16.16</b>	<b>19.15</b>
<b>Expenses</b>			
Cost of Operation	14	-	-
Employee benefits expense	15	0.14	4.50
Finance costs	16	0.01	0.01
Depreciation and amortisation expense	17	1.06	1.96
Other expenses	18	13.32	13.15
<b>Total expenses</b>		<b>14.53</b>	<b>18.72</b>
(Loss)/ Profit before exceptional and tax		1.63	0.43
Exceptional items		1.63	0.43
<b>Loss before tax</b>			
Tax expense:			
Current tax		(0.28)	(5.26)
Deferred tax Charge/ (Credit)		1.91	5.69
<b>Loss for the year from continuing operations</b>			
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive loss for the year</b>		<b>1.91</b>	<b>5.69</b>
Earnings per equity share: [Nominal Value per share: Rs.10 (2019: Rs.2)]	19		
-Basic			
-Diluted			

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 BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

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

CA Sarwan Kumar Prajapati  
 Partner  
 Membership No.: 199969  
 UDIN: 23199969BGTBSZ3798

Minal Umesh Pote  
 Director  
 DIN: 07163539

Ramesh B Samria  
 Director  
 DIN: 08066932

PLACE: MUMBAI  
 30th May, 2023

Company Secretary

Chief Financial Officer

**Birla Capital and Financial Services Limited**  
**Statement of cash flows for the year ended March 31, 2023**  
**CIN: L51900MH1985PLC036156**  
(All amounts are in INR in lakhs, unless otherwise stated)

Particulars	For the year ended	
	31-Mar-23	31-Mar-22
<b>Cash flow from operating activities</b>		
Profit/(Loss) Before Tax	1.63	0.43
Adjustment for:		
Depreciation	1.06	1.06
Fair value gain of Investments		
<b>Operating Profit Before Working Capital changes</b>	<b>2.69</b>	<b>1.49</b>
Adjustment for:		
(Increase)/Decrease in Trade Receivable	(10.60)	(1.30)
(Increase)/Decrease in short term loans & advance	(1.35)	-
(Increase)/Decrease in Other Current Assets	7.95	(1.10)
Increase / (Decrease) in Trade Payables	3.53	1.33
Increase / (Decrease) in Other Financial Liabilities	(2.81)	0.01
Increase / (Decrease) in Current Liabilities	0.10	(0.29)
<b>Sub Total of working capital adjustments</b>	<b>(3.20)</b>	<b>(1.35)</b>
<b>Cash Generated from Operations</b>	<b>(0.51)</b>	<b>0.14</b>
Direct Taxes paid	-	
Exceptional Items		
<b>Net cash from operating activities (A)</b>	<b>(0.51)</b>	<b>0.14</b>
<b>Cash flow from investing activities</b>		
Purchase of Fixed Assets	-	(0.41)
Investment made	-	-
<b>Net cash from /(in used) in investing activities(B)</b>	<b>-</b>	<b>(0.41)</b>
<b>Cash flow from financing activities</b>		
Repayment of Borrowings	-	-
<b>Net cash flow from financing activities ('C)</b>	<b>-</b>	<b>-</b>
<b>Net increase in Cash and Cash equivalent (A+B+C)</b>	<b>(0.51)</b>	<b>(0.27)</b>
Cash & Cash equivalent at the beginning of the year	1.07	1.34
Cash & Cash equivalent at the end of the year	<b>0.56</b>	<b>1.07</b>
<b>Components of Cash and Cash equivalent</b>		
Cash on Hand	0.05	0.01
<b>With Banks-</b>		
On current account	0.51	1.05
On deposit account	-	-
<b>Total</b>	<b>0.56</b>	<b>1.07</b>

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 Sarwan Kumar Prajapati**  
Partner  
Membership No.: 199969  
UDIN: 23199969BGTBSZ3798

**Minal Umesh Pote**  
Director  
DIN: 07163539

**Ramesh B Samria**  
Director  
DIN: 08066932

PLACE: MUMBAI  
30th May, 2023

Company Secretary

Chief Financial Officer

**Birla Capital and Financial Services Limited**  
**Statement of changes in equity for the year ended 31 March 2023**  
**CIN: L51900MH1985PLC036156**  
*(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	-	-
<b>Balance at the end of the year 31 March 2021</b>	<b>4,69,15,632</b>	<b>938.31</b>
Changes in equity share capital during the F.Y. 2021-22	-	-
<b>Balance at the end of the year 31 March 2022</b>	<b>46915632</b>	<b>938.31</b>
Changes in equity share capital during the F.Y. 2022-23	-	-
<b>Balance at the end of the year 31 March 2023</b>	<b>4,69,15,632</b>	<b>938.31</b>

