

## INDEPENDENT AUDITOR'S REPORT

To The Members of **M. P. BIRLA GROUP SERVICES PRIVATE LIMITED,**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M. P. BIRLA GROUP SERVICES PRIVATE LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2015 and the Statement of Profit & Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

M. P. BIRLA GROUP SERVICES PVT. LTD.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its profit/loss and its cash flow for the year ended on that date.


## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015 ("the Order"), issued by the Central Government of India in terms of Section 143) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable to the Company.
2. As required by section 143 (3) of the Act, we report that:
  - 2.1. We have sought and 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, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of the account.
  - 2.4. In our opinion, the standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - 2.5. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the director is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as Director in terms of Section 164(2) of the Act.
  - 2.6. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Kolkata  
Dated: 4th day of May, 2015



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

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

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company of even date)

- 1) The Company has no fixed assets and therefore reporting on provisions of clause 3(i) relating to fixed assets is not applicable to the Company.
- 2) The Company has not any inventories, and therefore reporting on provisions of clause 3(ii) relating to inventories are not applicable to the Company.
- 3) During the year, the Company has not granted any loans, secured or unsecured to companies, firm and other parties covered in the register maintained under section 189 of the Act and therefore provisions on clauses 3(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 3(iv) of the Order are not applicable to the Company.
- 5) During the year, the Company has not accepted any deposits and therefore provisions on clause 3(v) of the Order are not applicable to the Company.
- 6) The maintenance of cost records under section 148(1) of the Act has not been specified for the Company and therefore provisions on clauses 3(vi) of the Order is not applicable to the Company.
- 7) (a) According to the records of the Company, the Company is regular in depositing the statutory dues and it has not any undisputed statutory dues which were outstanding as at 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015.  
(c) According to the records of the Company, the Company has not any unpaid amount payable to the Investors Education and Protection Fund and therefore provisions on clauses 3(vii)(c) of the Order is not applicable to the Company.
- 8) The Company has accumulated losses at the end of financial year, which exceeds 50% of its net worth. The Company has incurred cash losses in current year and in immediately preceding financial year.
- 9) The Company has not borrowed any amount from any financial institutions or banks or by way of issue of debentures, therefore provisions of clause 3(ix) of the order are not applicable to the Company.
- 10) 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 3(x) of the Order are not applicable to the Company.
- 11) During the year, the Company has not taken any term loan.
- 12) 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.

Kolkata  
Dated: 4th day of May, 2015

M. P. BIRLA GROUP SERVICES PVT. LTD.



For ALPS & CO.  
Chartered Accountants  
Firm's ICAI Regn. No. 313132E

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

**M. P. BIRLA GROUP SERVICES PRIVATE LIMITED**  
**BALANCE SHEET as at 31st March 2015**

(Amount in Rs.)

|                               | Note | As at March 31, 2015  | As at March 31, 2014  |
|-------------------------------|------|-----------------------|-----------------------|
| <b>EQUITY AND LIABILITIES</b> |      |                       |                       |
| <b>SHAREHOLDERS' FUND</b>     |      |                       |                       |
| Share Capital                 | 2.1  | 200,000               | 200,000               |
| Reserves and Surplus          | 2.2  | <u>(101,969)</u>      | <u>(84,268)</u>       |
|                               |      | 98,031                | 115,732               |
| <b>CURRENT LIABILITIES</b>    |      |                       |                       |
| Other Current Liabilities     | 2.3  | <u>6,742</u>          | <u>6,742</u>          |
|                               |      | 6,742                 | 6,742                 |
| <b>TOTAL</b>                  |      | <u><b>104,773</b></u> | <u><b>122,474</b></u> |
| <b>ASSETS</b>                 |      |                       |                       |
| <b>NON-CURRENT ASSETS</b>     |      |                       |                       |
| Non-Current Investments       | 2.4  | <u>-</u>              | <u>2,656</u>          |
|                               |      | -                     | 2,656                 |
| <b>CURRENT ASSETS</b>         |      |                       |                       |
| Cash and Bank Balances        | 2.6  | 104,773               | 119,783               |
| Short-Term Loans and Advances | 2.5  | <u>-</u>              | <u>35</u>             |
|                               |      | 104,773               | 119,818               |
| <b>TOTAL</b>                  |      | <u><b>104,773</b></u> | <u><b>122,474</b></u> |

