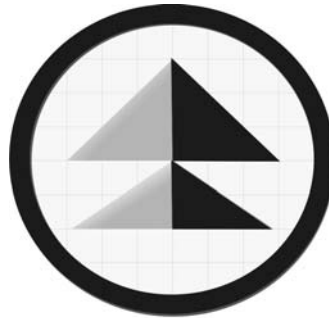




**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**



**BIRLA CAPS**

***2011-2012***  

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



**BOARD OF DIRECTORS**

1. Shri.V.Subramonian – Executive Director & CEO  
(Appointed on 15.05.2012)
2. Shri. G. L. Lath
3. Shri. D.S.Sharma
4. Shri Ashok Parmar
5. Shri. Tushar Dey (Appointed on 15.05.2012)

**AUDITORS**

M/s. M. L. Choraria & Associates,  
Chartered Accountants,  
C-172, DostiLily, Wadala (E),  
Mumbai - 400037.

**BANKERS**

HDFC Bank Ltd.  
Bank of India

**REGD. OFFICE**

Industry House,  
159, Churchgate Reclamation,  
Mumbai – 400 020.  
Tel:+91-022-22026340  
Fax:+91-022-23858269  
E-mail:- birlainternational@mtnl.net.in  
ib@birlacaps.com,  
investors@birlacaps.com  
Website – www.birlacaps.com

**REGISTRAR & SHARE TRANSFER AGENTS**  
**M/s BigShare Service Private Limited**

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

**INFORMATION FOR SHAREHOLDERS**

**26<sup>th</sup> ANNUAL GENERAL MEETING**

DATE : 07<sup>th</sup> September, 2012  
TIME : 3.00 P.M.  
Venue : “126”, Sitaram Poddar Marg,  
Fanas Wadi,  
Mumbai - 400 002.

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## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### NOTICE

**NOTICE** is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of Birla Capital and Financial Services Limited will be held on Friday, the 07<sup>th</sup> September, 2012 at 3.00 P.M. at 126, Sitaram Poddar Marg, Fanas Wadi, Mumbai – 400 002 to transact the following business: -

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.L.Lath, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### **SPECIAL BUSINESS**

4. **To appoint Shri. V. Subramonian as Whole Time Director/Executive Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956, and sanctions as may be necessary, the Company hereby accords its approval for appointment of Shri V.Subramonian as Whole Time Director/Executive Director of the Company w.e.f. 15<sup>th</sup> May 2012 upon the terms and conditions including remuneration as set out in the draft agreement submitted to the meeting and initialed by the Chairman, for the purpose of identification, which draft agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter any terms and conditions of the said appointment and/or the Agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Directors and Shri V. Subramonian”.

**“RESOLVED FURTHER THAT** in the event of their being loss or inadequacy of profits for any financial year, the remuneration and perquisite as applicable shall be paid to Shri V.Subramonian as minimum remuneration.”

**“RESOLVED FURTHER THAT**, in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary the prescribed ceiling limits and the Agreement between the Company and Shri V.Subramonian, Whole Time Director Executive/Director of the Company be suitably amended to give effect to such modification, relaxation or variation without any further reference to the member of the Company in the General Meeting.”



**A. SALARY :-**

Rs 2,42,960 /- per month (increment subject to approval of the Board of Directors from time to time).

**B. REIMBURSEMENTS:**

**i) Monthly Reimbursements (Subject to Submission of bills)**

- a. Periodicals and Magazine Rs. 3500/-
- b. Fuel Allowance Rs.15000/-
- c. Guest Entertainment Rs.6050/-
- d. Car Maintenance Rs.6000/-
- e. Driver Rs.15000/-
- f. Telephone Reimbursement Rs.1500/-

**ii) Quarterly Reimbursements:**

Medical - Rs.1250/-.

**iii) Yearly Reimbursement**

LTA - One months basic pay.

**C. Gratuity**

Gratuity shall be payable as per rules of the Company

**D. Leave encashment**

Encashment of Leave as per rules of the Company. Encashment of the leave at the end of the tenure will not be included in the computation of the ceiling on perquisites

**5. To appoint Shri Tushar Dey as Director of the Company**

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

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



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 6. Alteration in the Articles of Association

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**“RESOLVED THAT** the Articles of the Association of the Company be amended by substituting the following new Article 77(1) in the place of the existing Article 77(1).”

The new Article 77(1) will read as follows :

“The remuneration of each Director shall be fees as may be determined by the Board of Directors within the overall limits as to payment of sitting fees as may be fixed from time to time by the Central Government under the Companies Act, 1956 and the notifications issued thereunder in this respect”

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

Dated: 30.07.2012  
Place: Mumbai.

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



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### NOTES: -

1. A member entitled to attend the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The proxy form duly filled must be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
3. Members holding shares in physical form are requested to notify immediately any change in their address with Pin Code to the Company's Shares Transfer Agent M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, and to their respective Depository Participants for shares held in electronic form.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 04.09.2012 to 07.09.2012 (both days inclusive).
5. Members who hold shares in the electronic form are requested to bring their DP Id/Client Id/Folio number for easy identification at the Meeting.
6. Members are requested to write to the Company at least seven days in advance before the date of Meeting, in case they need any information as regards to the Audited Accounts for the period ended 31<sup>st</sup> March, 2012 to enable us to provide satisfactory reply.
7. As required in terms of paragraph IV (G) (i) of clause 49 of the Listing Agreement, the details of Directors retiring by rotation and eligible for re-appointment and newly appointed additional directors are furnished below: -

<b>Name of the Director</b>	<b>Shri G. L. Lath</b>	<b>Shri V. Subramonian</b>	<b>Shri Tushar Dey</b>
Date of Birth	21.06.1949	15.07.1955	21.11.1963
Qualification	B.Com, FCA	Masters Degree in Financial Management from Jamanalal Bajaj Institute of Management Studies, Mumbai.	B.Com., A.C.S., B.G.L
Date of Appointment	28.07.1999	15.05.2012	15.05.2012



