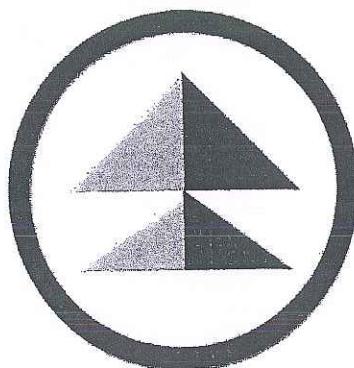




**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**



**BIRLA CAPS**

**2020-21**

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

# 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

## NOTICE

NOTICE is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of Birla Capital and Financial Services Limited will be held on Thursday, 30<sup>th</sup> September, 2021 at 3.00 pm through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM") to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement i.e. Balance sheet as at and the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on 31<sup>st</sup> March, 2021 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 2021, and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

2. Mrs. Minal Pote, Non-Executive director retires by rotation at the ensuring 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, Mrs. Minal Pote who retires by rotation and being eligible offers herself for reappointment, be and is hereby re-appointed as a director of the Company."

By order of the Board of Director



Ramesh Samria  
Director  
DIN: 08066932

Place:Mumbai  
Date: 30/06/2021



**NOTES:**

1. In view of the global outbreak of the Covid-19 pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ("SEBI") vide its circular dated January 15, 2021 read with May 12, 2020 ("SEBI Circulars") has granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode.

In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars and SEBI Circulars, the 35<sup>th</sup> Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on Thursday, 30<sup>th</sup> September, 2021 at 03.00 p.m. (IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at 159, Industry House, 5<sup>th</sup> Floor, Churchgate Reclamation, Mumbai, Maharashtra, 400 020.

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., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400 059 and to their respective Depository Participants for shares held in electronic form.

5. The Register of Members and share transfer books of the Company will remain closed from Friday, 24<sup>th</sup> September, 2021 to Thursday, the 30<sup>th</sup> September, 2021 (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, 2021 to enable us to provide satisfactory reply.

The Annual Report for the year 2021-22 of the Company circulated to the members of the Company will be made available on the Company's website at [www.birlacaps.com](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 Monday, 27<sup>th</sup> September, 2021 (9:00 a.m.) and ends on Wednesday, 29<sup>th</sup> September, 2021 (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 Thursday, 23<sup>rd</sup> September, 2021, 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 Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy) as recorded in your Demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member ID/Folio No. in the dividend bank details field as mention in instruction v.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details OR Date of Birth (in dd/mm/yyyy) as recorded in your Demat account or in the company records in order to login.</p> <p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</p>

- (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 30<sup>th</sup> June, 2021.

By Order of the Board of Directors



Ramesh Samria  
Director  
DIN: 08066932



Place: Mumbai  
Date: 30/06/2021

# 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 : U71900MH1985PLC006156

## DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 35<sup>th</sup> Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021. The financial results of your company are summarized below.

### FINANCIAL HIGHLIGHTS:

Particulars	Standalone	
	Year ended 31-03-2021 (Rs.)	Year ended 31-03-2020 (Rs.)
Revenue from Operations	8.01	-
Other Income	3.45	14.29
<b>Total Income</b>	<b>11.46</b>	<b>14.29</b>
<b>PBDIT</b>	<b>(1.64)</b>	<b>(1.36)</b>
Interest and Finance Expenses	0.02	0.00
<b>PBDT</b>	<b>(1.66)</b>	<b>(1.36)</b>
Depreciation	1.04	1.04
<b>PBT</b>	<b>(2.70)</b>	<b>(2.40)</b>
Less: Deferred Tax Liability/(Asset)	0.00	0.00
<b>Profit After Tax (PAT)</b>	<b>(2.70)</b>	<b>(2.40)</b>
<b>Profit transferred to Reserves</b>	<b>0.00</b>	<b>0.00</b>

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 2020-21, our Company revenue is Rs. 8.01 Lakhs. Loss of Rs. 2.70 Lakhs has occurred during the year 2020-21. The financial performance of the Company is adversely impacted due to slowdown in deal completion activities due to difficult economic conditions in larger developed and emerging markets and unfavorable domestic factors marked by persistent inflation, high interest rates, lower growth and weaker investments.

### Dividend & Reserves

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

## **Share Capital**

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 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 Four Board Meetings were held.