**B. Other Equity**

Particulars	Reserves & Surplus		Total other equity
	Securities premium reserve	Retained Earnings	
Balance at the beginning of the reporting period - 01 April 2021	39.52	(964.73)	(925.21)
Profit for the financial year 2021-22		5.69	5.69
<b>Balance at the end of the reporting period 31 March 2022</b>	<b>39.52</b>	<b>(959.04)</b>	<b>(919.52)</b>
Profit for the financial year 2022-23		1.91	1.91
<b>Balance at the end of the reporting period 31 March 2023</b>	<b>39.52</b>	<b>(957.13)</b>	<b>(917.61)</b>

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 Sarwan Kumar Prajapati  
Partner  
Membership No. : 199969  
UDIN: 23199969BGTBSZ3798

Minal Umesh Pote  
Director  
DIN: 07163539

Ramesh B Samria  
Director  
DIN: 08066932

PLACE: MUMBAI  
30th May, 2023

Company Secretary

Chief Financial Officer

**Birla Capital and Financial Services Limited**

Notes to the financial statements for the year ended March 31, 2023

CIN: L51900MH1985PLC036156

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

**Note 3: Property, plant & equipment**

Particulars	Computer & Peripherals	Plant & Machinery	Furniture & Fixture	Total
<b>Gross block</b>				
Deemed cost as at 1 April 2021	2.95	0.72	8.54	12.21
Addition	-	-	0.41	0.41
Less: Adjustments/ disposals	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>2.95</b>	<b>0.72</b>	<b>8.94</b>	<b>12.61</b>
Addition	-	-	-	-
Less: Adjustments/ disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2.95</b>	<b>0.72</b>	<b>8.94</b>	<b>12.61</b>
<b>Accumulated Depreciation</b>				
Balance as at 1 April 2021	2.14	0.50	5.20	7.85
Depreciation charge	-	-	1.06	1.06
Less: Adjustments/ disposals	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>2.14</b>	<b>0.50</b>	<b>6.26</b>	<b>8.91</b>
Depreciation charge	-	-	1.06	1.06
Adjustments/ disposals	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>2.14</b>	<b>0.50</b>	<b>7.32</b>	<b>9.97</b>
<b>Net block</b>				
Balance as at 01 April 2021	0.80	0.22	3.34	4.36
Balance as at 31 March 2022	0.80	0.22	2.68	3.71
<b>Balance as at 31 March 2023</b>	<b>0.80</b>	<b>0.22</b>	<b>1.63</b>	<b>2.65</b>

**Birla Capital and Financial Services Limited**  
 Notes to the financial statements for the year ended March 31, 2023  
 CIN: L51900MH1985PLC036156  
*(All amounts are in INR in lakhs, unless otherwise stated)*

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

Particulars	As at 31-March-2023	As at 31-March- 2022
Trade receivables		
b) Doubtful-More than 6 Months		
a) Unsecured, Considered Good :	11.90	1.30
<b>Total</b>	<b>11.90</b>	<b>1.30</b>

**Trade Receivables ageing schedule as at 31st March,2023**

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	11.90					11.90
(ii) Undisputed Trade Receivables -Considered Doubtful						-
(iii) Disputed Trade Receivables Considered Good						-
(iv) Disputed Trade Receivables Considered Doubtful						-
<b>Total</b>	<b>11.90</b>	-	-	-	-	<b>11.90</b>

**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						-
<b>Total</b>	<b>1.30</b>	-	-	-	-	<b>1.30</b>

**5. Cash and Cash Equivalent**

Particulars	As at 31-March-2023	As at 31-March- 2022
Balances with Banks in Current Account:	0.51	1.05
Cash on hand	0.05	0.01
<b>Total</b>	<b>0.56</b>	<b>1.06</b>

**6. Loans (Unsecured, considered good)**

Particulars	As at 31-March-2023	As at 31-March- 2022
Advances given to related parties	533.65	532.30
Provision for Doubtful Advances	(532.30)	(532.30)
<b>Total</b>	<b>1.35</b>	-

