

M.P. BIRLA GROUP SERVICES PRIVATE LIMITED

Registered Office: 9/1, R.N. Mukherjee Road
Kolkata - 700001

DIRECTORS' REPORT

To the Shareholders,

Your Directors have pleasure in presenting their Report for the financial year ended 31st March, 2012.

Accounts & Financial Matters:

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	₹	₹
Expenditure :	10,481	9,068
Profit/(Loss) for the year :	(10,481)	(9,068)
Surplus/(Deficit) as per last Financial Statements :	(37,612)	(28,544)
Net Surplus/(Deficit) :	(48,089)	(34,612)

GENERAL REVIEW:

The Company has not yet started its operations. Your Directors are exploring various avenues and possibilities for commencement of its business activities.

DIRECTORS:

Shri M.K. Mehta retires by rotation at the forthcoming Annual General Meeting and offers himself for re-appointment.

AUDITORS:

Messrs. Alps and Co., Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

regarding conservation of energy and technology absorption is not provided as the same is not applicable to the Company. There are no foreign exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

The Company has no employee getting remuneration as prescribed under Section 217(2A) of the Companies Act, 1956, read with the amended Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:


In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state that -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the accounting policies adopted and applied in the preparation of the annual accounts have been consistently followed and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 and of the loss for the year ended 31st March, 2012;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for co-operation received from various Government agencies.

For and on behalf of the Board


M.K. Mehta

A. Agarwal } Directors

Place: Kolkata

Dated: 20th April, 2012

AUDITORS REPORT

To The Members,

We have audited the attached Balance Sheet of **M. P. BIRLA GROUP SERVICES PRIVATE LIMITED** as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standard generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are prepared free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - 2.1. 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.
 - 2.2. 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 those books.
 - 2.3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of the account.
 - 2.4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been drawn up in accordance with the applicable Accounting Standard referred to in Sub-section (3C) of Section 211 of the Companies Act.
 - 2.5. On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2012 from being appointed as Director in terms of section 274(1)(g) of the Companies Act, 1956.



2.6. In our opinion and to the best of our information and according to explanations given to us the said account give the information required by the Companies Act, 1956 in the manner so required and read together with other notes given thereon, gives 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 Company's affairs as at 31st March, 2012;
- ii) In the case of Profit & Loss Account of the Loss for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 313132E



(A.K.Khetawat)
Partner
M. No. 52751

Kolkata

Dated: 1st day of April, 2012



ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our report of even date)

- 1) The Company has no fixed assets and therefore reporting on provisions of clause 4(i) relating to fixed assets are not applicable to the Company.
- 2) The Company has not any inventories, and therefore reporting on provisions of clause 4(ii) relating to inventories are not applicable to the Company.
- 3) During the period, the Company has not taken nor granted any loans, secured or unsecured from/to companies, firm and other parties covered in the register maintained under section 301 of the Act and therefore provisions on clauses 4(iii) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has not made any purchases and sales during the period and therefore provisions on clauses 4(iv) of the Order are not applicable to the Company.
- 5) (a) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) There is no transactions, with parties as stated in para 5(a) above, exceeding value Rs.500,000/- have been entered into during the financial year.
- 6) During the year, the Company has not accepted any deposits from the public as defined under sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- 7) The Company's paid up capital and free reserve does not exceed Rs. 50 lakhs at the commencement of financial year nor has its average annual turnover exceeded five crore for a period of three consecutive financial years immediately preceding the year under review and therefore provisions on clauses 4(vii) of the Order are not applicable to the Company.
- 8) There is no requirement for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- 9) (a) According to the records of the Company, the Company has not any undisputed statutory dues which were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and according to information and explanations given to us, the Company does not have any outstanding disputed statutory dues as on 31st March, 2012.
- 10) This being third financial year of the Company, therefore provisions of clause 4(x) of the order are not applicable to the Company.
- 11) The Company has not borrowed any amount from any financial institutions or banks or by way of issue of debentures, therefore provisions of clause 4(xi) of the order are not applicable to the Company.



- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/ mutual benefit fund or society. Therefore clause 4(xiii) of the order are not applicable to the Company.
- 14) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, the Company has not entered any transactions in respect of dealing in shares, securities, debentures and other investments and therefore clause 4(xiv) of the order is not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions and as such provisions of clause 4(xv) of the Order are not applicable to the Company.
- 16) During the year, the Company has not taken any term loan and as such provisions of clause 4(xvi) of the Order are not applicable to the Company.
- 17) Based on the overall examination of the Balance Sheet of the Company no funds raised on short term basis have been used for long term purposes by the Company.
- 18) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act and therefore provisions of clause 4(xviii) of the Order are not applicable to the Company.
- 19) During the year, the Company has neither issued any debentures nor it has any outstanding debentures and therefore provisions of clause 4(xix) of the Order are not applicable to the Company.
- 20) During the year, the Company has not raised money through public issue and therefore provisions of clause 4(xx) of the Order are not applicable to the Company.
- 21) In our opinion and according to information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For A L P S & CO.
Chartered Accountants
Firm's ICAI Regn. No. 318132E



