

**REPORT OF THE DIRECTORS FOR THE FINANCIAL
YEAR ENDED 31ST MARCH, 2009**

The Directors hereby submit their report for the financial year ended 31st March, 2009.

Operations

The operations of the Company during the year under review resulted in no loss / no profit.

Fixed Deposits

The Company has not accepted deposits under the Companies (Acceptance of Deposits) Rules, 1975.

Particulars of Employees

The Company has no employee in the category specified under Section 217 (2A) of the Companies Act, 1956.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company has no activities relating to Conservation of Energy and Technology Absorption. There has been no foreign exchange earnings or outgo during the year.

Directors

Sri P.K. Sen, Director retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

Your Directors have:

- i) Followed, in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;
- ii) 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 at the end of the financial year which resulted in no profit / no loss for that period;
- iii) Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) Prepared the annual accounts on a going concern basis.

On behalf of the Board

**Secunderabad
20th April, 2009**

**P.K. Sen Director
M. Yelamanda Director**

**Auditors' Report to the members of
MRR Trading & Investment Company Limited**

1. We have audited the attached Balance Sheet of MRR Trading & Investment Company Limited as at March 31, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those 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 the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors of the Company as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner the information required by the Act, 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 affairs of the Company as at March 31, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit (Rs. Nil) for the year ended on that date, and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Secunderabad
Dated: April 20, 2009

For and on behalf of Lovelock & Lewes
Chartered Accountants
Partha Mitra
Partner
MemberShip No : 50553

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of MRR Trading & Investment Company Limited on the financial statements for the year ended March 31, 2009]

- i. The company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- ii. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- iii. The company's accumulated losses as at March 31, 2009 is more than fifty percent of its net worth and it has not incurred any cash losses in the financial year ended on March 31, 2009 or in the immediately preceding financial year.
- iv. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- v. The clauses, (i) (a), (i) (b), (i) (c), (ii) (a), (ii) (b), (ii) (c), (iii) (b), (iii) (c), (iii) (d), (iii) (f), (iii) (g), (iv), (vi), (vii), (viii), (ix) (a), (ix) (b), (xi), (xii), (xiii) (a), (xiii) (b), (xiii) (c), (xiii) (d), (xiv), (xv), (xvi), (xvii), (xviii), (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

Secunderabad
Dated: April 20, 2009

For and on behalf of Lovelock & Lewes
Chartered Accountants
Partha Mitra
Partner
MemberShip No : 50553

BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	1	500,000	500,000
TOTAL		500,000	500,000
APPLICATION OF FUNDS			
1. Current Assets, Loans and Advances			
a) Cash and Bank Balances	2	87,505	76,720
b) Loans and Advances	3	9,571	18,344
		97,076	95,064
Less : Current Liabilities and Provisions			
a) Current Liabilities - Sundry Creditors	4	13,236	11,224
Net Current Assets		83,840	83,840
2. Debit Balance in Profit & Loss Account		416,160	416,160
TOTAL		500,000	500,000
Notes to the Accounts	5		

Schedules 1 to 5 form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our Report of even date.

for and on behalf of Lovelock & Lewes
Chartered Accountants
Partha Mitra
Partner
Secunderabad, 20th April, 2009

On behalf of the Board
P.K. Sen Director
M. Yelamanda Director

SCHEDULES TO THE BALANCE SHEET

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
1. CAPITAL		
AUTHORISED 50,000 Equity Shares of Rs. 10/- each	500,000	500,000
ISSUED AND SUBSCRIBED AND PAID-UP 50,000 Equity Shares of Rs. 10/- each fully paid-up (All the shares are held by the holding company, BFIL Finance Limited, a subsidiary of ITC Limited, ultimate Holding Company)	500,000	500,000
	500,000	500,000
2. CASH AND BANK BALANCES		
Balances with Scheduled Bank - on Current Account	87,505	76,720
	87,505	76,720
3. LOANS AND ADVANCES		
Deposits with Government, Public Bodies, etc.	7,120	7,120
Dues from the Holding Company	2,451	11,224
	9,571	18,344
4. CURRENT LIABILITIES - SUNDRY CREDITORS		
Dues to Micro, Small and Medium enterprises	-	-
Others	13,236	11,224
	13,236	11,224

SCHEDULES TO THE FINANCIAL STATEMENTS

5. NOTES TO THE ACCOUNTS

1 The financial statements have been prepared on a going concern basis.

2 Significant Accounting Policies

- a) The accounts have been prepared on historical cost basis.
- b) All revenue and expenses are accounted on accrual basis.

3 Segment Reporting

The Company operates in a single business segment and hence no further disclosure is being made.

4 Related Parties Disclosures:

- a) Relationships:

Holding Company - BFIL Finance Limited

- b) Key Management Personnel -
Mr. P.K. Sen - Director
Mr. J. Singh - Director
Mr. M. Yelamanda - Director

- c) Disclosure of transactions between the Company and related parties and the status of outstanding balances as at the year end.

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Holding Company Expenses Re-imbursed	1,894,978	172,243
Receivables as at the year end	2,451	11,224

- 5 The earnings considered in ascertaining the Company's Earnings Per Share (EPS) comprise net profit / loss after taxation. The number of shares used in computing basic and diluted EPS is the weighted average number of shares outstanding during the year.

Description	2008-09 (Rs.)	2007-08 (Rs.)
Profit / (loss) after taxation	-	-
Weighted average number of equity shares outstanding	50,000	50,000
Basic and diluted earnings per share in rupees (face value - Rs. 10/- per share)	0.00	0.00

- 6 Previous year figures have been regrouped wherever necessary.

MRR TRADING & INVESTMENT COMPANY LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. - State Code

Balance Sheet Date

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue -

Rights Issue -

Bonus Issue -

Private Placement -

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus -

Secured Loans -

Unsecured Loans -

Application of Funds

Net Fixed assets -

Investments -

Net Current Assets

Misc. Expenditure -

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Total Expenditure

+ - Profit / loss Before Tax

+ - Profit / loss After Tax

(Please tick appropriate box + for profit, - for loss)

Earnings per Share (Rs.)

Dividend rate (%) -

V. Generic names of Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC CODE)

Product Description

On behalf of the Board

Secunderabad, 20th April, 2009

P.K. Sen *Director*
M. Yelamanda *Director*