**7. Other Current Assets**

Particulars	As at 31-March-2023	As at 31-March- 2022
TDS and Advance Income Tax	9.13	17.08
<b>Total</b>	<b>9.13</b>	<b>17.08</b>

**Birla Capital and Financial Services Limited**  
 Notes to the financial statements for the year ended March 31, 2023  
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**8A. Equity Share Capital**

Particulars	As at 31-March-2023	As at 31-March-2022
<b>Authorised capital</b>		
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
<b>Issued &amp; Subscribed &amp; Paid Up Capital</b>		
4,69,15,632 (March 31, 2021 : 4,69,15,632, March 31, 2020 : 4,69,15,632 )	938.31	938.31
Equity Shares of Rs. 2/- each	938.31	938.31
<b>Total</b>	<b>938.31</b>	<b>938.31</b>

**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 per 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.

Promoter Name	Shares held by promoters at the end of the year 31st March 2023	% Change during the year***
	No. of Shares**	% of total shares**
Godavari Corporation Private Limited	73,80,844	15.73% 0.00%
Shearson Investments Trading Co Pvt Ltd.	86,70,900	18.48% 0.00%
Nirved Traders Pvt. Ltd	54,95,000	11.71% 0.00%
KGR Securities Private Limited	65,55,236	13.97% 0.00%
<b>Total</b>	<b>2,81,01,980</b>	<b>59.90% 0.00%</b>

\*\* 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.]

Promoter Name	Shares held by promoters at the end of the year 31st March 2022	% Change during the year***
	No. of Shares**	% of total shares**
Godavari Corporation Private Limited	73,80,844	15.73% 0.00%
Shearson Investments Trading Co Pvt Ltd.	86,70,900	18.48% 0.00%
Nirved Traders Pvt. Ltd	54,95,000	11.71% 0.00%
KGR Securities Private Limited	65,55,236	13.97% 0.00%
<b>Total</b>	<b>2,81,01,980</b>	<b>59.90% 0.00%</b>

**8B. Other Equity**

Particulars	As at 31-March-2023	As at 31-March-2022
a) Security Premium Reserve	39.52	39.52
Other Comprehensive Income - Employee Benefits	39.52	39.52
b) Retained Earnings -Opening	(959.04)	(964.73)
Addition during the year	1.91	5.69
Closing	(957.13)	(959.04)
<b>Total (a)+(b)</b>	<b>(917.61)</b>	<b>(919.52)</b>

**Birla Capital and Financial Services Limited**

Notes to the financial statements for the year ended March 31, 2023

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

**9. Trade Payables (Measured at amortized cost)**

Particulars	As at 31-March-2023	As at 31-March- 2022
Payable for expenses	6.79	3.26
<b>Total</b>	<b>6.79</b>	<b>3.26</b>

**Trade Payables ageing schedule: As at 31st March, 2023**

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	5.30	1.49	-	-	6.79
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
	<b>5.30</b>	<b>1.49</b>	-	-	<b>6.79</b>

**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	-	-	-	-	-
	<b>3.26</b>	-	-	-	<b>3.26</b>

**10. Other financial liabilities**

Particulars	As at 31-March-2023	As at 31-March- 2022
Salary payable	-	-
Other liabilities	1.60	4.41
<b>Total</b>	<b>1.60</b>	<b>4.41</b>

**11. Other current liabilities**

Particulars	As at 31-March-2023	As at 31-March- 2022
Profession Tax - Employee	0.05	0.05
GST Payable	1.21	1.21
TDS payable	0.78	0.68
<b>Total</b>	<b>2.04</b>	<b>1.94</b>

**Birla Capital and Financial Services Limited**  
 Notes to the financial statements for the year ended March 31, 2023  
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**12. Income from operation**

Particulars	31-03-2023	31-Mar-22
Income from operation	12.00	19.00
<b>Total</b>	<b>12.00</b>	<b>19.00</b>

**13. Other income**

Particulars	31-03-2023	31-Mar-22
Other income	4.16	0.15
Provision for Doubtful Advances	-	-
<b>Total</b>	<b>4.16</b>	<b>0.15</b>

**14. Cost of Operations**

Particulars	31-03-2023	31-Mar-22
Cost of Operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15. Employee benefit expense**