(A.K.Khetawat)
Partner
M. No. 52751

Kolkata

Dated: 17th day of April, 2012



M. P. BIRLA GROUP SERVICES PRIVATE LIMITED
BALANCE SHEET as at 31st March 2012

(Amount in ₹)

	Note	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	2.1	200,000	200,000
Reserves and Surplus	2.2	<u>(48,089)</u>	<u>(37,612)</u>
		151,911	162,388
CURRENT LIABILITIES			
Trade Payables	2.3	<u>6,742</u>	<u>6,618</u>
		6,742	6,618
TOTAL		<u>158,653</u>	<u>169,006</u>
ASSETS			
NON-CURRENT ASSETS			
Non-Current Investments	2.4	<u>2,656</u>	-
		2,656	-
CURRENT ASSETS			
Cash and Bank Balances	2.6	155,967	169,006
Short-Term Loans and Advances	2.5	<u>30</u>	-
		155,997	169,006
TOTAL		<u>158,653</u>	<u>169,006</u>

Significant Accounting Policies

1

The Notes are an integral part of the Financial Statements

As per our Report annexed
For ALPS & Co.
Chartered Accountants
Firm's ICAI-Regn. No. 313132E



Ashok K. Khetawat

Partner

(Membership No. 052751)

Place : Kolkata

Dated : 20.04.2012

For and on behalf of the Board

M. K. Mehta

M. K. Mehta

A. Agarwal

A. Agarwal

M. P. BIRLA GROUP SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS for the year ended 31st March 2012

		(Amount in ₹)	
Income	Note	For the year ended 31st March,2012	For the year ended 31st March,2011
Revenue from Operations		-	-
Other income	2.7	4	-
		4	-
Expenses:			
Other Expenses	2.8	10,481	9,068
Total		10,481	9,068
Profit/(Loss) for the year		(10,477)	(9,068)
Earnings Per Share [nominal value Rs. 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		20,000	20,000
Basic and Diluted earning per share		(0.52)	(0.45)
Significant Accounting Policies	1		

The Notes are an integral part of the Financial Statements

As per our Report annexed
For ALPS & Co.
Chartered Accountants
 Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat
Partner
 (Membership No. 052751)
 Place : Kolkata
 Dated : 20.04.2012



For and on behalf of the Board

M. K. Mehta
M. K. Mehta

A. Agarwal
A. Agarwal

M. P. BIRLA GROUP SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2012

	For the year ended 31st March, 2011	For the year ended 31st March, 2011
A. Cash Flow from Operating Activities:		
Profit/(Loss) before Tax	(10,481)	(9,068)
<u>Adjustments for:</u>		
Foreign Exchange Fluctuation	4	
Operating Profit before Working Capital Changes	<u>(10,477)</u>	(9,068)
<u>Adjustments for:</u>		
Trade Payable	124	
Loan and Advances	<u>(30)</u>	
Cash Generated from Operations	<u>(10,383)</u>	<u>(9,068)</u>
 Net Cash flow from Operating Activities	 (10383)	 (9,068)
B. Cash Flow from Investing Activities:		
Purchase of Investment	<u>(2656)</u>	<u>-</u>
Net Cash used in Investing Activities	<u>(2656)</u>	<u>-</u>
C. Cash Flow from Financing Activities:		
Net Cash used in Financing Activities	<u>-</u>	<u>-</u>
 Net increase/(decrease) in Cash & Cash Equivalents	 (13039)	 (9,068)
 Cash & Cash Equivalents (Opening Balance)	 <u>169006</u>	 <u>178,074</u>
Cash & Cash Equivalents (Closing Balance)	<u>1,55,967</u>	<u>1,69,006</u>

Notes:

- Above statement has been prepared in indirect method.
- Cash and Cash Equivalents consist of Bank Balance.

For ALPS & Co.

Chartered Accountants

Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat

Partner

(Membership No. 052751)

Place : Kolkata

Dated : 20.04.2012



For and on behalf of the Board



M. K. Mehta



A. Agarwal

M. P. BIRLA GROUP SERVICES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2012

1. Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

The financial statements had been prepared and presented as per the requirement of revised Schedule VI as notified under Companies Act 1956 with effect from current year. The adoption of revised schedule VI does not have any impact on recognition and measurement principles as followed by the company.

1.2 Use of Estimates

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialised.

1.3 Recognition of Income and Expenditure

All Income and Expenditure are accounted for on accrual basis.

1.4 Taxation

Provision for Current Income Tax is made in accordance with the Income Tax Act, 1961. The deferred tax charge or credit is recognised using substantively enacted tax rates subject to consideration of prudence on timing differences between book and tax profits.

1.5 Investments

a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The portion of long term investments expected to be realised within twelve months after the reporting date are disclosed under current investments as per the requirement of revised Schedule VI.

b) On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.

c) Long Term Investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.

d) Current Investments, other than the portion of long term investments disclosed under current investments, are stated at lower of cost or fair value.

1.6 Foreign Currency Transactions

a) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year-end balance of foreign currency transactions is translated at the year-end rates.

b) Foreign Exchange Fluctuations are recognized as income or expense in the period in which they arise.