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

Name of the Director	Shri G. L. Lath	Shri V. Subramonian	Shri Tushar Dey
Experience	He is a Fellow Chartered Accountant and has been associated with the Yash Birla Group for over 38 years. Currently, he is on the Board of many Group Companies.	Varied experience of 32 years in organizations ranging from Investment Banking, Multinational Bank, Corporate Conglomerate to Entertainment Industry, and has been acting as CEO of the Company since the year 2010.	Serves as Senior Vice President of Legal, Secretarial & Corporate Governance at the Yash Birla Group. He has over 20 years of experience in handling the legal and secretarial matters, and has been on the board of various Yash Birla Group Companies since April 2006. He specializes in Mergers & Acquisitions, IPO, GDR/ADRs, Corporate Legal, Corporate Governance, Civil and Criminal Litigation, IPR, FEMA and Labour Law matters.
List of other Directorship	<ol style="list-style-type: none"> <li>1. Asian Distributors Pvt Ltd</li> <li>2. Birla Bombay Pvt Ltd</li> <li>3. Birla Electricals Ltd</li> <li>4. Birla Global Corporate Pvt Ltd</li> <li>5. Birla Integrated Textile Park Ltd</li> <li>6. Birla Kerala Vaidyashala Pvt Ltd</li> <li>7. Birla Viking Travels Pvt Ltd</li> <li>8. Birladp Carpet Pvt Ltd</li> <li>9. Godavari Corporation Pvt Ltd</li> <li>10. Khopoli Investments Ltd</li> <li>11. Lakshmi Properties Ltd</li> <li>12. Lath Traders &amp; Consultants Pvt Ltd</li> <li>13. Nirved Traders Pvt Ltd</li> <li>14. Shearson Investments &amp; Trading Co. Pvt Ltd</li> <li>15 Birla Aircon Infrastructure Pvt Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Kampani Consultants Limited</li> <li>2. Meredian Corporate Services Limited</li> <li>3. Persepolis Investments Company Pvt Ltd</li> <li>4. Evergo Stocks (India) Pvt Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Birla Machining &amp; Toolings Ltd</li> <li>2. Birla Shloka Edutech Ltd</li> <li>3. Birla Accucast Ltd</li> <li>4. Birla Global Corporate Pvt Ltd</li> <li>5. Birla Kerala Vaidyashala Pvt Ltd</li> <li>6. Birla Infrastructure Ltd</li> <li>7. Birla Aircon Infrastructure Pvt Ltd</li> <li>8. Vijay Puranjay Minerals Pvt Ltd</li> </ol>
Chairman / Member of the Committee of the Board of the other Companies in which he is a Director	NIL	NIL	Birla Shloka Edutech Limited (Shareholders & Investors Grievance Committee)
Shareholding of Director	5000 shares.	NIL	NIL



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

**Item no. 4 To appoint Shri. V. Subramonian as Whole Time Director/Executive Director.**

Shri V.Subramonian was appointed as an Additional Director by the board at its Meeting held on May 15, 2012, to assume responsibility of Whole Time Director/Executive Director with immediate effect due to the resignation of Shri Arun Singhi. In accordance with Section 260 of the Companies Act, 1956, Shri V. Subramonian holds office till the conclusion of the Annual General Meeting of the Company scheduled to be held on 7<sup>th</sup> September, 2012. Notice have been received pursuant to the Section 257 of the Companies Act, 1956, together with the requisite deposit proposing Shri V.Subramonian as a Director of a Company.

Since Shri V. Subramonian, who is also a Chief Executive Officer of the Investment banking Division since January 2010, your Board of Directors deemed it fit & proper to appoint him on the Board of the Company and to oversee the operations as Whole Time Director/Executive Director.

The Shareholders of the Company are requested to accord their approval for the same by passing ordinary resolution.

None of the Directors except Shri. V. Subramonian is concerned or interested in this resolution.

**Item no. 5 To appoint Shri. Tushar Dey as a Director.**

The Board of Directors of the Company had appointed Shri Tushar Dey as Non-executive Director at its Meeting held on May 15, 2012. Under Section 260 of the Companies Act, 1956, Shri. Tushar Dey holds office till the date of forthcoming Annual General Meeting. Notice has been received from a member as required under Section 257 of the Companies Act, 1956, together with the requisite deposit proposing Shri. Tushar Dey as a candidate for the office of Director.

The Board considers that the expertise of Shri. Tushar Dey in the field of Corporate and legal sector would benefit the company and it is desirable to continue to avail his services.

The Board recommends the resolution for approval by members as an ordinary resolution.

None of the Directors except Shri. Tushar Dey is interested in the said resolution.

**Item no. 6 To alter the Article 77(1) of the Articles of Association**

Presently the Articles of Association of the Company provides for the payment of Directors Sitting Fees not exceeding Rs.250/- (Rupees Two Hundred Fifty only) per Director for each Meeting attended. However as per the Rule 10B to Section 310 of Companies (Central Governments) General Rules and Forms, 1956, amount of remuneration by way of sitting fee for attending each meeting of the Board of Directors and Committee thereof is allowed as under.





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

a)	Companies with paid-up share capital and free reserves of Rs. 10 Crores and above or turnover of Rs. 50 Crores and above	Sitting fee not to exceed the sum of twenty thousand rupees
b)	Other Companies	Sitting fee not to exceed the sum of ten thousand rupees.

Since from the inception of the Company in the year 1985, there was no revision in the sitting fee payable to the Directors for attending each meeting of the Board of Directors and Committee thereof, the Board of Directors proposes enhancement in the sitting fee for attending each meeting of the Board of Directors and Committee thereof from time to time as may be determined by the Board of Directors in Board Meeting not exceeding the limits prescribed under the Companies Act, 1956 or any other applicable rules or regulations in force. The proposal to increase the sitting fees would require the amendment in the Article 77(1) of the Articles of Association for which approval of shareholders would be required in the general meeting. Hence, this special resolution is required to be passed.

Except to the extent of interest of the Directors in relation to the revision in the sitting fee that may be payable to them, none of the Directors may be deemed to be interested or concerned in the resolution at item No. 6 of the Notice.

Your Board recommends the adoption of the resolution as set out at item No. 6 of the notice.

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## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

Dear Shareholders,

Your Directors have pleasure in presenting their 26<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2012. The Financial Results of your company are summarized below.

#### 1. FINANCIAL RESULTS

(Rs. In lacs)

PARTICULARS	As on 31-03-2012	As on 31-03-2011
Total Income	74.46	251.40
Less : Total Expenditure	89.99	231.73
Profit / (Loss) Before Tax & Depreciation	(15.53)	19.67
Less: depreciation	0.34	0.26
Profit / (Loss) Before Tax	(15.88)	19.41
Less: Provision for Taxation		
Provision for Income tax	0.00	3.75
Provision for Deferred tax	0.08	0.00
Profit /(Loss)After Tax	(15.96)	15.66
Add: Profit & Loss Account Balance Brought Forward From Previous Year	112.64	96.98
Profit & Loss Account Balance Carried over	96.68	112.64
Earning per share	0.00	0.04

#### 2. DIVIDEND

Due to loss suffered during the year by the company your Directors do not recommend any dividend during the financial year under review.