Particulars	31-03-2023	31-Mar-22
Salaries and wages	0.14	3.32
Staff welfare	-	1.18
<b>Total</b>	<b>0.14</b>	<b>4.50</b>

**16. Finance cost**

Particulars	31-03-2023	31-Mar-22
Bank charges	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

**17. Depreciation and Amortisation Expenses**

Particulars	31-03-2023	31-Mar-22
Depreciation & amortisation expense	1.06	1.06
<b>Total</b>	<b>1.06</b>	<b>1.06</b>

**18. Other Expenses**

Particulars	31-03-2023	31-Mar-22
Communication costs	0.02	0.30
Printing & Stationery Expenses	0.10	1.50
Advertisement & Publicity	0.81	1.32
Provision for Doubtful advances	-	(2.20)
Repairs and Maintenance expenses	-	1.64
Travelling and conveyance	0.76	2.74
Legal and professional fees	2.60	4.25
Interest On T.D.S	-	0.01
Listing fees CDSL / NSDL	6.92	2.93
Other Expenses	1.45	-

**Auditors Remuneration**

Statutory Audit Fees	0.60	0.60
Filing Fees	0.06	0.06
Other expenses	-	-
<b>Total</b>	<b>13.33</b>	<b>13.16</b>

**Birla Capital and Financial Services Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
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**(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, 2023	March 31, 2022
Current income tax:		
In respect of the current period		
Deferred tax		
In respect of the current period (credit)	(5.54)	(5.26)
Income tax expense reported in the statement of profit or loss	(5.54)	(5.26)
 Income tax recognised in other		
- Deferred tax arising on income and expense recognised in other		
Total	(5.54)	(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, 2023	March 31, 2022
Loss before tax	1.63	0.43
Enacted income tax rate in India	26.00%	26.00%
Computed expected tax expense	0.42	0.11
 Effect of:		
Loss on which deferred tax asset not		
Expenses disallowed for tax purpose		
Others		
 Total income tax expense (credit)	(0.42)	(0.11)

**Deferred tax**

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	As at	For the year ended	As at	For the year ended
	31.03.2023	31.03.222	31.03.2023	31.03.222
Property, plant and equipment	(5.54)	(5.26)	(0.28)	(5.26)
<b>Net deferred tax (charge)</b>			<b>(0.28)</b>	<b>(5.26)</b>
<b>Net deferred tax assets/ (liabilities)</b>	<b>(5.54)</b>	<b>(5.26)</b>		

**Birla Capital and Financial Services Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
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## 20 Financial instruments

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

	Carrying value	
	March 31, 2023	March 31, 2022
<b>Financial assets</b>		
<b>Fair value through profit and loss</b>		
Investment in equity shares (*)		
<b>Amortised cost</b>		
Loans and advances (^)	-	-
Security deposit (^)	-	-
Trade receivable (^)	11.90	1.30
Cash and cash equivalents (^)	0.56	1.06
Advances given to related parties (^)	533.65	532.30
Others advances (^)	(532.30)	(532.30)
<b>Total assets</b>	<b>13.81</b>	<b>2.36</b>
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Borrowings (^)	-	-
Trade and other payables (^)	6.79	3.26
Other financial liabilities (^)	1.60	4.41
<b>Total liabilities</b>	<b>8.39</b>	<b>7.67</b>

### 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.

**Notes to Financial Statements for the period ended 31 March 2023**

**21 Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders by the weighted average number of equity shares outstanding during the Period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31st March 2023	As at 31st March 2022
Profit/ (Loss) attributable to Equity shareholders (in Rs.)	1.91	5.69
Weighted average number of Equity shareholders for basic and diluted EPS	469.16	469.16
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>0.00</b>	<b>0.01</b>

**22 Related party transactions**

Name of related parties and description of relationship with whom transactions have taken place during period ended 31