Significant Accounting Policies 1

The accompanying Notes are an integral part of the Financial Statements

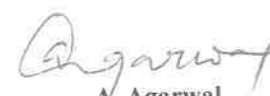
For and on behalf of the Board

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



**Ashok K. Khetawat**  
 Partner  
 (Membership No. 052751)  
 Place : Kolkata  
 Dated : 04-05-2015

  
**M. K. Mehta**

  
**A. Agarwal**



*Ashok K. Khetawat*  
*Goel*

**M. P. BIRLA GROUP SERVICES PRIVATE LIMITED**  
**STATEMENT OF PROFIT & LOSS for the year ended 31st March 2015**

(Amount in Rs.)

|                                   | Note | For the year ended<br>31st March,2015 | For the year ended<br>31st March,2014 |
|-----------------------------------|------|---------------------------------------|---------------------------------------|
| <b>INCOME</b>                     |      |                                       |                                       |
| Other income                      | 2.7  | 2                                     | 3                                     |
| <b>Total</b>                      |      | <b>2</b>                              | <b>3</b>                              |
| <b>EXPENSES</b>                   |      |                                       |                                       |
| Other Expenses                    | 2.8  | 17,703                                | 11,800                                |
| <b>Total</b>                      |      | <b>17,703</b>                         | <b>11,800</b>                         |
| <b>Profit/(Loss) for the year</b> |      | <b>(17,701)</b>                       | <b>(11,797)</b>                       |

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

(0.89)

(0.59)

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements

As per our Report of event dated annexed  
**For ALPS & Co.**

*Chartered Accountants*

Firm's ICAI Regn. No. 313132E



**Ashok K. Khetawat**

*Partner*

(Membership No. 052751)

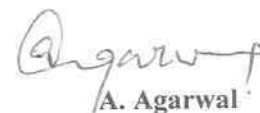
Place : Kolkata

Dated : 04-05-2015

**For and on behalf of the Board**



**M. K. Mehta**



**A. Agarwal**



*Akhotia*

*Goel*

**M. P. BIRLA GROUP SERVICES PRIVATE LIMITED**  
**CASH FLOW STATEMENT for the year ended 31st March, 2015**

|   | For the year ended<br>31st March, 2015 | For the year ended<br>31st March, 2014 |
|---|--|--|
| (Amount in Rs.)   |  |  |
| <b>A. Cash Flow from Operating Activities:</b>                |  |  |
| Profit/(Loss) before Tax                                      | (17,703)                               | (11,800)                               |
| <b>Adjustments for:</b>                                       |  |  |
| Foreign Exchange Fluctuation                                  | 2                                      | 3                                      |
| <b>Operating Profit/(Loss) before Working Capital Changes</b> | <b>(17,701)</b>                        | <b>(11,797)</b>                        |
| <b>Adjustments for:</b>                                       |  |  |
| Other liabilities   | -                                      | -                                      |
| Loan and Advances   | 2,691                                  | (3)                                    |
| <b>Cash Generated from Operations</b>                         | <b>(15,010)</b>                        | <b>(11,800)</b>                        |
| <b>Net Cash flow from Operating Activities</b>                | <b>(15,010)</b>                        | <b>(11,800)</b>                        |
| <b>B. Cash Flow from Investing Activities:</b>                |  |  |
| Purchase of Investment  | -                                      | -                                      |
| <b>Net Cash used in Investing Activities</b>                  | <b>-</b>                               | <b>-</b>                               |
| <b>C. Cash Flow from Financing Activities:</b>                |  |  |
| <b>Net Cash used in Financing Activities</b>                  | <b>-</b>                               | <b>-</b>                               |
| <b>Net increase/(decrease) in Cash &amp; Cash Equivalents</b> | <b>(15,010)</b>                        | <b>(11,800)</b>                        |
| <b>Cash &amp; Cash Equivalents (Opening Balance)</b>          | <b>119,783</b>                         | <b>131,583</b>                         |
| <b>Cash &amp; Cash Equivalents (Closing Balance)</b>          | <b>104,773</b>                         | <b>119,783</b>                         |