The Meeting were held on the following dates:-			
10 <sup>th</sup> July, 2020	07 <sup>th</sup> August, 2020	27 <sup>th</sup> November, 2020	12 <sup>th</sup> February, 2021

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

Name of Directors	Board Meeting		Attended Last AGM
	Held During Tenure	Attended	
Mr. Satyanarayana Dahagama	4	4	Yes
Mr. Abhijeet Bhingarde	4	4	Yes
Mr. Pritam Dhanawade	4	4	Yes
Mrs. Minal Pote	4	4	Yes
Mr. Ramesh Samria	4	4	Yes
Mr. Milind Prabhudesai	4	4	Yes

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

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

The Audit Committee met three times during the financial year 2020-21, 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:-			
10 <sup>th</sup> July, 2020	07 <sup>th</sup> August, 2020	27 <sup>th</sup> November, 2020	12 <sup>th</sup> February, 2021

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

Name	Committee Meeting	
	Held During Tenure	Attended

Mr. Satyanarayana Dahagama (Non-Executive Independent)	4	4
Mr. Abhijeet Bhingarde (Non-Executive Independent)	4	4
Mr. Ramesh Samria (Non-Executive Independent)	4	4

## 2. Nomination & Remuneration Committee

The Nomination & Remuneration Committee met One time during the financial year 2020-21, on the following dates.

10<sup>th</sup> July, 2020

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 2020-21, on the following dates.

10<sup>th</sup> July, 2020

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

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, 2021, 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, 2021 and the Loss of the Company for the financial year ended 31st March, 2021
- 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 2021.

#### **Annual Return**

The Annual Return is accessible on the Company's website.

#### **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, were appointed by the shareholders of the Company at the 33<sup>rd</sup> Annual General Meeting (AGM) as Statutory Auditors for a period of five years to hold office until the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company to be held in 2023-24. 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, 2021. The statements made by the Auditor's in their report are self - explanatory statement and do not call for any further comments.

#### **Secretarial Audit Report**

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

#### **Particulars of Loans, Guarantees and Investments**

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

#### **Employees' Safety**

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

#### **Particulars of Employees and related disclosures**

There were no employees receiving remuneration above the prescribed limit in terms of Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014 during the year ended 31st March, 2021.

#### **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: 30/06/2021  
Place: Mumbai

Ramesh Samria  
Director  
DIN: 08066932



Minal Umesh Pote  
Director  
DIN: 07163539

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
The Members,  
BIRLA CAPITAL & FINANCIAL SERVICES LTD

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](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, 2021, have not been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr.No	Name of Director	DIN	Date of appointment in Company
1	MR. SATYANARAYANA SHARMA DAHAGAMA Status: Disqualified by RoC u/s 164(2)	01346189	02/08/2011
2	MR. ABHIJEET NAMDEO BHINGARDE	06376231	10/08/2016
3	MRS. MINAL UMESH POTE	07163539	10/03/2016
4	MR. PRITAM PARSHURAM DHANAWADE	07496528	10/08/2016
5	MR. RAMESH BHURALAL SAMRIA	08066932	06/03/2018
6	MR. MILIND PRABHUDESAI	07280962	11/04/2016

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.

**Ekata Agrawal & Associates  
Company Secretaries**



Place: Mumbai

Date: 30-06-2021

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

Sd/-

**Ekata Agrawal  
ACS: 65640 CoP: 25098  
UDIN issued by the ICSI:**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021**

(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, 2021 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 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under, as applicable.
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

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

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

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

1. The time gap between two consecutive board meetings are more than one hundred and twenty days.
  2. The Company has not held minimum four board meetings during the year under review.
  3. The Company has not held minimum found Audit Committee meetings during the year under review.
  4. The Company has not paid Annual Listing Fees.
  5. The Company has not held Annual general meeting for the Financial Year 2019-20 and 2020-21.
  6. Further I'm unable to comment on the compliance with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 in the absence of any disclosure from the Insiders.
- (v) Further the Company has identified following other statutes as mentioned here below:
- (a) Water (Prevention & Control of Pollution) Act, 1974.

**Ekata Agrawal & Associates  
Company Secretaries**



(b) The Air (Prevention & Control of Pollution) Act, 1981

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

I further report that:

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

I further report that:

- (a) as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
- (b) during the audit period, there has been no significant event having material implication on the existing business of the Company, requiring approval of the Board.

Place: Mumbai

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

Date: 30-06-2021

Sd/-

**Ekata Agrawal  
ACS: 65640 CoP: 25098**

UDIN issued by the ICSI:

*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**



'Annexure A to Secretarial Audit Report 21-22'

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

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

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

Place: Mumbai

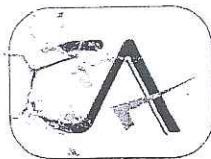
Date: 30-06-2021

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

Sd/-

**Ekata Agrawal  
ACS: 65640 CoP: 25098**

UDIN issued by the ICSI:



# Agrawal Jain & Gupta

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

TO,

THE MEMBERS OF

BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying standalone financial statements of BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), The Standalone Cash Flows statement and Standalone statement of changes in Equity year then ended, and a summary of the 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 standalone financial statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2021 and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the Standalone financial statements in accordance with the Standard on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those standards are further described in the auditor's Responsibility for the audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### EMPHASIS OF MATTERS

1. 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.

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.

Notes to the financial statements which describe the uncertainty related to the outcome of the pendency's of appeals and legal matters filed by the company as well as against the company.