(A) Related parties where control exists

**1. Other related party in which directors are interested**

Zenith Steel Pipes & Industries Limited

Birla Art Lifestyle Pvt Ltd

Birla Energy Infra Limited

Avni Computech Private Limited

Trident Erection Projects Private Limited

Rasa Rudra Pharma Industries Private Limited

Anahad Infrastructure & Developers Private Limited

**2. Key managerial personnel**

Satyanarayana Sharma Dahagama, Director

Abhijeet Namdeo Bhingarde, Director

Minal Umesh Pote, Director

Ramesh Bhuralal Samria, Director

Sandeepkumar Surendra Gupta, Director

Details of transactions with related parties:		(Rs. in Lakhs)	
Sr. No.	Particulars	As at 31st March 2023	As at 31st March 2022
1	<b>Rupee Term Loan repayment received</b> Nirved Traders Private Limited Shearson Investment & Trading Co Pvt Ltd	-	-
2	<b>Interest Income</b> Nirved Traders Private Limited Shearson Investment & Trading Co Pvt Ltd	8.90	2.20

Details of closing balances of related parties		(Rs. in Lakhs)	
Sr. No.	Particulars	As at 31 March 2023	As at 31st March 2022
1	<b>Closing balance</b> <b>Inter Corporate Loans given</b> Nirved Traders Private Limited Shearson Investment & Trading Co Pvt Ltd	280 252.12	280.16 252.12

Note: Related party relationships as per Ind AS 24 have been identified by the management had relied upon by the auditors. All the transactions are carried at arm's length price

Closing balances are presented net of taxes.

**Terms and conditions of transactions with related parties**

The transactions with related parties are in the ordinary course of business and are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the Period-end are unsecured and settlement occurs in cash. For the period ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

**Birla Capital and Financial Services Limited**  
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Notes to Financial Statements for the period ended 31 March 2023

**23 Segment information**

The Company is engaged into one reportable business segment. No other operating segment has been aggregated to form the above reportable operating segment. The Company's revenue, result, assets and liabilities are reported to the management for the purpose of resource allocation and assessment of segment performance.

**24 Details of micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2023 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year ended together with interest paid / payable as required under the said Act have not been furnished.

**25 Capital Commitments**

There are no capital commitments outstanding as at 31 March 2023.

(Rs. In Lakhs)

Particulars	Amt pending to be paid
Estimated amount to be paid for contracts executed on capital account and not provided for (net of advances)	
<b>Total</b>	

**26 These are the contingent liabilities as at 31 March 2023**

(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, 2023 for a period

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

(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	Amounts(Rs.)	Periods to which amount relates	Forum where Dispute is pending
Income tax Act-1961	Income Tax	63.25 Lakhs	A.Y. 2011-12	CIT (A) Mumbai
Income tax	TDS	2.23 Lakhs	A.Y. 2020-21 to 2022-23 and prior years	Rectification filing pending
Income tax Act-1961	Income Tax	116.49 Lakhs	A.Y. 1996-97	Settlement done in settlement
Income tax Act-1961	Income Tax	94.00 Lakhs	A.Y. 1998-99	commission bot
Income tax Act-1961	Income Tax	91.35 Lakhs	A.Y. 1996-97	

**Employee Benefits**  
**27 Retirement benefits**

**(a) Defined Contribution Plan:**

Amount of Rs. NIL (31 March 2022 : NIL) is recognised as an expense - 'Employee Benefit Expenses' in the statement of profit and loss.

## 28 Financial instruments - fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation techniques).

### Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(Rs. in Lakhs)

Particulars	Level	As at 31 March 2023
Derivative asset at FVOCI	Level 2	-
Derivative liability at FVOCI	Level 2	-
Key inputs for Level 2 fair valuation technique	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.	
Significant unobservable input	Not applicable	
Relationship of unobservable input to fair value	Not applicable	

### (a) Categories of financial instruments

(Rs. In Lakh)

Particulars	Carrying value	Fair value
	As at 31 March 2023	As at 31 March 2022
<b>Financial assets</b>		
Measured at amortised cost		
Trade receivables	11.90	1.30
Investments	-	-
Other financial assets	-	-
Cash and cash equivalents	28.48	24.70
Bank Balance	-	-
<b>Total</b>	<b>40.38</b>	<b>26.00</b>
<b>Financial liabilities</b>		
Measured at fair value through profit or loss		
Measured at amortised cost		
Borrowings	-	-
Trade payables	6.79	3.26
Other financial liabilities	1.60	4.41
<b>Total</b>	<b>8.39</b>	<b>7.67</b>

The Company has assessed that trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term nature of the instruments. Long term Borrowings are evaluated based on parameters such as interest rate and risk characteristic of financial project. Based on the evaluation, no impact has been identified.