#### 3. BUSINESS REVIEW & FUTURE PROSPECTS

The company has set-up adequate infrastructure along with a team of professionals for carrying on the Investment Banking business. Your company aims to provide quality advice to its corporate clients and has built ability to execute client specific transactions. It provides a broad range of services including advices on capital raising, merger and acquisition, ESOP, Equity/Debt Placements, valuations of Equity shares, Restructuring and transaction execution relating to structured finance.

Your company is working towards developing a healthy pipeline of mandates in all segments of business and will endeavor to be reckoned with by industry for its efficient service delivery and execution capabilities.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### (i) Industry structure and developments.:

The world economy is passing through the recessionary mode wherein it is hard for Indian Economy and Indian Capital Market to remain unaffected. The weakening of rupee against the dollar and the slowdown on the Industrial Growth has put pressure on the Indian Economy resulting in slow down on Investment Banking activities. The economy is expected to do a turnaround in the coming years which will give the required momentum to our Company business as well.



- (ii) **Opportunities and Threats:**  
Immense opportunities exist in the Investment Banking business depending on the economic growth of the country. Major threat to your Company's fortune would be on account of adverse capital market trends and sentiments affected by domestic and global factors.
- (iii) **Segment –wise or product –wise performance:**  
The Company is doing well in the Corporate Advisory Services including valuation, Mergers, Acquisitions and Open Offers, Project Appraisals and Loan Syndication. The Primary market area fortune is linked directly to the Stock market and is trying to overcome the hurdles to achieve the best results and is also expanding the area of services it can offer.
- (iv) **Outlook:**  
Company is very optimistic about the opportunity in the Investment Banking business and envisages immense growth of the said industry on the back of the strength of the Indian economy and Indian stock market.
- (v) **Risks and concerns:**  
Your company is exposed to the fluctuations of economy and industry cycles. Also the entry from internationally established players may affect the fortune of your Company. The management believes that efficient business planning; risk management and product diversification would help to mitigate such risks.
- (vi) **Internal control system and their adequacy:**  
The Company has adequate internal control systems commensurate with its size and nature of the business.
- (vii) **Material development in Human Resources:**  
The human resources are the valuable assets of the Company. Personnel policies are designed to ensure growth of the personnel in the organization and provide a challenging work environment required for nurturing professional development.

**DIRECTORS**

**A. Director retiring by rotation**

Shri G. L. Lath who, retires by rotation, being eligible for reappointment, offers himself for re-appointment in the Annual General Meeting.

**B. New Appointment**

1. Shri V. Subramonian was appointed as an Additional Director of the Company with effect from 15.05.2012 and holds office up to the date of the ensuing Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 from members signifying their intention to propose the appointment of Shri V. Subramonian as a director of the Company. Further the Board of Directors have appointed Shri. V Subramonian as an Executive/Whole Time Director of the Company subject to approval of members in the ensuing Annual General Meeting.

The Director's recommends the appointment of Shri V. Subramonian.

II. Shri Tushar Dey was appointed as an Additional Director of the Company with effect from 15.05.2012 and holds office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from members signifying their intention to propose the appointment of Shri Tushar Dey as a director of the Company.

The Director's recommends the appointment of Shri Tushar Dey.



**C. Resigned**

- I. Shri Arun Singhi, an Executive/Whole Time Director resigned from the Board of Directors on 15.05.2012. The Directors place on record their sincere appreciation of the valuable services rendered during his tenure as an Executive Director/Whole Time Director.
  
- II. Also Shri B. L. Varma resigned on 15.05.2012, the Directors place on record their sincere appreciation of the valuable services rendered during his tenure as a Director.

**PUBLIC DEPOSIT :-**

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

**COMPLIANCE WITH SEBI GUIDELINES :-**

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

**DIRECTORS' RESPONSIBILITY STATEMENT :-**

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

- i) In the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2012, the applicable accounting standards have been followed along with proper explanation relating to material developments/deviations.
  
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and of the Profit/Loss of the company for the year under review.
  
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
  
- (iv) The Directors have prepared the accounts on a "going concern" basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :-**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, to the extent applicable is given below:



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

**Nil (P. Y. Nil)**

**PARTICULARS OF EMPLOYEES :-**

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

**CORPORATE GOVERNANCE :-**

A report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is attached as a separate Annexure and forms part of the report.

Corporate Governance Compliance Certificate obtained from the Auditors of the Company is already attached to this report.

**AUDITORS :-**

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

**AUDITORS REPORT :-**

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

**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 & Employees of the Company.

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

Dated: 15.05.2012  
Place: Mumbai.

**V. Subramonian**  
(Executive Director)

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



# BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

## CORPORATE GOVERNANCE REPORT

### PHILOSOPHY OF THE COMPANY:

The Company is committed to implement good corporate governance. The Company respects the rights of its shareholders to be informed on the performance of the Company and it is its endeavor, to maximize value to the shareholders of the Company. The Corporate Governance policies of the Company are comparable to the best in the industry and it envisages:

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

### I. BOARD OF DIRECTORS:

#### a) Composition and Category As on 15/05/2012 :

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

Name of Director	Category
Shri V. Subramanian	Executive Director @
Shri Arun Singhi	Executive Director #
Shri G. L. Lath	Non Executive, Non independent
Shri B.L.Varma	Non Executive, Non independent #
Shri Ashok Parmar	Non Executive, Independent
Shri D. S. Sharma	Non Executive, Independent
Shri Tushar Dey	Non Executive, Non Independent@

@ Appointed on 15th May, 2012 , # Resigned on 15th May, 2012

#### b) Details of the other Directorship and Chairmanship/Membership of Committee of each Director in various Companies as on 31<sup>st</sup> March 2012 is as follows:

Director	Executive / Non Executive / Independent	No. of Directorship held in other Companies		No. of Membership/ Chairmanship on other Board Committees	
		Public	Private	Member	Chairm
Shri. Arun Singhi	Executive Director	4	10	-	-
Shri. G. L. Lath	Non Executive	4	11	-	-
Shri D. S. Sharma	Independent Director	1	1	-	-
Shri. B. L. Varma	Non Executive	1	1	-	-
Shri Ashok Parmar	Independent Director	2	-	-	-



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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

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

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

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

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

During the year ended 31<sup>st</sup> March 2012, Six Board Meetings were held as against the minimum requirement of four meetings. The meetings were held on 6<sup>th</sup> May 2011, 18<sup>th</sup> May 2011, 2<sup>nd</sup> August 2011, 25<sup>th</sup> August 2011, 9<sup>th</sup> November 2011, 2<sup>nd</sup> February 2012.