Our opinion is not modified in respect of these matters.

#### 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 Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

According to information and explanation provide with us and as per audit conduct by us and our team in our opinion the key audit matter in the company is here under;

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. 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)	<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</li></ul>



	<p>company to verify its credentials/fundamentals</p> <ul style="list-style-type: none"> <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. Provision for doubtful loans and advances	<ul style="list-style-type: none"> <li>Company provides Provision for Doubtful Advances of Rs 532.30.18 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 3.45 Lacs from these parties. We are not giving any comment on the same</li> </ul>

#### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon.

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

#### **MANAGEMENT'S RESPONSIBILITY 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the Ind AS and other Accounting Principles generally accepted in India. 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 standalone 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 RESPONSIBILITY**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we



determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- (ii) 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) Except for the matter prescribed in para 4 above, in our opinion, the aforesaid financial statements comply with the Accounting Standards 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
  - g) 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 as of March 31, 2021
    - ii) The Company does 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.

For Agrawal Jain and Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

  
(CA Narayan Swami)  
PARTNER  
Membership No. 409759  
UDIN: 21409759AAAABG5349

Place: Mumbai  
Dated: 3<sup>rd</sup> June, 2021



**Annexure A to the Independent Auditors' Report**  
 [Referred to in paragraph 6 (i) of our report of even date]

- i. (a) The Company is maintaining proper record showing full particulars, including quantitative details situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment's / investment properties are held in the name of the company.
- ii. The company is a service company. Accordingly, it does not hold any physical inventories. Thus paragraph 3 (ii) of the order is not applicable to company.
- iii. The Company has granted loans corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

S/n o.	Name of Company	Opening Balance	Taken	Repaid/Adjust ed	Closing Balance
1.	Nirved Traders Pvt. Ltd	280.17	0.80	0.80	280.17
2.	Shearson Investments Trading Co Pvt Ltd	252.13	2.65	2.65	252.13

- a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were, *prima facie*, prejudicial to the interest of the Company. Company is not charging interest from these companies.
- b. In the case of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act have been regular in the payment of the principle and interest as stipulated. We are not able to give any comment on the same.
- c. There are no overdue amounts in respect of the loan granted to body corporate listed in the register maintained under Section 189 of the Act. We are not able to give any comment on the same.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given,



investments made and, guarantees given has been complied with by the Company. The provisions of section 185 in respect of loans to directors including entities in which they are interested and provisions of section 186 with respect to securities given are not applicable to the Company and hence not commented upon.

- v. According to Information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The company does not qualify the prescribed criteria as specified in Companies (Cost Records and Audit) Rules, 2014, and therefore is not required to maintain the cost records as prescribed under Section 148 (1) of the Act. Hence paragraph 3 (vi) of the order is not applicable.
- vii. In respect of statutory dues:
  - (a) According to the information and explanation given to us and records examined by us, the company is regular in depositing undisputed statutory dues including 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 undisputed amounts payable in respect of Income Tax, and any other statutory dues outstanding as on 31st March, 2021 for a period more than six months from the date they became payable.

Nature of Statutes	Nature of Dues	Amount	Period for which amount related	Remark
Service Tax	Income 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, the dues in respect of Income Tax, Sales Tax, wealth Tax, Value Added Tax, Service tax customs duty, have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are as given below:

Nature of Statues	Nature of Dues	Amount	Period for which amount related	Forum where dispute is pending
Income tax Act-1961	Income Tax	63.25 Lacs	A.Y. 2011-12	CIT (A) Mumbai

- viii. According to records of the company examined by us and the information and explanations given to us, the company does not have any loan from any financial institution, banks, government or debenture holders during the year, accordingly, paragraph 3(viii) of the order is not applicable.
- ix. According to records of the company examined by us and the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or by way term loan and hence paragraph 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we neither come across any instances of material fraud by the company or on the company by its officers or employees noticed or reported during the year, nor have been informed of any of such case by the management.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid for managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and



- details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the order is not applicable.
  - xv. According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
  - xvi. To the best of our knowledge and according to the information and explanations given to us, the company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For Agrawal Jain and Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

*Narayan Swami*  
(CA Narayan Swami)  
PARTNER  
Membership No. 409759  
UDIN: 21409759AAAABG5349

Place: Mumbai  
Dated: 30<sup>th</sup> June, 2021

**Annexure - B to the Independent Auditors' Report**  
**[Referred to in paragraph 6 (ii) (f) of our report of even date]**

**Report on the Internal Financial Controls Over Financials Reporting under  
Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")  
of BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

We have audited the internal financial controls over financial reporting of BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED ("the Company") as of March 31, 2021 in conjunction it's our audit of the financial statements of the Company for the year ended and as at on that date.

**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 ('the Guidance Note'). 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 and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards 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 judgment, 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.