Notes to Financial Statements for the period ended 31 March 2023

**29 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of borrowings, trade payables, other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, other financial assets and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk, credit risk and interest rate risk.

**(A) Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure arising from	Measurement	Management
Interest rate risk	Long term borrowings at variable rates	Sensitivity analysis, interest rate movements	Interest rate swaps and loan takeovers for long term borrowings diversification
Credit risk	Trade receivables, derivative financial instruments	Ageing analysis, credit rating	Credit monitoring, debt exceed, write-downs, monitoring of the counter parties
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Borrowing facilities documentation

Details relating to the risks are provided here below:

**(i) Foreign currency risk**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of modules, wherever required.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies. It uses derivative instruments like forward covers/swap to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure. The details of the foreign currency exposure and its carrying value are as follows:

Outstanding foreign currency exposure	As at 31 March 2023	
	USD	Rs. in Lakhs
Supplier's credit		
Interest on supplier's credit		

**Foreign currency sensitivity analysis**

1% increase in foreign exchange rates will decrease profit before tax and decrease pre tax equity by Rs. xxx Lakhs (31 March 2022: Rs. xxx Lakhs). If the rate is decreased by 1%, the profit before tax and pre tax equity will increase by an equal amount.

Foreign currency sensitivity analysis	(Rs. in Lakhs)			
	As at 31 March 2023		As at 31 March 2022	
Outstanding foreign currency exposure	Impact on statement of profit and loss	Impact on equity	Impact on statement of profit and loss	Impact on equity
1% decrease in Rs.	-	-	-	-
1% increase in Rs.	-	-	-	-

**(A) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's borrowings with floating interest rates. Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

**Interest rate sensitivity analysis for 1% change in rate**

(Rs. in Lakhs)

Effect on profit before tax	Rate impact	Loan outstanding	Amount
31 March 2023	1%	-	-

**(B) Credit risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks and foreign exchange transactions.

The carrying amount of financial assets represents the maximum credit risk exposure.

**a. Trade receivables**

The Company has already evaluated the credit worthiness of its customers and did not find any credit risk related to trade receivables. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Total trade receivables as on 31 March 2023 is Rs. 11 90 Lakhs.

**b. Cash and cash equivalents and bank deposits**

Credit risk on cash and cash equivalents, deposits, is generally low as the Company has transacted with reputed banks.

**(C) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The management is responsible for managing liquidity, funding as well as settlement. Further the management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities further, based on contractual undiscounted payments.

(Rs. in Lakhs)

As at 31 March 2023	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Borrowings*	-	-	-	-	-
Trade payables	6.79	-	-	-	6.79
Other financial liabilities	1.60	-	-	-	1.60
<b>Total</b>	<b>8.39</b>	-	-	-	<b>8.39</b>

\*The maturity profile of borrowings is as per the actual cash flows.

**(D) Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt to equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loan and borrowings, less cash and cash equivalents, excluding discontinued operations.

(Rs. in Lakhs)

Particulars	As at 31 March 2023
Borrowings	-
Less: Cash and cash equivalents	(28.48)
<b>Net debt</b>	<b>(28.48)</b>
Equity	938.31
<b>Gearing Ratio</b>	<b>-0.03</b>

In addition, the Company has financial covenants relating to the borrowing facilities taken from the lenders like debt service coverage ratio, assets coverage ratio, delinquency ratio and total outstanding liability to net worth ratio which are required to be maintained by the Company as per the terms and considerations of the loan agreement.

**Birla Capital and Financial Services Limited**  
**CIN: L51900MH1985PLC036156**

**Notes to Financial Statements for the period ended 31**

**30 Key Ratios**

Particulars	Numerator	Denominator	Unit	MARCH 31, 2023	MARCH 31, 2022	% Change <sup>#</sup>
Current Ratio	Current Assets	Current Liabilities	Times	2.20	2.02	0.09%
Debt-Equity Ratio	Total Debt	Shareholder's Equity	Times	-	-	Not applicable
Debt Service Coverage Ratio	Profit After Tax+Depreciation+Finance Cost- Unrealised Gain on Investment+Deferred Tax+ loss on sale of fixed assets	Total actual Interest + Principle Repayment of Long Term Borrowing + Principle Lease Payment	Times	NA	NA	Not applicable
Return on Equity Ratio	Profit After Tax	Shareholder's Equity Average	Times	0.10	0.36	-72.95%
Inventory Turnover Ratio	Cost of Good Sold	Inventories Average	Times	NA	NA	Not applicable
Trade Receivables Turnover Ratio	Revenue from Operations	Trade Receivables (Average)	Times	1.82	29.23	-93.78%
Trade Payables Turnover	Direct expenses	Trade Payables (Average)	Times	NA	NA	Not applicable
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	Times	0.96	1.93	-50.40%
Net Profit Ratio	Profit After Tax	Revenue from Operations	%	0.16	0.30	-46.98%
Return on Capital employed	Earning Before Interest and Taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	%	0.09	0.30	-69.65%
Return on Investment	Interest Income	Investment	%	0.00	0.01	-66.51%