M. P. BIRLA GROUP SERVICES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2012

(Amount in ₹)

		As at 31st March,2012	As at 31st March,2011
2.1 : SHARE CAPITAL			
	Authorised		
20,000	Ordinary Shares of ₹10/- each	200,000	200,000
		<u>200,000</u>	<u>200,000</u>
	Issued,Subscribed and Paid-up		
20,000	Ordinary Shares of ₹10/- each fully paid-up	200,000	200,000
		<u>200,000</u>	<u>200,000</u>

- a) The company has one class of issued shares i.e. ordinary shares having par value of ₹10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- b) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period and therefore no reconciliation is required.
- c) All Ordinary Shares of the company are being held by Birla Corporation Ltd. - the Holding Company and its nominees
- d) No shares have been reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment as at the balance sheet date.
- e) No shares have been allotted or has been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- f) No convertible securities has been issued by the company during the year.
- g) No calls are unpaid by any Director and Officer of the Company during the year.

2.2 : RESERVES & SURPLUS

ii) Surplus/ (Deficit)

As per last Financial Statements	(37,612)	(28,544)
Add: Profit/(Loss) for the year	(10,477)	(9,068)
	<u>(48,089)</u>	<u>(37,612)</u>



		(Amount in ₹)	
		As at 31st March,2012	As at 31st March,2011
2.3 : TRADE PAYABLES			
For Services (incl. Rs. NIL for Micro Small and Medium Enterprises, Previous Year Rs. NIL)		6,742	6,618
		<u>6,742</u>	<u>6,618</u>
2.4 : NON CURRENT INVESTMENTS			
Equity Shares in Fellow Subsidiary - Unquoted (Valued At cost)			
Number Of Shares	Name of Body Corporate (Face Value of Birr 1000/- each)		
1	Birla Corporation Cement Manufacturing P.L.C	2,656	-
		<u>2,656</u>	<u>-</u>
2.5 : LOANS & ADVANCES			
Loan & Advances to Related Parties (Unsecured, Considered good) To Fellow Subsidiary Companies		30	-
		<u>30</u>	<u>-</u>
		<u>30</u>	<u>-</u>
2.6 : CASH AND BANK BALANCES			
Balances With Bank In Current Account		155,967	169,006
		<u>155,967</u>	<u>169,006</u>
2.7 : OTHER INCOME			
Net Gain/ (Loss) on Foreign currency transaction and translation		4	-
		<u>4</u>	<u>-</u>
2.8 : OTHER EXPENSES			
SELLING AND ADMINISTRATION			
Auditors' Remuneration - Statutory Auditors -			
Audit Fees		6,742	6,618
Issue of Certificates		1,103	-
Other Expenses			
Bank Charges		1,726	550
Legal and Professional Charges		910	1,900
		<u>10,481</u>	<u>9,068</u>



M. P. BIRLA GROUP SERVICES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March 2012

(Amount in ₹)

2.9 Dues to Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises (MSMEs) as defined in the Micro, Small, Medium Enterprises Development Act, 2006, within the appointed date during the year and no MSMEs to whom the Company owes dues on account of principal amount together with interest at the Balance Sheet date, hence no additional disclosures have been made.

2.10 Segment Reporting

The Company has not yet commenced its commercial operations in view of which there are no reportable segments of the Company as per Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

2.11 Related Party Disclosure

- (a) As defined in Accounting Standard -18 the Company has a related party relationship in the nature of control with its Holding Company namely Birla Corporation Limited and fellow subsidiary namely Birla Corporation Cement Manufacturing PLC
- (b) During the year, the Company entered into the following related party transactions with Birla Corporation Limited, the Holding Company and Birla Corporation Cement Manufacturing PLC, Fellow Subsidiary

	Holding Company For the year ended		Fellow Subsidiary For the year ended	
	2012	2011	2012	2011
Advance Received	200	200	-	-
Advance Repaid	200	200	-	-
Share Application Money Paid	-	-	2682	NIL
	As at 31st March		As at 31st March	
	2012	2011	2012	2011
Balance Outstanding :				
Advance Receivable (Share Application Money Refundable)	-	-	30	NIL

2.12 Earning per Share:

Profit/(Loss) for the period as per Profit and Loss Account	(10,477)	(9,068)
Weighted average number of equity shares outstanding	20,000	20,000
Basic and Diluted earning per share (Face Value - Rs. 10)	(0.52)	(0.45)

- 2.13 In accordance with Accounting Standard - 22, the Company has Deferred Tax Assets of Rs 14,861 /- as on 31st March, 2012 (Previous Year Rs 11,622 /-) representing business loss which has not been recognised in the accounts in view of accounting policy specified above.

Signatures to Note 1 to 2.13

As per our Report annexed
For ALPS & Co.
Chartered Accountants
Firm's ICAI Regn. No. 313132E



Ashok K. Khetawat
Partner
(Membership No. 052751)
Place : Kolkata
Dated : 20.04.2012



For and on behalf of the Board


M. K. Mehta


A. Agarwal