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

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

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

Sr. No.	Name of Director	No. of Board Meetings attended	Whether attended previous AGM
1.	Shri G. L. Lath	5	Yes
2.	Shri Arun Singhi	6	Yes
3.	Shri B. L. Varma	6	Yes
4.	Shri Ashok Parmar	6	Yes
5.	Shri D. S. Sharma	4	Yes

**f) Code of Conduct:**

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

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



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### I. Committees of the Board A. AUDIT COMMITTEE:

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

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

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

Our Company Secretary Ms. Karishma Palejwala has resigned from office with effect from 15.05.2012. The Company has already started the process of recruiting a qualified person for the vacant post and is confident that it will be successful in appointing a suitable candidate.

#### Terms of Reference

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

#### Meetings during the year 2011-12

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

Date of Meeting	No. of Directors Present
06.05.2011	3
18.06.2011	3
02.08.2011	3
09.11.2011	4
02.02.2012	4

#### Attendance of Directors during the year 2011-12:

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





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### B. REMUNERATION COMMITTEE:

The Composition of the Committee is as under: -

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

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

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

Details of remuneration paid to all the Directors of the Company during the financial year 2011-2012:

Sr. No.	Name of Director	Remuneration (Rs.)	Sitting Fees (Rs.)
1.	Shri Arun Singhi	2,31,637/-	N.A.
2.	Shri G. L. Lath	-	1250/-
3.	Shri B. L. Varma	-	1500/-
4.	Shri Ashok Parmar	-	1500/-
5.	Shri D. S. Sharma	-	1000/-

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

### A. SHAREHOLDER'S GRIEVANCE COMMITTEE:

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

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

The Company Secretary of the Company acts as a Secretary to the committee and as a Compliance Officer.

No complaint was received from the shareholders during the year ended 31<sup>st</sup> March, 2012. To expedite the process of share transfer in physical segment, authority has been delegated to certain officers of the Company to approve Share transfers.

**III) GENERAL BODY MEETINGS**

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

Year	Venue	Date	Time
2008-2009	126,Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	29.09.2009	3.00 P.M.
2009-2010	126,Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	28.09.2010	3.00 P.M.
2010-2011	126,Sitaram Poddar Marg, Fanas wadi, Mumbai-400 002.	23.09.2011	3.00 P.M.

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

**III. CEO/CFO CERTIFICATION:**

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

**IV. DISCLOSURES:**

1. The Company has not entered into any transactions with the Promoters, Directors or the Management, their subsidiaries and relatives that may have a potential conflict with the interest of the Company.
2. The Company has complied with all the requirements relating to Capital Market, Stock exchanges, SEBI and other regulatory bodies. No regulatory body has imposed any penalty or had initiated any inquiry in the past three years.

**V. MEANS OF COMMUNICATIONS**

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

**VII. GENERAL SHAREHOLDERS' INFORMATION:**

Annual General Meeting:

Day & Date : 07.09.2012, Friday.

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

Time : 3.00 P.M.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### Financial Calendar 2012-13 (Tentative):

First Quarterly Results	: On or before 14 <sup>th</sup> August, 2012
Second Quarterly Results	: On or before 14 <sup>th</sup> November, 2012
Third Quarterly Results	: On or before 14 <sup>th</sup> February, 2013
Fourth Quarterly Results	: On or before 15 <sup>th</sup> May, 2013

### Date of Book Closure:

4<sup>th</sup> September, 2012 to 7<sup>th</sup> September, 2012 (Both days inclusive)

### Date of Dividend Disclosure:

Not Applicable.

### Listing of Equity Shares on:

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

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

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

### Stock Prices

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

Month	Birla Capital & Financial Services Limited (BCFSL)	
	BCFSL High (Rs.)	BCFSL Low (Rs.)
April, 2011	2.96	2.15
May, 2011	2.88	2.21
June, 2011	2.74	2.01
July, 2011	2.64	2.00
August, 2011	2.20	1.47
September, 2011	2.30	1.70
October, 2011	2.15	1.66
November, 2011	2.13	1.52
December, 2011	1.70	0.96
January, 2012	1.68	1.09
February, 2012	1.83	1.24
March, 2012	1.81	1.15

Source:- [www.bseindia.com](http://www.bseindia.com)



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### REGISTRAR AND SHARE TRANSFER AGENTS: -

**Address: - M/s. Big Share Services Private Limited**

E-2/3, Ansa Industrial Estate  
Sakivihar Road, Saki Naka, Andheri (East)  
Mumbai – 400 072.  
Tel: +91-022-40430200  
Fax: +91-022-28475207

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

### Distribution of shareholding as on 31<sup>st</sup> March 2012

Sr. No.	Shareholding Range (in Rs.)	No. of Shareholders	% of total Holders	Total Shareholding Rupees	% of total capital
1	1 to 5000	5368	87.63	6853162	8.77
2	5001 to 10000	396	6.46	3182900	4.07
3	10001 to 20000	217	3.54	3369964	4.31
4	20001 to 30000	57	0.93	1425912	1.83
5	30001 to 40000	20	0.33	711738	0.91
6	40001 to 50000	17	0.28	816356	1.05
7	50001 to 100000	24	0.39	1636092	2.09
8	100001 to 999999999	27	0.44	60123876	76.97
	<b>Total</b>	<b>6126</b>		<b>78120000</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2012**

Sr. No.	Category	% of Shareholders	% of Shareholding	Total Shareholders
1	Clearing Member	0.0653	0.01	3284
2	Corporate Bodies	2.1874	6.65	2595660
3	Corporate Bodies (Promoter Companies)	0.0816	62.98	24598881
4	Non Resident Indians	0.4081	0.35	137308
5	Promoters	0.0163	2.05	800600
6	Promoters/Directors	0.0326	0.05	21200
7	Public	97.1760	27.90	10896867
8	Relative of Director	0.0326	0.01	6200
	Total	100	100	39060000

**DEMATERIALISATION OF SHARES**

The Company's total paid-up capital representing 3,86,50,700 equity shares (98.95%) of total Equity share capital is held in dematerialized form with NSDL and CDSL and remaining 4,09,300 shares(1.05%) in physical form as on 31<sup>st</sup> March, 2012.