during the year decrease in profit of the company hence ratio is change by more than 25%.

**31 Other statutory**

- a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) As per the information and explanations to us The Company do not have any transactions with companies struck off.
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial Period.
- d) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the Period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender
- f) The Company does not have any Intangible Assets, thus, disclosures relating to revaluation of Intangible Assets is not applicable.
- g) The Company has not revalued its property, Plant and Equipment (including Right of use Assets), thus valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- h) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
  - (i) 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
- i) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - (i) 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
  - (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The accompanying notes are an integral part of these standalone financial statements

As per our report attached

**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 Sarwan Kumar Prajapati**  
Partner  
Membership No. : 199969  
UDIN: 22409759AJVZOB1964

**Minal Umesh Pote**  
Director  
DIN: 07163539

**Ramesh B Samria**  
Director  
DIN: 08066932

PLACE: MUMBAI  
30th May, 2023

Company Secretary

Chief Financial Officer

**BIRLA CAPITAL & FINANCIAL SERVICE LIMITED**  
CIN: L51900MH1985PLC036156  
Registered Office: Industry House, 159, Churchgate Reclamation, Mumbai - 400020.

**Management Representation**

Date: 30<sup>th</sup> April, 2022

To

**Agarwal Jain and Gupta**  
Chartered Accountants  
101 Saurabh, A.K. Road,  
Opp. Crisil House, Chakala,  
Andheri (east), Mumbai,  
Maharashtra-400 093

**Sub: Representation for the purpose of audit for the financial year 2022-23**

Dear Sir,

This representation letter is provided in connection with your audit of the financial statements of **Birla Capital & Financial Services Limited** for the year ended 31<sup>st</sup> March, 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of **Birla Capital & Financial Services Limited**, as on 31<sup>st</sup> March, 2023 and of the results of operations for the year then ended. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the Companies Act, 2013 and recognized accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India.

We confirm, to the best of our knowledge and belief, the following representations;

**Accounting Policies**

1. The accounting policies which are material or critical in determining the results of operations for the year or financial position set out in the financial statements are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis except discounts claims and rebates, which cannot be determined with certainty in the respective accounting year.
  
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

- The following items appearing in the books as at 31<sup>st</sup> March, 2023 are considered good and fully recoverable.

#### **Trade Receivables Ageing Schedule**

(Amounts in Lakhs)

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	
<b>Balance as at 31st March 2023</b>						
(i) Undisputed Trade Receivables - considered good	11.90	0	0	0	0	11.90
(ii) Undisputed Trade Receivables - considered doubtful	0	0	0	0	0	0
(iii) Disputed Trade Receivables considered good	0	0	0	0	0	0
(iv) Disputed Trade Receivables considered doubtful	0	0	0	0	0	0

#### Liabilities

- We have recorded all known liabilities in the financial statements except retirement benefits, discounts claims and rebates.
- We have disclosed in Notes on Accounts all guarantees that, if any we have given to third parties.
- There are no Contingent Liabilities as on 31<sup>st</sup> March, 2023.

#### **Trade Payables ageing schedule**

(Amount in Rs.)