## 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, 2021, 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.

For Agrawal Jain and Gupta  
Chartered Accountants  
Firm Registration No.: 013538C



(CA Narayan Swami)  
PARTNER  
Membership No. 409759  
UDIN: 21409759AAAABG5349

Place: Mumbai  
Dated: 30<sup>th</sup> June, 2021

**Birla Capital and Financial Services Limited**  
**Statement of Balance Sheet as at March 31, 2021**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

Particulars	Notes No.	As at 31-March- 2021	As at 31-March- 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	4.36	5.40
<b>Total</b>		<b>4.36</b>	<b>5.40</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	-	-
Cash and cash equivalents	5	1.33	0.44
Loan & Advances	6	-	-
Other current assets	7	15.98	15.18
		<b>17.31</b>	<b>15.62</b>
<b>TOTAL ASSETS</b>		<b>21.67</b>	<b>21.02</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	8A	938.31	938.31
Other equity	8B	(925.20)	(922.51)
<b>Total</b>		<b>13.11</b>	<b>15.81</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial liabilities			
Trade Payable	9	1.92	2.04
Other financial liabilities	10	4.40	1.09
Other current liabilities	11	2.24	2.08
<b>Total</b>		<b>8.56</b>	<b>5.21</b>
<b>Total Equity and Liabilities</b>		<b>21.67</b>	<b>21.02</b>
		(0.00)	(0.00)

Corporate information and summary of significant accounting policies. 1 & 2

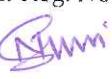
The accompanying notes form an integral part of the financial statements

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

  
 Minal Umesh Pote  
 Director  
 DIN: 07163539

  
 (CA Narayan Swami)  
 Partner  
 Membership No. : 409759  
 UDIN:21409759AAAABG5349

  
 Ramesh B Samria  
 Director  
 DIN: 08066932

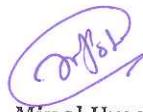
PLACE: MUMBAI  
 30th June, 2021

Company Secretary

Chief Financial Officer



Birla Capital and Financial Services Limited  
 Statement of Profit and Loss for year ended 31 March 2021  
*(All amounts are in INR in lakhs, unless otherwise stated)*

Particulars	Notes	For the year ending 31 March, 2021	For the year ending 31 March, 2020
<b>Income</b>			
Revenue from operations	12	8.01	-
Other income	13	3.45	14.29
<b>Total Income</b>		<b>11.46</b>	<b>14.29</b>
<b>Expenses</b>			
Cost of Operation	14	-	-
Employee benefits expense	15	0.57	9.33
Finance costs	16	0.02	0.00
Depreciation and amortisation expense	17	1.04	1.04
Other expenses	18	12.51	6.32
<b>Total expenses</b>		<b>14.15</b>	<b>16.69</b>
(Loss) / Profit before exceptional and tax		(2.70)	(2.40)
Exceptional items		-	-
<b>Loss before tax</b>		<b>(2.70)</b>	<b>(2.40)</b>
Tax expense:			
Current tax		-	-
Deferred tax charge/ (credit)		-	-
<b>Loss for the year from continuing operations</b>		<b>(2.70)</b>	<b>(2.40)</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>(2.70)</b>	<b>(2.40)</b>
Earnings per equity share: [Nominal Value per share: Rs.10 (2019: Rs.2)]	19		
-Basic		(0.01)	(0.01)
-Diluted		(0.01)	(0.01)
Corporate information and summary of significant accounting policies		1 & 2	
The accompanying notes form an integral part of the financial statements			
As per our report of even date			
For and on behalf of the Board of Directors For Birla Capital and Financial Services Limited			
FOR AGRAWAL JAIN & GUPTA CHARTERED ACCOUNTANTS Firm Reg. No.: 013538C			
(CA Narayan Swami) Partner Membership No. : 409759 UDIN:21409759AAAABC5349 PLACE: MUMBAI 30th June, 2021	 	 Minal Umesh Pote Director DIN: 07163539	 Ramesh B Samria Director DIN: 08066932
		 Company Secretary	 Chief Financial Officer

**Birla Capital and Financial Services Limited**  
**Statement of cash flows for the year ended March 31, 2021**  
(All amounts are in INR in lakhs, unless otherwise stated)

