

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012

The Directors hereby submit their report for the financial year ended 31st March, 2012.

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

Hyderabad
2nd May, 2012

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 (the 'Company') as at March 31, 2012, and the related Statement of Profit and Loss 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 the 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 the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), 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 of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the 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, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit (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.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner

Hyderabad, 2nd May, 2012

Membership No: 55000

ANNEXURE TO AUDITORS' 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, 2012

1. The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
2. 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, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
3. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
4. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
5. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
6. The accumulated losses of the Company exceeded fifty percent of its net worth as at March 31, 2012. The Company has not incurred cash

losses in the financial year ended on March 31, 2012 and in the immediately preceding financial year.

7. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
8. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
9. In our opinion, the company has not entered into any transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. The Company has not obtained any term loans.
12. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
13. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

ANNEXURE TO AUDITORS' REPORT (Contd.)

14. The Company has not issued any debentures during the year; and does not have any debentures outstanding as at the year end.
15. The Company has not raised any money by public issues during the year.
16. 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 any such case by the Management.
17. 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), (ix)(a), (ix)(b) and (xi) 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.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants

Sunit Kumar Basu
Partner

Hyderabad, 2nd May, 2012

Membership No: 55000

BALANCE SHEET

(All amounts in ₹, unless otherwise stated)

	Note	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	5,00,000	5,00,000
Reserves and Surplus	4	(4,16,160)	(4,16,160)
Current Liabilities			
Trade Payables	5	13,483	13,236
Total		<u>97,323</u>	<u>97,076</u>
Assets			
Non-current assets			
Long-term loans and advances	6	7,120	7,120
Current Assets			
Cash and Bank balances	7	90,203	89,956
Total		<u>97,323</u>	<u>97,076</u>

The notes are an integral part of these financial statements
This is the Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No: 55000
Hyderabad, 2nd May, 2012

For and on behalf of the Board of Directors

P. K. Sen Director
M. Yelamanda Director
Hyderabad, 2nd May, 2012

STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
Revenue			
Operating Income		—	—
Total Revenue		—	—
Expenses			
Other expense	8	1,72,944	1,70,463
Less: Expenses reimbursed by the Holding Company		1,72,944	1,70,463
Total Expenses		—	—
Profit/(Loss) before tax		—	—
Tax expense		—	—
Current Tax		—	—
Deferred Tax		—	—
Profit/(Loss) for the year		—	—
Earnings per equity share: [Nominal Value per share: Rs.10 (2011: Rs.10)]			
Basic and Diluted		—	—

The notes are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No: 55000
Hyderabad, 2nd May, 2012

For and on behalf of the Board of Directors

P. K. Sen Director
M. Yelamanda Director
Hyderabad, 2nd May, 2012

CASH FLOW STATEMENT

(All amounts in ₹, unless otherwise stated)

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
A. Cash Flow from Operating Activities:		
Profit/(Loss) before taxation	—	—
Changes in Working Capital:		
Increase/(Decrease) in trade payables	247	—
Cash Generated from Operations	<u>247</u>	<u>—</u>
Taxes paid	—	—
Net cash generated from operations activities	247	—
B. Cash flow from Investing Activities:	—	—
C. Cash flow from Financing Activities:	—	—
Net increase in cash and cash equivalents	247	—
Cash and cash equivalents at beginning of year	89,956	89,956
Cash and cash equivalents at end of year	90,203	89,956
Cash and cash equivalents comprise of:		
Cash on Hand	—	—
Balances with Banks	<u>90,203</u>	<u>89,956</u>
Total	<u>90,203</u>	<u>89,956</u>

- The above cash flow statement has been prepared under the "Indirect Method" as set out in AS-3 on 'Cash Flow Statements'.
- The comparative figures for the previous year have been re-arranged to conform with the revised presentation of the accounts.

This is the Cash Flow Statement referred to in our report of even date.

For Lovelock & Lewes
Firm Registration No. 301056E
Chartered Accountants
Sunit Kumar Basu
Partner
Membership No: 55000
Hyderabad, 2nd May, 2012

For and on behalf of the Board of Directors

P. K. Sen Director
M. Yelamanda Director

Notes to the financial statements

1 General Information

MRR Trading & Investment Company Limited is a wholly owned subsidiary of BFIL Finance Limited. MRR is having tenancy rights in a commercial premise at Eucharistic Congress Building No.1, 4th Floor, 5 Convent Street, Colaba, Mumbai 400 039. The premise is owned by Roman Catholic Cathedral Trust.

2 Summary of significant accounting policies

2.1 Basic of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis based on the principle of going concern.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

3 Share Capital

3.1 Break up of Share Capital

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Authorised:		
50,000 (2011:50,000) equity shares of ₹ 10/- each	5,00,000	5,00,000
Issued:		
50,000 (2011:50,000) equity shares of ₹ 10/- each	5,00,000	5,00,000
Subscribed and paid up:		
50,000 (2011:50,000) equity shares of ₹ 10/- each	5,00,000	5,00,000
Total	<u>5,00,000</u>	<u>5,00,000</u>

3.2 Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- Out of the above shares, 49,994 shares are held by BFIL Finance Limited, the holding company and the balance 6 shares are held by nominees of the holding company jointly with the holding company. There is no movement in the shareholder's equity during the year, including the previous year.

4 Reserves and Surplus

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(4,16,160)	(4,16,160)
Profit/(Loss) for the year	—	—
Balance as at the end of the year	<u>(4,16,160)</u>	<u>(4,16,160)</u>
5 Trade Payables		
Trade Payables (Refer note 11 below)	13,483	13,236
Total	<u>13,483</u>	<u>13,236</u>
6 Long-term loans and advances		
Balances with Government Authorities	7,120	7,120
Total	<u>7,120</u>	<u>7,120</u>
7 Cash and Bank balances		
Cash and Cash equivalents		
Bank balance in current account	90,203	89,956
Total	<u>90,203</u>	<u>89,956</u>

Notes to the financial statements (Contd.)

(All amounts in ₹, unless otherwise stated)

8 Other expense

	As at March 31, 2012 (₹)	As at March 31, 2011 (₹)
Rent	85,560	83,592
Rates & Taxes	61,872	61,872
Water Charges	7,009	11,625
Payment to Auditors		
Audit Fee	12,000	12,000
Reimbursement of Expenses (including service tax)	1,483	1,236
Professional Fees	4,965	—
Bank Charges	55	138
Total	1,72,944	1,70,463

9 Earnings per share

Profit/(Loss) after tax	—	—
Weighted average number of equity shares	50,000	50,000
Basic and Diluted earnings per share (face value of Rs. 10)	—	—

The earnings considered in ascertaining the Company's Earning Per Share (EPS) comprise net profit/(loss) after taxation. The number of shares considered in computing Basic and Diluted EPS is the weighted average number of shares outstanding during the year.

10 Segment Reporting

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

11 Micro, Small and Medium Enterprise Development Act, 2006

There are no Micro and Small enterprises, to which the company owes dues, or with which the company had transactions during the year, based on the information available with the company.

12 Related party disclosures**(a) Names of related parties and nature of relationship:**

Where control exists
Holding Company: BFIL Finance Limited

(b) Transactions/Balances

	Holding Company	
	March 31, 2012 (₹)	March 31, 2011 (₹)
Transactions:		
Reimbursement of expenses	1,72,944	1,70,463
Balances at the year end		
Receivables	—	—

13 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 have been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to current year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.