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	
<b>Balance as at 31st March 2023</b>					
(i) MSME	0	0	0	0	0
(ii) Others	5.30	1.49	0	0	6.79
(iii) Disputed dues - MSME	0	0	0	0	0
(iv) Disputed dues - Others	0	0	0	0	0
<b>Total</b>	<b>5.30</b>	<b>1.49</b>	<b>0</b>	<b>0</b>	<b>6.79</b>

Name of Statute	Nature of the Dues	Amount	Disputed /undisputed
Income tax	Income Tax A.Y. 2011-12	63.25 Lakhs	Disputed
VAT/GST/Service tax	Service Tax F.Y. 2014-15	2.33 Lakhs	
Income tax	Income Tax A.Y. 1996-97	116.49Lakhs	Settled in Settlement commission
Income tax	Income Tax A.Y. 1996-97	91.35 Lakhs	
Income tax	Income Tax A.Y. 1998-99	94.00 Lakhs	
Income tax	TDS	2.35 Lacs	Various years
	<b>Total</b>		

- The company has not defaulted in repayment of dues to financial institution or bank.
- The company has not given any guarantee for loans taken by others from bank or financial institutions.
- No personal expenses have been charged to revenue accounts
- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of applicable accounting standards in India. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- The payments covered under section 40A (3) were made by account payee cheques drawn on a bank or account payee bank draft.
- All the loans, deposits or specified sum exceeding the limit specified in section 269SS/T are accepted or repaid through an account payee cheque or an account payee bank draft.
- The information regarding applicability of MSMED Act 2006 to the various supplier/parties has not been received from the suppliers. Hence information as required vide clause 22 of chapter V of MSMED Act 2006 is not being given.
- The loans taken from directors of the company or their relatives are out of their own funds and not any borrowed funds in pursuance of relevant provisions of Companies Act. 2013. Necessary declarations in this behalf have been obtained by the company from them.

**Audit Engagement Letters**

**Audit of Financial Statements under the Companies Act, 2013 and Rules Thereunder**

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To,

The Board of Directors of

**Birla Capital & Financial Services Limited**  
5th Floor, 159, Industry House Churchgate,  
Reclamation Mumbai Mumbai City,  
MH 400020 IN

Dear Sirs,

We refer to the letter dated 23<sup>rd</sup> September, 2021 informing us about our (re) appointment/ratification as the auditors of the Company. You have requested that we audit the financial statements of the Company as defined in Section 2(40) of the Companies Act, 2013 ('2013 Act'), for the financial year(s) beginning April 1, 2022 and ending March 31, 2023. The financial statements of the Company include, where applicable, consolidated financial statements of the Company and of all its subsidiaries, associate companies and joint ventures. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of expressing an opinion if the aforesaid financial statements give the information required by the 2013 Act in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit/loss and its cash flows for the year ended on that date. In forming our opinion on the financial statements, we will rely on the work of branch auditors appointed by the Company and our report would expressly state the fact of such reliance.

We will conduct our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

(b) Identifying and informing us of financial transactions or matters that may have any adverse effect on the functioning of the Company.

(c) Identifying and informing us of:

- All the pending litigations and confirming that the impact of the pending litigations on the Company's financial position has been disclosed in its financial statements;
- All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards; and
- Any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(d) Informing us of facts that may affect the financial statements, of which Management may become aware during the period from the date of our report to the date the financial statements are issued.

(e) Identifying and informing us as to whether any director is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the 2013 Act. This should be supported by written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors.

(f) To provide us, *inter alia*, with:

- (i) Access, at all times, to all information, including the books, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
- (ii) Access, at all times, to the records of all the subsidiaries (including associate companies and joint ventures as per Explanation to Section 129(3) of the 2013 Act) of the Company in so far as it relates to the consolidation of its financial statements, as envisaged in the 2013 Act;
- (iii) Access to reports, if any, relating to internal reporting on frauds (e.g., vigil mechanism reports etc.), including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the 2013 Act;
- (iv) Additional information that we may request from the Management for the purposes of my / our audit;
- (v) Unrestricted access to persons within the Company from whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the Company such information and explanations as we

Type of Services rendered	Amount in Rs. *
Statutory Audit	60,000/-
Limited Review	NIL
<b>Total</b>	<b>60,000/-</b>

\* Not inclusive of Goods and Service Tax

We look forward to full cooperation from your staff during our audit.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Yours faithfully,

**For Agarwal Jain & Gupta**

Chartered Accountants

ICAI Firm Registration No. 013538C

[CA Sarwan Kumar Prajapati]

Partner

Membership No. 199969

Mumbai: April 16, 2023

Acknowledge on behalf of:

**Birla Capital & Financial Services Limited**

Name : Ramesh B Samria

Designation : Director

Mumbai: April 16, 2022

Copy to: Chairman, Audit Committee