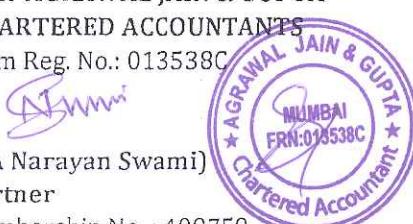
Particulars	For the year ended	
	31-Mar-21	31-Mar-20
<b>Cash flow from operating activities</b>		
Profit/(Loss) Before Tax	(2.70)	(2.40)
Adjustment for:		
Depreciation	1.04	1.04
Fair value gain of Investments		
<b>Operating Profit Before Working Capital changes</b>	<b>(1.66)</b>	<b>(1.36)</b>
Adjustment for:		
(Increase)/Decrease in Trade Receivable	-	-
(Increase)/Decrease in short term loans & advance	-	-
(Increase)/Decrease in Other Current Assets	(0.80)	-
Increase / (Decrease) in Trade Payables	(0.12)	(0.06)
Increase / (Decrease) in Other Financial Liabilities	3.32	(0.16)
Increase / (Decrease) in Current Liabilities	0.15	1.93
<b>Sub Total of working capital adjustments</b>	<b>2.55</b>	<b>1.71</b>
<b>Cash Generated from Operations</b>	<b>0.89</b>	<b>0.35</b>
Direct Taxes paid	-	-
Exceptional Items	-	-
<b>Net cash from operating activities (A)</b>	<b>0.89</b>	<b>0.35</b>
<b>Cash flow from investing activities</b>		
Purchase of Fixed Assets	-	-
Investment made	-	-
<b>Net cash from /(in used) in investing activities(B)</b>	<b>-</b>	<b>-</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>0.89</b>	<b>0.35</b>
Cash & Cash equivalent at the beginning of the year	0.44	0.09
<b>Cash &amp; Cash equivalent at the end of the year</b>	<b>1.33</b>	<b>0.44</b>
<b>Components of Cash and Cash equivalent</b>		
Cash on Hand	1.02	0.21
With Banks-		
On current account	0.32	0.23
On deposit account	-	-
Total	1.33	0.44
	(0.00)	(0.00)

As per our report of even date

FOR AGRAWAL JAIN & GUPTA  
CHARTERED ACCOUNTANTS

Firm Reg. No.: 013538C

(CA Narayan Swami)  
Partner  
Membership No.: 409759  
UDIN:21409759AAAABG5349



For and on behalf of the Board of Directors  
For Birla Capital and Financial Services Limited

Minal Umesh Pote  
Director  
DIN: 07163539

Ramesh B Samria  
Director  
DIN: 08066932

PLACE: MUMBAI  
30th June, 2021

Company Secretary

Chief Financial Officer

Birla Capital and Financial Services Limited  
 Statement of changes in equity for the year ended 31 March 2021  
*(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 2019	46,915,632	938.31
Changes in equity share capital during the F.Y. 2019-20	-	-
Balance at the end of the year 31 March 2020	46,915,632	938.31
Changes in equity share capital during the F.Y. 2020-21	-	-
Balance at the end of the year 31 March 2021	46,915,632	938.31

**B. Other Equity**

Particulars	Reserves & Surplus		Total other equity
	Securities premium reserve	Retained Earnings	
Balance at the beginning of the reporting period - 01 April 2019	39.52	(959.63)	(920.11)
Profit for the financial year 2019-20	-	(2.40)	(2.40)
Balance at the end of the reporting period 31 March 2020	39.52	(962.03)	(922.51)
Profit for the financial year 2020-21	-	(2.70)	(2.70)
Balance at the end of the reporting period 31 March 2021	39.52	(964.73)	(925.21)

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

(CA Narayan Swami)  
 Partner  
 Membership No. : 409759  
 UDIN:21409759AAAABG5349

PLACE: MUMBAI  
 30th June, 2021



For and on behalf of the Board of Directors  
 For Birla Capital and Financial Services Limited

Minal Umesh Pote  
 Director  
 DIN: 07163539



Ramesh B Samria  
 Director  
 DIN: 08066932

Company Secretary

Chief Financial Officer

Birla Capital and Financial Services Limited

Notes to the financial statements for the year ended March 31, 2021

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

Note 3: Property, plant & equipment

Particulars	Computer & Peripherals	Plant & Machinary	Furniture & Fixture	Total
Rate of Dep.	16%	6%	9.50%	
<u>Gross block</u>				
Deemed cost as at 1 April 2019	2.95	0.72	8.54	12.21
Addition	-	-	-	-
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2020	2.95	0.72	8.54	12.21
Addition	-	-	-	-
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2021	2.95	0.72	8.54	12.21
<u>Accumulated Depreciation</u>				
Balance as at 1 April 2019	2.14	0.50	3.12	5.77
Depreciation charge			1.04	1.04
Less: Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2020	2.14	0.50	4.16	6.81
Depreciation charge	-	-	1.04	1.04
Adjustments/ disposals	-	-	-	-
Balance as at 31 March 2021	2.14	0.50	5.20	7.85
<u>Net block</u>				
Balance as at 01 April 2019	0.80	0.22	5.42	6.44
Balance as at 31 March 2020	0.80	0.22	4.38	5.40
Balance as at 31 March 2021	0.80	0.22	3.34	4.36



**Birla Capital and Financial Services Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

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

Particulars	As at 31-March-2021	As at 31-March- 2020
Trade receivables		
b) Doubtful-More than 6 Months	-	-
a) Unsecured, Considered Good :	-	-
Total	-	-