**Address for Correspondence:**

Registered Office:  
Industry House,  
159, Churchgate Reclamation,  
Mumbai – 400 020.  
**Tel: - +91-022-22026340**  
Fax: - +91-022-23858269  
E-mail Id: investors@birlacaps.com

**Investor Correspondence: -**  
**Big Share Services Private Limited**  
*Registrar and Share Transfer Agents*  
E-2/3 Ansa Industrial Estate, Saki Vihar Road,  
Sakinaka, Andheri (East),  
Mumbai - 400072  
Tel: - +91-022-40430200  
Fax: - +91-022-28475207  
E-mail: investor@bigshareonline.com



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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

Dear Sirs,

**Sub: CEO/CFO Certificate**

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2012 and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Dated:15.05.2012  
Place: Mumbai

Yours sincerely,

**V.Subramonian**



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### DECLARATION

As provided under Clause 49 of the Listing Agreement with Stock Exchange, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2012.

**For Birla Capital and Financial Services Ltd**

Dated:15.05.2012  
Place: Mumbai

**V.Subramonian**



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Birla Capital and Financial Services Ltd

1. We have examined the compliance of conditions of Corporate Governance by Birla Capital and Financial Services Ltd for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M. L. Choraria & Associates,  
Chartered Accountants

Dated : 15-5-2012  
Place : Mumbai

(M. M. Choraria)  
Proprietor  
Membership No.44180  
F.R.N. 113782W





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

**M.L.CHORARIA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

To,  
The Members of BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of Birla Capital And Financial Services Limited as at 31<sup>st</sup> March 2012, and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we have enclosed Annexure as a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred above we hereby wish to state that:
  - a) Sundry Debtors, Sundry Creditors, Bank accounts, Loans & Advances, are subject to adjustments due to verification and reconciliation of amounts as per books and consequential adjustments thereof.
  - b) No provision has been made in respect of the following: -
    - (i) Income Tax Demands aggregating Rs. 5,32,21,791/- against which the company has referred the matter to the Settlement Commission. The Settlement commission has admitted the company's application under section 245D(1) of the Income Tax Act, 1961 and the matter is sub judice.
    - (ii) Income matters of earlier years in appeals, rectification, towards which the liability is not ascertained, will be accounted for in the year in which the matters are settled.
    - (iii) Gratuity amounting to Rs. 122333/- upto March 2012 is accounted for on cash basis, since the same will be accounted for at the time of settlement of the employees accounts.

we report that;

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the Books of the Company;
- (iii) The Balance Sheet and Profit and Loss Account & cash flow dealt with by this report are in agreement with the Books of the Company;



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- (iv) In our opinion, the Balance Sheet and Profit and Loss Account & cash flow dealt with by this report comply with the Companies (Accounting Standards) Rules, 2006, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
  - (v) On the basis of written representations received from the Directors, as at 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
4. In our opinion and to the best of our information and according to the explanations given to us and as per the management representation made to us, the said accounts read together with Schedules and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India;
- (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2012;
  - (ii) in the case of the profit and loss account, of the loss for the year ended on that date;
  - (iii) in the case of cash flow statement of the cash flows for the year ended on that date.

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

Date : 15/05/2012  
Place: Mumbai

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



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### ANNEXURE TO THE AUDITORS REPORT (REFERRED TO IN PARAGRAPH 2 OF OUR REPORT) OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012 OF BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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

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

The Company does not have inventory, accordingly the clause 4 (ii) (a) to (c) are not applicable;
- iii. In respect of its Loans;
  - a) The Company has granted interest bearing Inter corporate Deposits, to Companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) The Company has not taken Inter corporate Deposits, from Companies covered in the register maintained under section 301 of the Companies Act, 1956.
  - c) In our opinion, the rate of interest and other terms & conditions on which the loans are granted/taken, are not prima facie prejudicial to the interest of the company.
  - d) In case of loans granted/taken, the borrower has been regular in making the payment of interest as stipulated. The terms of arrangement do not stipulate the repayment schedule and is repayable on demand. Accordingly, paragraph 4(iii)(c) of the order is not applicable to the Company in respect of payment of principal amount.
  - e) As per the information and explanation given to us all the loans and advances granted are repayable on demand and there is no overdue amount of more than 1,00,000/- in respect of loans granted to the body corporate listed in register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(d) of the order is not applicable.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business;
- v.
  - a) On the basis of audit procedures performed by us, and according to the information and explanation given to us, the transactions required to be entered in the register required to be maintained under Section 301 of the Companies Act has been so entered;
  - b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regards to prevailing market prices at the relevant time except and unless as mentioned in Para (iii) above;
- vi. In our opinion, during the year the Company has not accepted any public deposits and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public is not applicable.
- vii. In our opinion the Company has system of internal audit commensurate with the size and nature of its business.



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

- viii. According to information and explanation provided to us, maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956;
- ix. a) As per the records of the Company, it has been observed that the Company has been regular in depositing undisputed statutory dues including Income tax, Sales tax, Provident fund, Employees' State Insurance and other material Statutory Dues with the appropriate authorities;
- b) On the basis of our examination of the documents and records of the Company and the information and explanations given to us upon our enquiries, there are no amounts payable in respect of Sales Tax, Income Tax, Service Tax, on account of any dispute except the amount disputed in respect of Income Tax is Rs. 532.22 lacs against which the Company has referred the matter to the settlement commission. The settlement commission has admitted the company's application under section 245(D)(1) of the Income Tax Act 1961, & the matter is sub judice.
- x. The Company does not have any accumulated losses at the end of financial year and has not incurred cash loss in the immediately preceding financial year.
- xi. The Company has neither borrowed any sums from financial institutions nor through debentures and therefore question of repayment does not arise.
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities; Para 4(xii) of the Order is not applicable.
- xiii. In our opinion, considering the nature of activities carried on by the company during the period, the provisions of any special statute, applicable to Chit Fund/ Nidhi/ Mutual benefit Fund/ Societies are not applicable to the Company, hence Para 4(xiii) of the Order is not applicable.
- xiv. The Company has maintained proper records of transaction and contracts in respect of investments in securities and timely entries have been made therein. All Investments at the close of the year have been held in the name of the Company.
- xv. As per the information and explanations given to us and on our enquiries and records of the Company examined by us, the Company has not given any guarantee for loans taken from financial institutions and/or banks on behalf of others;
- xvi. The Company has not obtained any term loan during the year hence Para 4(xvi) is not applicable.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term asset except permanent working capital.
- xviii. In our opinion, and on the basis of information and explanations given to us, since the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, Para 4(xviii) of the Order is not applicable;
- xix. In our opinion, and on the basis of information and explanations given to us, since the company has not issued any debenture during the period, question of creating securities in respect thereof does not arise.
- xx. In our opinion, on the basis of information and explanations given to us, since the Company has not raised any money by public issue during the period, Para 4(xx) of the Order is not applicable;
- xxi. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of any such case by the management.