**Notes:**

1. Above statement has been prepared in indirect method.
2. Cash and Cash Equivalents consist of Bank Balance.
3. Figures for the previous year have been re-grouped wherever considered necessary.

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



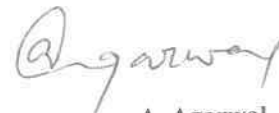
**Ashok K. Khetawat**  
Partner  
(Membership No. 052751)  
Place : Kolkata  
Dated : 04-05-2015



**For and on behalf of the Board**



**M. K. Mehta**



**A. Agarwal**

*Ashok K. Khetawat*

*A. Agarwal*

**M. P. BIRLA GROUP SERVICES PRIVATE LIMITED**

Notes to Financial Statements for the year ended 31st March, 2015

(Amount in Rs.)

|                            |   | As at<br>31st March,2015 | As at<br>31st March,2014 |
|----------------------------|---|--------------------------|--------------------------|
| <b>2.1 : SHARE CAPITAL</b> |   |                          |                          |
| 20,000                     | <b>Authorised</b><br>Ordinary Shares of ₹10/- each                                  | 200,000                  | 200,000                  |
|                            |   | <u>200,000</u>           | <u>200,000</u>           |
| 20,000                     | <b>Issued,Subscribed and Paid-up</b><br>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 Rs.10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares. In the event of liquidation, the ordinary shareholders are eligible to eive the remaining assets of the Company 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**

|                                  |                  |                 |
|----------------------------------|------------------|-----------------|
| <b>Surplus/ (Deficit)</b>        |                  |                 |
| As per last Financial Statements | (84,268)         | (72,471)        |
| Add: Profit/(Loss) for the year  | (17,701)         | (11,797)        |
| <b>Net Surplus/ (Deficit)</b>    | <u>(101,969)</u> | <u>(84,268)</u> |

**2.3 : OTHER CURRENT LIABILITIES**

|        |              |              |
|--------|--------------|--------------|
| Others | 6,742        | 6,742        |
|        | <u>6,742</u> | <u>6,742</u> |



**M. P. BIRLA GROUP SERVICES PRIVATE LIMITED**

(Amount in Rs.)