**5. Cash and Cash Equivalent**

Particulars	As at 31-March-2021	As at 31-March- 2020
Balances with Banks in Current Account:	0.32	0.23
Cash on hand	1.02	0.21
Total	1.33	0.44

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

Particulars	As at 31-March-2021	As at 31-March- 2020
Advances given to related parties	532.30	532.30
Provision for Doubtful Advances	(532.30)	(532.30)
Total	-	-

**7. Other Current Assets**

Particulars	As at 31-March-2021	As at 31-March- 2020
TDS and Advance Income Tax	15.98	15.18
Total	15.98	15.18

**8A. Equity Share Capital**

Particulars	As at 31-March-2021	As at 31-March- 2020
Authorised capital 7,50,00,000 (March 31, 2019 : 7,50,00,000, April 1, 2018 : 7,50,00,000)	1,500.00	1,500.00
Equity Shares of Rs. 2/- each	1,500.00	1,500.00
 <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) Equity Shares of Rs. 2/- each	938.31	938.31
Total	938.31	938.31



**Birla Capital and Financial Services Limited**

**Notes to the financial statements for the year ended March 31, 2021**

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

**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.

**8B. Other Equity**

Particulars	As at 31-March-2021	As at 31-March-2020
a) Security Premium Reserve	39.52	39.52
Other Comprehensive Income - Employee Benefits	39.52	39.52
b) Retained Earnings -Opening	(962.03)	(959.63)
Addition during the year	(2.70)	(2.40)
Closing	(964.73)	(962.03)
Total (a) +(b)	(925.20)	(922.51)



**Birla Capital and Financial Services Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

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

Particulars	As at 31-March-2021	As at 31-March-2020
Payable for expenses	1.92	2.04
<b>Total</b>	<b>1.92</b>	<b>2.04</b>

**10. Other financial liabilities**

Particulars	As at 31-March-2021	As at 31-March-2020
Salary payable	-	0.59
Other liabilities	4.40	0.50
<b>Total</b>	<b>4.40</b>	<b>1.09</b>

**11. Other current liabilities**

Particulars	As at 31-March-2021	As at 31-March-2020
Profession Tax - Employee	0.05	0.05
GST Payable	1.21	1.21
TDS payable	0.98	0.82
<b>Total</b>	<b>2.24</b>	<b>2.08</b>



**Birla Capital and Financial Services Limited**  
 Notes to the financial statements for the year ended March 31, 2021  
*(All amounts are in INR in lakhs, unless otherwise stated)*

**12. Income from operation**

Particulars	31-Mar-21	31-Mar-20
Income from operation	8.01	-
<b>Total</b>	<b>8.01</b>	-

**13. Other income**

Particulars	31-Mar-21	31-Mar-20
Other income	3.45	14.29
Provision for Doubtful Advances	-	-
<b>Total</b>	<b>3.45</b>	<b>14.29</b>

**14. Cost of Operations**

Particulars	31-Mar-21	31-Mar-20
Cost of Operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**15. Employee benefit expense**

Particulars	31-Mar-21	31-Mar-20
Salaries and wages	0.57	8.74
Staff welfare	-	0.58
<b>Total</b>	<b>0.57</b>	<b>9.33</b>

**16. Finance cost**

Particulars	31-Mar-21	31-Mar-20
Bank charges	0.02	0.00
<b>Total</b>	<b>0.02</b>	<b>0.00</b>

**17. Depreciation and Amortisation Expenses**

Particulars	31-Mar-21	31-Mar-20
Depreciation & amortisation expense	1.04	1.04
<b>Total</b>	<b>1.04</b>	<b>1.04</b>

**18. Other Expenses**

Particulars	31-Mar-21	31-Mar-20
Communication costs	0.00	-
Printing & Stationery Expenses	0.18	0.11
Advertisement & Publicity	-	0.41
Repairs and Maintenance expenses	-	-
Travelling and conveyance	0.11	0.12
Legal and professional fees	6.07	3.28
Listing fees CDSL / NSDL	5.25	1.47
<b>Auditors Remuneration</b>		
Statutory Audit Fees	0.59	0.50
Filing Fees	0.31	0.12
Other expenses	0.01	0.31
<b>Total</b>	<b>12.51</b>	<b>6.32</b>



**Birla Capital and Financial Services Limited**

Notes to the financial statements for the year ended March 31, 2021  
 (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:

<b>Statement of profit or loss</b>		<b>For the year ended</b>	
		<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Current income tax:</b>			
In respect of the current period			
<b>Deferred tax</b>			
In respect of the current period (credit)			
<b>Income tax expense reported in the statement of profit or loss</b>			
<b>Income tax recognised in other comprehensive income</b>			
- Deferred tax arising on income and expense recognised in other comprehensive income			
<b>Total</b>			

<b>Income tax recognised in other comprehensive income</b>	
- Deferred tax arising on income and expense recognised in other comprehensive income	
<b>Total</b>	