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

Date: 15/05/2012  
Place: Mumbai

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

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****Balance Sheet as at**

Particulars	Note No.	In Rupees	
		31st March, 2012	31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	<b>2.1</b>	78,120,000	78,120,000
(b) Reserves and surplus	<b>2.2</b>	13,620,623	15,216,034
		<u>91,740,623</u>	<u>93,336,034</u>
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	<b>2.3</b>	241,033	232,309
<b>3 Current liabilities</b>			
(a) Other current liabilities	<b>2.4</b>	213,994	637,619
(b) Short-term provisions	<b>2.5</b>	12,580,642	12,152,744
		<u>12,794,636</u>	<u>12,790,363</u>
<b>TOTAL</b>		<u>104,776,292</u>	<u>106,358,706</u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	<b>2.6</b>	127,648	162,004
(b) Non-current investments	<b>2.7</b>	20,615,718	20,715,718
(c) Deferred tax assets (Net)	<b>2.8</b>	121,755	121,755
(d) Long-term loans and advances	<b>2.9</b>	46,226,382	18,368,826
		<u>67,091,502</u>	<u>39,368,303</u>
<b>2 Current assets</b>			
(a) Cash and cash equivalents	<b>2.10</b>	1,238,728	32,338,273
(b) Short-term loans and advances	<b>2.11</b>	4,300,007	932,450
(c) Other current assets	<b>2.12</b>	32,146,055	33,719,680
		<u>37,684,790</u>	<u>66,990,403</u>
<b>TOTAL</b>		<u>104,776,292</u>	<u>106,358,706</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS **1 (A) & (B)**

As per our report of even date attached  
For M. L. Choraria & Associates  
Chartered Accountants

For and on behalf of the Board

**M. M. Choraria**  
Proprietor

**V.Subromonian**  
(Executive Director)

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

M.No. 44180  
F.R.N. 113782W  
Date :-15.05.2012  
Place:- Mumbai

**Karishma Palejwala**  
(Company Secretary)

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****Profit and loss statement for the period ended**

Particulars	Note No.	In Rupees	
		31st March, 2012	31st March, 2011
I. Revenue from operations	2.14	7445138	25140638
II. Other income	2.15	864	0
<b>III. Total Revenue (I + II)</b>		<b>7446002</b>	<b>25140638</b>
IV. Expenses:			
Employee benefits expense	2.16	7084884	6446317
Depreciation and amortization expense	2.17	34,356	26,761
Other expenses	2.18	1913449	16727193
Total expenses		<b>9032690</b>	<b>23200271</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(1,586,687)</b>	<b>1940367</b>
VI. Exceptional items		0	0
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(1586687)</b>	<b>1940367</b>
VIII. Extraordinary Items		0	0
<b>IX. Profit before tax (VII- VIII)</b>		<b>(1586687)</b>	<b>1940367</b>
X Tax expense:			
(1) Current tax	2.19	0	418000
(2) MAT Credit Entitlement	2.19	0	(42602)
(2) Deferred tax	2.19	8724	(468)
XI Profit (Loss) for the period from continuing operations (VII-VIII)		<b>(1595411)</b>	<b>1565437</b>
<b>XII Profit (Loss) for the period (XI + XIV)</b>		<b>(1595411)</b>	<b>1565437</b>
XIII Earnings per equity share:			
(1) Basic		-	0.04
(2) Diluted		-	0.04

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1 (A) &amp; (B)

As per our report of even date attached  
For M. L. Choraria & Associates  
Chartered Accountants

For and on behalf of the Board

**M. M. Choraria**  
**Proprietor**

**V.Subromonian**  
(Executive Director)

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

M.No. 44180  
F.R.N. 113782W  
Date :-15.05.2012  
Place:- Mumbai

**Karishma Palejwala**  
(Company Secretary)



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

	<u>31.03.2012</u>	<u>31.03.2011</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax & extraordinary items	(15,86,687)	1,940,366
Adjustment for :		
Income written off	-	14,230,914
Prior Period Items	-	-
Depreciation	34,356	26,761
Operating Profit Before Working Capital Changes	(1,552,331)	16,198,041
Adjustment for :		
Stock on Hire	-	-
Increase /(Decrease) in Loans & Advances	(29,651,488)	(15,428,409)
Increase /(Decrease) in Current Liabilities	4,273	(800,418)
Income Tax Paid	-	-
Cash flow before extraordinary Items	(31,199,546)	(30,786)
Prior Period Items	-	-
Net Cash flow from Operating Activities	(31,199,546)	(30,786)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(66,950)
Proceeds from Investments	100,000	-
Net Cash Used in Investing Activities	100,000	(66,950)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow from Unsecured Loan	-	-
Cash Credit	-	-
Net Cash Used in Financing Activities	-	-
Net Decrease in Cash & Cash Equivalents	(31,099,545)	(97,736)
Cash & Cash Equivalents at the beginning of the year	32,338,273	32,436,008
Cash & Cash Equivalents at the end of the year	1,238,728	32,338,273

As per our report of even date attached  
For M. L. Choraria & Associates  
Chartered Accountants

**M. M. Choraria**  
Proprietor

M.No. 44180  
F.R.N. 113782W  
Date :-15.05.2012  
Place:- Mumbai

For and on behalf of the Board

**V.Subromonian**  
(Executive Director)

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

**Karishma Palejwala**  
(Company Secretary)



1 NOTES FORMING PART OF ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

2. INCOME

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

3. EXPENSES

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

4. FIXED ASSETS

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

b) Depreciation

i. Own Assets

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

ii. Leased Assets

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

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

Aggregate value of Assets given on lease as on 31<sup>st</sup> March, 2012 is Rs. Nil  
(Previous year Rs. Nil)

5. INVESTMENTS

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

6. EMPLOYEES RETIREMENT BENEFITS

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





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 7. TAXATION

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

### 8. CONTINGENCIES

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

### (B) NOTES ON ACCOUNTS

1. In the opinion of the Board of Directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in the balance sheet unless otherwise stated.
2. Sundry Debtors, Sundry Creditors, Bank accounts, Loans & Advances, are subject to adjustments due to verification and reconciliation of amounts as per books.
3. No provision has been made in respect of the following: -
  - (i) Income Tax Demand aggregating to Rs. 5,32,21,791/- against which the company has referred the matter to the Settlement Commission. The Settlement commission has admitted the company's application under section 245D(1) of the Income Tax Act, 1961,
  - (ii) Income matters of earlier years in appeals, rectification, towards which the liability is not ascertained, will be accounted for in the year in which the matters are settled.
  - (iii) Gratuity amounting to Rs. 122333/- upto March 2012, since the same will be accounted for at the time of settlement of the employees accounts.
4. **Deferred Tax :**