|   |  | As at<br>31st March,2015  | As at<br>31st March,2014 |
|---|--|---------------------------|--------------------------|
| <b>2.4 : NON CURRENT INVESTMENTS</b>                                      |  |                           |                          |
| <b>Equity Shares in Fellow Subsidiary - Unquoted</b><br>(Valued At Cost ) |  |                           |                          |
| Number Of<br>Shares   | Name of Body Corporate   |                           |                          |
| 1   | Birla Corporation Cement Manufacturing P.L.C<br>(Face Value of Birr 1000/- each) | 2,656                     | 2,656                    |
| Less :  | Provision made for diminution in value of Non-Current Investment.                | 2,656                     | -                        |
|   |  | <u>-</u>                  | <u>2,656</u>             |
| <b>2.5 : LOANS &amp; ADVANCES</b>   |  |                           |                          |
|   |  | <u>Short-term</u>         |                          |
| Loan & Advances to Related Parties<br>(Unsecured, Considered good)        |  |                           |                          |
| To Fellow Subsidiary Companies  |  | 37                        | 35                       |
| Less Provision  |  | 37                        | -                        |
|   |  | <u>-</u>                  | <u>35</u>                |
| <b>2.6 : CASH AND BANK BALANCES</b>                                       |  |                           |                          |
| Balances With Bank<br>In Current Account                                  |  | 104,773                   | 119,783                  |
|   |  | <u>104,773</u>            | <u>119,783</u>           |
|   |  | <b>For the Year ended</b> |                          |
|   |  | <u>31st March,2015</u>    | <u>31st March,2014</u>   |
| <b>2.7 : OTHER INCOME</b>   |  |                           |                          |
| Net Gain/ (Loss) on Foreign currency transaction and translation          |  | 2                         | 3                        |
|   |  | <u>2</u>                  | <u>3</u>                 |
| <b>2.8 : OTHER EXPENSES</b>   |  |                           |                          |
| <b>Selling and Administrative Expenses</b>                                |  |                           |                          |
| Rates & Taxes   |  | 2,500                     | 2,500                    |
| Auditors' Remuneration -<br>Statutory Auditors -<br>Audit Fees            |  | 6,742                     | 6,742                    |
| Other Expenses  |  |                           |                          |
| Bank Charges  |  | 618                       | 650                      |
| General Charges   |  | 5,150                     | 1,908                    |
| Provision for Doubtful Advance  |  | 37                        | -                        |
| Provision for Diminution in Value of Investments                          |  | 2,656                     | -                        |
|   |  | <u>17,703</u>             | <u>11,800</u>            |





## M. P. BIRLA GROUP SERVICES PRIVATE LIMITED

### Notes to Financial Statements for the year ended 31st March, 2015

#### 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, 2013.

The financial statements had been prepared and presented as per the requirement of Schedule III as notified under Companies Act 2013.

##### 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 Schedule III.

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.

##### 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**

(Amount in Rs.)

**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 it's 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    |             | Fellow Subsidiary Company |                  |
|--------------------------------|--------------------|-------------|---------------------------|------------------|
|                                | For the year ended |             | For the year ended        |                  |
|                                | <u>2015</u>        | <u>2014</u> | <u>2015</u>               | <u>2014</u>      |
| Advance Received               | 1,841              | 2,908       | -                         | -                |
| Advance Repaid                 | 1,841              | 2,908       | -                         | -                |
|                                | As at 31st March   |             | As at 31st March          |                  |
|                                | <u>2015</u>        | <u>2014</u> | <u>2015</u>               | <u>2014</u>      |
| <b>Balance Outstanding :</b>   |                    |             |                           |                  |
| Advance Receivable             | NIL                | NIL         | 37<br>(USD 0.59)          | 35<br>(USD 0.59) |
| Provision for Doubtful Advance | NIL                | NIL         | 37                        | NIL              |

**2.12 Earning per Share:**

|   |          |          |
|---|----------|----------|
| Profit/(Loss) for the period as per Profit and Loss Account | (17,701) | (11,797) |
| Weighted average number of equity shares outstanding        | 20,000   | 20,000   |
| Basic and Diluted earning per share (Face Value - Rs.10)    | (0.89)   | (0.59)   |

**2.13** In accordance with Accounting Standard - 22, the Company has Deferred Tax Assets of Rs.28544/- as on 31st March, 2015(Previous Year Rs.26,040/-) representing business loss which has not been recognised in the accounts in view of accounting policy specified above.

**2.14** Figures for the previous year have been re-grouped wherever considered necessary.

**Signatures to Note 1 to 2.14**

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



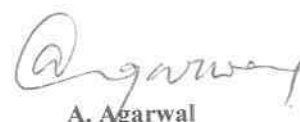
**Ashok K. Khetawat**  
 Partner  
 (Membership No. 052751)  
 Place : Kolkata  
 Dated : 04-05-2015



**For and on behalf of the Board**



**M. K. Mehta**



**A. Agarwal**

*Ashok Khetawat*  
*Agarwal*