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:

<b>For the year ended</b>			
		<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Loss before tax</b>			
Enacted income tax rate in India		(2.70)	(2.40)
Computed expected tax expense		25.75%	30.90%
<b>Effect of:</b>			
Loss on which deferred tax asset not recognized		(0.69)	(0.74)
Expenses disallowed for tax purpose			
Others		0.69	0.74
<b>Total income tax expense (credit)</b>			

**Deferred tax**

Deferred tax relates to the following:

	<b>Balance sheet</b>	<b>Statement of profit and loss</b>	
	<b>As at</b>		<b>For the year ended</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>
<b>Property, plant and equipment</b>			
<b>Net deferred tax (charge)</b>			
<b>Net deferred tax assets/ (liabilities)</b>			
	<b>4.36</b>	<b>5.40</b>	<b>(1.04)</b>
	<b>4.36</b>	<b>5.40</b>	<b>(1.04)</b>



**Birla Capital and Financial Services Limited**  
**Notes to the financial statements for the year ended March 31, 2021**  
*(All amounts are in INR in lakhs, unless otherwise stated)*

## 20 Financial instruments

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

	Carrying value	
	March 31, 2021	March 31, 2020
<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 (^)		
Cash and cash equivalents (^)	1.33	0.44
Advances given to related parties (^)	532.30	532.30
Others advances (^)	(532.30)	(532.30)
<b>Total assets</b>	<b>1.33</b>	<b>0.44</b>
 <b>Financial liabilities</b>		
<b>Amortised cost</b>		
Borrowings (^)		
Trade and other payables (^)	1.92	2.04
Other financial liabilities (^)	4.40	1.09
<b>Total liabilities</b>	<b>6.33</b>	<b>3.13</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.



**Birla Capital and Financial Services Limited**  
**Notes to the standalone financial statements for the year ended March 31, 2021**  
(All amounts in INR lakhs, unless otherwise stated)

**21 Financial risk management**

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

- Credit risk
- Market risk
- Liquidity risk

**(a) Risk management framework**

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

**(b) Credit risk**

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

**i) Trade and other receivables:**

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

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

**Expected credit loss (ECL) assessment for corporate customers as at 31 March 2020 and 31 March 2021**

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

**ii) Other financial assets and deposits with banks:**

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

**(c) Market Risk**

**Equity price risk**

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

**Interest rate risk**

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

**(d) Liquidity Risk**

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

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

**Exposure to liquidity risk**

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

Particulars	Carrying value	Contractual cash flows		
		Total	On demand	< 1 Yr
<b>31 March 2021</b>				
Borrowings			0	-
Trade and other payables	1.92	1.92	1.92	-
Other financial liabilities	4.40	4.40	4.40	-
	<b>6.33</b>	<b>6.33</b>	<b>6.33</b>	-
<b>31 March 2020</b>				
Borrowings			-	-
Trade and other payables	2.04	2.04	2.04	-
Other financial liabilities	1.09	4.63	4.63	-
	<b>3.13</b>	<b>6.67</b>	<b>6.67</b>	-

**22 Capital management**

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

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

Particulars	31 March 2021	31 March 2020
Total equity (A)	13.11	15.81
Total borrowings (B)	-	-
Total capital (C) = (A) +(B)	13.11	15.81

Total loans and borrowings as a percentage of total capital (B/C) 0.00% 0.00%

Total equity as a percentage of total capital (A/C) 100.00% 100.00%



## 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.



Leases where the lessor 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.

Particulars	Rate of Depreciation as per Companies Act 2013
Computers & Laptop	3 Years
Furniture & Fixtures	10 Years
Computers & Laptop	5 years

#### l) Employee Benefits:

Liability in respect of employee benefits is provided for and is charged to profit and loss account as follows:

##### Defined Benefit Plan

The company has Defined Benefit Plan comprising of Gratuity and Leave benefits. The liability of gratuity and leave benefit is determined as and when they arise.



Notes to Accounts

**23. Earnings per share**

(Rs. In Lacs)

Particulars	March 31, 2021	March 31, 2020
Net profit / (loss) after tax for the year	(2.70)	(2.40)
Weighted equity shares outstanding as at the year end	9,38,31,000	9,38,31,000
Nominal value per share (Rs.)	10	10
Earnings per share (Weighted Average)		
- Basic	(0.01)	(0.01)
- Diluted	(0.01)	(0.01)

**24. Auditor's Remuneration [excluding Goods & Service Tax]**

(Rs. in Lacs)

Particulars	March 31, 2021	March 31, 2020
Statutory Audit Fees	0.50	0.50
<b>Total</b>	<b>0.50</b>	<b>0.50</b>

**25. As per Accounting Standard 18, the disclosure of transactions with related parties are as Follows:**

- a. **List of Related Parties with whom transactions have taken place and relationships:**