In accordance with the requirements of Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute Of Chartered Accountants of India, the Company has given effect to Deferred tax accounting. The break-up of deferred tax assets / liabilities as on 31<sup>st</sup> March, 2012 is as under:-

Timing Difference on account of	As at 31.3.2012 (Rs.)	As at 31.3.2011 (Rs.)
Deferred Tax Assets	121755	121755
Deferred Tax Liability on account of Depreciation & Others	241033	232309
Deferred Tax Assets (Liability)	(119278)	(110554)



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### 5) Earning per Shares

Particulars	As on 31.3.2012 Rs.	As on 31.3.2011 Rs.
Net Profit / (Loss) as per Profit & Loss Account	(1595441)	1565437
Number of equity Shares	39060000	39060000
Earning per Share (Rs.)	---	0.04

### 6) Related Party Transaction :

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

Name of the Party	Relationship	Nature of Transaction	As on 31.3.2012 O/S Amount (Rs.)
Nirved Traders Pvt. Ltd.	Associate Co.	ICD (Dr.) Interest thereon	13478826 1375564
Shearson Investments & Trading Co Pvt. Ltd.	Associate Co.	ICD (Dr.) Interest thereon	32747556 2746365
Birla Infrastructure Ltd.	Associate Co.	ICD (Dr.) Interest thereon	Nil 178078
Birla Shloka Edutech Ltd.	Associate Co.	investment in shares	20615718
Shri Arun Singhi	Executive Director	Remuneration	231637

7. Previous year's figures have been regrouped rearranged wherever necessary.
8. The Company does not have any business other than its main business of Merchant Banking hence segment information is not applicable.
9. The information with respect to Note No.6A (d)(e)(f)(h)(i)(j)(k)(l), 6B (b)(c)(d)(e)(f)(g), 6C, 6D, 6E, 6F, 6G(a) to 6G(i), 6J, 6L (iii)(iv), 6M, 6N, 6O, 6P, 6Q (ii)(iii)(iv), 6R (iii)(iv), 6U, 6V, 6W of Part I (Form of Balance Sheet) of Schedule VI are not given in this statement to the extent it is inapplicable to the Company.
10. The information with respect to Note No. 1, 2(A), 3, 4(a)(b)(c), 5 of Part II (Form of Statement of profit & loss) of Schedule VI are not given in this statement to the extent it is inapplicable to the Company.

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****NOTE 2.1**

<b>Share Capital</b>	<b>31st March 2012 In Rupees</b>	<b>31st March 2011 In Rupees</b>
<b>Authorised</b> 75000000 Equity Shares of Rs. 2/- each	150,000,000	150,000,000
<b>Issued</b> 39060000 Equity Shares of Rs.2/- each	78,120,000	78,120,000
<b>Subscribed &amp; Paid up</b> 39060000 Equity Shares of Rs.2/- each	78,120,000	78,120,000
<b>Subscribed but not fully Paid up</b> NIL Equity Shares of Rs. 2/- each, not fully paid up	0	0
<b>Total</b>	<b>78,120,000</b>	<b>78,120,000</b>

**NOTE 2.1 A**

<b>Particulars</b>	<b>Equity Shares</b>	
	<b>Number</b>	<b>In Rupees</b>
Shares outstanding at the beginning of the year	39,060,000	78,120,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	39,060,000	78,120,000



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### NOTE 2.1 B

**Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956**  
w.r.t. shares held by each shareholder holding more than 5% shares.

Sr. No.	Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Godavari Corporation Private Limited	9492481	24.3	9492481	24.3
2	Shearson Investments Trading Co. Pvt. Ltd.	8670900	22.2	8670900	22.2
3	Nirved Traders Pvt. Ltd.	5495000	14.07	5495000	14.07
Total		23658381	60.57	23658381	60.57

### NOTE 2.1 C

Unpaid Calls	In Rupees
By Directors	Nil
By Officers	Nil

### NOTE 2.2

<b>Reserves &amp; Surplus</b>	<b>As at 31<sup>st</sup> March 2012 In Rupees</b>	<b>As at 31<sup>st</sup> March 2011 In Rupees</b>
<b>a. Capital Reserves</b>		
Opening Balance	2,838,728	2,838,728
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>2,838,728</b>	<b>2,838,728</b>
<b>b. Other Reserves (Special Reserve as Per RBI)</b>		
Opening Balance	1,113,594	1,113,594
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>1,113,594</b>	<b>1,113,594</b>
<b>c. Surplus</b>		
Opening balance	11,263,712	9,698,275
(+) Net Profit/(Net Loss) For the current year	(1,595,411)	1,565,437
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>9,668,301</b>	<b>11,263,712</b>
<b>Total</b>	<b>3,620,623</b>	<b>15,216,034</b>

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****NOTE 2.3**

<b>Deferred Tax Liabilities (Net)</b>	<b>As at 31st March 2012</b>	<b>As at 31st March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
<b>Please Refer NOTE 1(B) 4</b>		

**NOTE 2.4**

<b>Other Current Liabilities</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
(a) Other payables -TDS	175,517	-
(b) Other payables -Expenses	227	599,369
(c) Other payables -Audit Fees	38,250	38,250
<b>Total</b>	<b>213,994</b>	<b>637,619</b>

**NOTE 2.5**

<b>Short Term Provisions</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
(a) <b>Provision for employee benefits</b> Salary & Reimbursements	461,385	33,487
(b) <b>Others -income tax provisions</b>	12,119,257	12,119,257
<b>Total</b>	<b>12,580,642</b>	<b>12,152,744.00</b>



**NOTE 2.6 Tangible Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	Rate of Dep. ON SLM	Opening As At 01.04.11 Rs.	Additions During the Period Rs.	Deduction during the Period Rs.	Total cost As At 31.3.2012 Rs.	Total Upto 01.04.11 Rs.	Adjustment \ Deduction During the year Rs.	For the year Rs.	Total As At 31.3.2012 Rs.	As at 31.3.2012 Rs.	As at 01.04.11 Rs.
COMPUTER EQUIPMENTS	16.21%	341908	0	0	341908	179904	0	34356	214260	127648	162004
T O T A L		341908	0	0	341908	179904	0	34356	214260	127648	162004
Previous Year		274958	66950	0	341908	153143	0	26761	179904	162004	121815