Name of the Party	Relationship	Nature of Transaction
Nirved Traders Pvt. Ltd.	Associate Company	Inter Corporate Deposits
Shearson Investments & Trading Co Pvt. Ltd	Associate Company	Inter Corporate Deposits



(Amount in lacs)

S/n o.	Name of Company	Opening Balance (in Lacs)	Loan given, adjusted, debited (in Lacs)	Repay Adjusted credited (in Lacs)	Max amount	Closing Balance (in Lacs)
1.	Nirved Traders Pvt Ltd	280.17	0.80	0.80	280.17	280.17
2.	Shearson Investments & Trading Co Pvt. Ltd	252.13	2.65	2.65	252.13	252.13

**26. Expenditure in Foreign Currency:**

Travelling Expenses (C.Y. Rs. NIL /-) (P.Y. NIL/-)

**27. Earnings in Foreign Currency:**

Sale of Goods under Merchant Trading (C.Y. Rs. NIL/-) (P.Y. NIL/-)

**28.** In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.

**29.** The outstanding balances of Sundry Debtors, Sundry Creditors, and loans & advances are subject of confirmation and reconciliation/ consequential adjustment, if any.

**30. Contingent Liabilities not provided for:**

Name of the Statute	Period to which amount relates	Amounts of Dues (Rs.)	Forum where dispute is pending
Income Tax Act 1961.	A.Y. 2011-12	63,24,470/-	CIT (A) - Mumbai



31. The previous year's figures have been reworked, rearranged and reclassified wherever considered necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
32. All items of receipts and payments, Income & Expenditure wherever details, vouchers, supporting and or any sort of evidences not available are hereby approved confirmed, authenticated and certified by the management.
33. As per the information available with the Company and certified by them, total outstanding due to Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year is Rs. Nil (Nil).

**For Birla Capital and Financial Services Limited**

Minal Umesh Pote  
(Director)  
DIN No: 07163539

Place: Mumbai  
Date: 30<sup>th</sup> June, 2021



Ramesh B. Samria  
(Director)  
DIN No: 08066932

**For Agrawal Jain & Gupta**  
Chartered Accountants  
Firm Registration No. 013538C

CA Narayan Swami  
(Partner)  
M. No - 409759  
UDIN:21409759AAAABG5349



Place: Mumbai  
Date: 30<sup>th</sup> June, 2021



## Computer generated receipt

PRINT

Name of the bank collecting tax	BANK OF BARODA
Full name of Deductor	BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED
TAN of Deductor	MUMB13531A
Amount deposited :	
(i) Income Tax	2815
(ii) Surcharge	--
(iii) Education Cess	--
(iv) Penalty	--
v) Interest amount	--
vi) Other amount	--
vii) Fee Under Sec.234E	--
Total amount deposited : (in figure)	2815
Mode of deposit of tax ( by cash / debit to account / by cheque bearing No. )	Debit A/C No - 0613020000730
Date of encashment of cheque (dd/mm/yy)	10/03/21
On account of Income Tax Deducted / collected from Companies (0020) / Other than Companies(0021)	0021-INCOME TAX
Minor head - Type of payment - (TDS/TCS deducted/collected by deductor OR demanded by department)	200-TAX DEDUCTED AT SOURCE
Nature of payment from which tax has been deducted or collected - (Section code)	94C
Assessment Year (yyyy - yy)	2021-22

## Challan Identification Number (CIN)

BSR code of collecting bank branch	0200613
Date of tender of cheque (dd/mm/yyyy)	10/03/2021
Challan Serial Number	00004

Signature &amp; seal of authorised signatory of collecting bank branch



Close



PRINT

## Computer generated receipt

Name of the bank collecting tax	BANK OF BARODA
Full name of Deductor	BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED
TAN of Deductor	MUMB13531A
Amount deposited :	
(i) Income Tax	19000
(ii) Surcharge	--
(iii) Education Cess	--
(iv) Penalty	--
v) Interest amount	--
vi) Other amount	--
vii) Fee Under Sec.234E	--
Total amount deposited : (in figure)	19000
Mode of deposit of tax ( by cash / debit to account / by cheque bearing No. )	Debit A/C No - 06130200000730
Date of encashment of cheque (dd/mm/yy)	10/03/21
On account of Income Tax Deducted / collected from Companies (0020) / Other than Companies(0021)	0021-INCOME TAX
Minor head - Type of payment - (TDS/TCS deducted/collected by deductor OR demanded by department)	200-TAX DEDUCTED AT SOURCE
Nature of payment from which tax has been deducted or collected - (Section code)	94J
Assessment Year (yyyy - yy)	2021-22

## Challan Identification Number (CIN)

BSR code of collecting bank branch	0200613
Date of tender of cheque (dd/mm/yyyy)	10/03/2021
Challan Serial Number	00003

Signature &amp; seal of authorised signatory of collecting bank branch



Close