**NOTE 2.7 Non-Current Investment**

Particulars	As at 31 <sup>st</sup> March 2012 In Rupees	As at 31 <sup>st</sup> March 2011 In Rupees
<b>A. Other Investments (Refer B below)</b> Investment in Equity instruments	20615718	20715718
<b>Total</b> Aggregate amount of quoted investments (Market value of Rs. 4005214 (Previous Year Rs. 7793397))	<b>20615718</b>	<b>20715718</b>
Aggregate amount of unquoted investments	0	100000

**B. Details of Other Investments**

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Quoted / Un quoted	Partly Paid / Fully paid	Extent of Holding (%)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' Basis of Valuation
		As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011			As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011		
(b)	Investment in Equity Instruments								
1	Birla Shloka Edutech Ltd	493253	493253	Quoted	Fully Paid Up	2.35	2.35	Yes	N.A.
2	Birla Integrated Textile Park	0	10000	Un Quoted	Fully Paid Up	-	20	Yes	N.A.
<b>Total</b>								<b>20,615,718</b>	<b>20,715,718</b>



**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

**NOTE 2.8**

<b>Deferred Tax Liabilities</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
<b>Please Refer NOTE 1(B) 4</b>		

**NOTE 2.9**

<b>Loans and advances to related parties</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
Unsecured, considered good	46,226,382	18,368,826
Doubtful	0	0
Less: Provision for doubtful loans and advances	0	0
<b>Total</b>	<b>46,226,382</b>	<b>18,368,826</b>

**NOTE 2.10**

<b>Cash and cash equivalents</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
a. Balances with banks	518,849	196,108
b. Balances with banks in deposit account	-	31,300,000
c. Cash on hand	719,879	842,165
<b>Total</b>	<b>1,238,728</b>	<b>32,338,273</b>

**NOTE 2.11**

<b>Short-term loans and advances</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
<b>a. Loans and advances to related parties (Please refer note 1(B) 6</b>		
Interest Receivable	4,300,007	932,450
	4,300,007	932,450

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED****NOTE 2.12**

Other current assets	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
	In Rupees	In Rupees
a. service tax paid in advance	1,249	948
b. interest receivable on fixed deposit	-	1,447,556
c. Staff advance	35,188	-
d. Prepaid Expenses	169,054	506,137
e. Advance tax & TDS	31,915,023	31,765,039
f. sundry parties	25,541	-
<b>Total</b>	<b>32,146,055</b>	<b>33,719,680</b>

**NOTE 2.13**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
	In Rupees	In Rupees
<b>Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	Please Refer NOTE 1 (B) 3	Please Refer NOTE 1 (B) 3
(b) Guarantees	-	-
(c) Other money for which the company is contingently liable	Please Refer NOTE 1 (B) 3	Please Refer NOTE 1 (B) 3

**NOTE 2.14**

Income	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
	In Rupees	In Rupees
Revenue from Operations		
Interest Income	4635138	2439718
Income From Consultancy / Merchant Banking	2810000	22700920
<b>Total</b>	<b>7,445,138</b>	<b>25,140,638</b>

**NOTE 2.15**

Other Income	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
	In Rupees	In Rupees
Other non-operating income	864	0
<b>Total</b>	<b>864</b>	<b>-</b>





**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

**NOTE 2.16**

<b>Employee Benefits Expense</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
(a) Salaries and incentives	6,688,827	6,072,604
(b) Contributions to	-	
(c) Provident fund	154,380	144,733
(d) Gratuity	32,187	-
(e) Staff welfare expenses	209,490	228,980
<b>Total</b>	<b>7,084,884</b>	<b>6,446,317</b>

**NOTE 2.17**

<b>Depreciation &amp; Amortisation EXPENSES</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
	<b>In Rupees</b>	<b>In Rupees</b>
<b>Refer NOTE 2.6</b>		

**NOTE 2.18**

<b>SR No</b>	<b>OTHER EXPENSES</b>	<b>As at 31<sup>st</sup> March 2012</b>	<b>As at 31<sup>st</sup> March 2011</b>
		<b>In Rupees</b>	<b>In Rupees</b>
1	<u>Auditors Remuneration</u>		
	a. Audit fees & other remuneration	30000	30000
	b. For Certification	10000	10000
	c. Auditors out of pocket expenses	2500	2500
		42500	42500
2	Advertisement Expenses	25813	16883
3	Conveyance & Travelling	326748	266327
4	Legal & Professional Fees	206855	961710
5	Listing Fees	187836	64280
6	Stock on Hire Purchase W/off	0	14230914
7	Postage & Telegram	47814	54988
8	Printing & Stationery	118522	90629
9	Sundry Dr/ cr bal w/off	-537027	4504
10	Rent	14500	14500
11	Electricity	51071	71798
12	Misc. Expenses	1099144	613966
13	Telephone Charges	253447	231393
14	Directors Fees	5000	3500
15	Share Transfer Charges	65896	57281
16	Filing Fees	5330	2020
<b>Total</b>		<b>1913449</b>	<b>16727193</b>



## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

### NOTE 2.19

SR No	Tax Expense	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
		In Rupees	In Rupees
1	Current Tax a. Income Tax	Nil	418000
2	MAT Credit Entitlement	Nil	-42602
3	Deferred Tax	8724	-468
<b>Total</b>		<b>8724</b>	<b>374930</b>

As per our report of even date attached  
For M. L. Choraria & Associates  
Chartered Accountants

For and on behalf of the Board

**M. M. Choraria**  
Proprietor

**V.Subromonian**  
(Executive Director)

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

M.No. 44180  
F.R.N. 113782W  
Date :-15.05.2012  
Place:- Mumbai

**Karishma Palejwala**  
(Company Secretary)

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

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

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

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

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

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

NAME(S) AND ADDRESS OF THE SHARE HOLDER.

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

I/We hereby record my/our presence at the 26th **ANNUAL GENERAL MEETING** of the Company held on Friday 7<sup>th</sup> September, 2012 at 3.00 p.m. at "126", Sitaram Poddar Marg, Fanas Wadi, Mumbai -2

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

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

**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**

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

**PROXY FORM**

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

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

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

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

of \_\_\_\_\_ (or failing him) \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me / us and my/ our behalf at the 26th **ANNUAL GENERAL MEETING** of the Company to be held on Friday 7<sup>th</sup> September, 2012 at 3.00 p.m. at "126", Sitaram Poddar Marg, Fanas Wadi, Mumbai -2, or any adjournment thereof. Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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

Signature \_\_\_\_\_

Affix  
Rs. 1  
Revenue  
Stamp

Note :

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





## BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED

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