

**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2014**

The Directors hereby submit their report for the financial year ended 31st March, 2014.

**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 Jagdish Singh, 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.

**Auditors**

The Company's Auditors, Messrs. Lovelock & Lewes, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The present Auditors of your Company were appointed in the year 1997-98. Your Board, after considering the provisions of section 139 of the Companies Act, 2013, has recommended the re-appointment of Messrs. Lovelock & Lewes for a period of three years from the conclusion of the ensuing Annual General Meeting of the Company.

On behalf of the Board

Hyderabad  
22 April, 2014

P. K. Sen Director  
M. Yelamanda Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRR TRADING & INVESTMENT COMPANY LIMITED****Report on the Financial Statements**

1. We have audited the accompanying financial statements of MRR Trading & Investment Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, nil profit/loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the 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 Act (hereinafter referred to as the "Order"), 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.

**8. As required by section 227(3) of the Act, 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 purpose 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Sunit Kumar Basu  
Partner

Hyderabad, April 22, 2014

Membership No: 55000

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of MRR Trading & Investment Company Limited on the financial statements as of and for the year ended March 31, 2014

- i. The Company does not hold any fixed assets during the year ended March 31, 2014. Therefore, the provisions of Clause 4(i) of the Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)(b),(c) and (d) / (f) and (g) of the said Order are not applicable to the Company.
- iv. According to the information and explanations given to us, neither there is a purchase of inventory and fixed assets nor there any sale of goods and services during the year. Therefore, the provision of Clause 4 (iv) of the said Order is not applicable to the Company.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.  
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. 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.
- vii. As the Company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately

preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Order is not applicable.

- viii. 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.
- ix. According to the information and explanations given to us the provision of Clause 4(x)[(a) and (b)] of the said order is not applicable to the Company for the current year, since in our opinion there is no matters which arises to be reported in the aforesaid order.
- x. The accumulated losses of the Company exceeded fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the financial year ended on that date. The Company has not incurred any cash losses in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. 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

## ANNEXURE TO AUDITORS' REPORT (Contd.)

- financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- 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 the no funds raised on short-term basis have been used for long-term investment.
- xviii. 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. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.

- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Sunit Kumar Basu  
Partner

Hyderabad, April 22, 2014

Membership No: 55000

## BALANCE SHEET

(All amounts in ₹, unless otherwise stated)

	Note	As at 31st March, 2014	As at 31st March, 2013
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	5,00,000	5,00,000
Reserves and Surplus	4	(4,16,160)	(4,16,160)
<b>Current Liabilities</b>			
Trade Payables	5	16,854	48,626
<b>Total</b>		<b>1,00,694</b>	<b>1,32,466</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Long-term loans and advances	6	7,120	7,120
<b>Current Assets</b>			
Cash and Bank balances	7	93,574	1,25,346
<b>Total</b>		<b>1,00,694</b>	<b>1,32,466</b>

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

For and on behalf of the Board of Directors

Firm Registration No. 301056E  
Chartered Accountants

Sunit Kumar Basu  
Partner  
Membership No: 55000

Hyderabad, April 22, 2014

P. K. Sen Director  
M. Yelamanda Director  
Hyderabad, April 22, 2014

## STATEMENT OF PROFIT AND LOSS

	Note	Year ended 31st March, 2014		Year ended 31st March, 2014	
		(₹)	(₹)	(₹)	(₹)
<b>Revenue</b>					
Operating Income		—	—	—	—
<b>Total Revenue</b>		—	—	—	—
<b>Expenses</b>					
Other expense	8	7,18,740	4,40,072	4,40,072	—
Less: Expenses reimbursed by the Holding Company		7,18,740	4,40,072	4,40,072	—
<b>Total Expenses</b>		—	—	—	—
<b>Profit/(Loss) before tax</b>		—	—	—	—
<b>Tax expense</b>					
Current Tax		—	—	—	—
Deferred Tax		—	—	—	—
<b>Profit/(Loss) for the year</b>		—	—	—	—
<b>Earnings per equity share:</b>					
<b>[Nominal Value per share: Rs.10 (2013: Rs.10)]</b>					
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

For and on behalf of the Board of Directors

Firm Registration No. 301056E  
Chartered Accountants

Sunit Kumar Basu  
Partner  
Membership No: 55000  
Hyderabad, April 22, 2014

P. K. Sen Director  
M. Yelamanda Director  
Hyderabad, April 22, 2014

## CASH FLOW STATEMENT

(All amounts in ₹, unless otherwise stated)

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A. Cash Flow from Operating Activities:</b>		
Profit / (Loss) before taxation	—	—
Changes in Working Capital:		
Increase / (Decrease) in trade payables	<u>(31,772)</u>	35,143
Cash (used in) / generated from Operations	<u>(31,772)</u>	35,143
Taxes paid	—	—
Net cash (used in) / generated from operating activities	<u>(31,772)</u>	35,143
<b>B. Cash flow from Investing Activities:</b>	—	—
<b>C. Cash flow from Financing Activities</b>	—	—
Net (decrease) / increase in cash and cash equivalents	<u>(31,772)</u>	35,143
"Cash and Cash equivalents at the beginning of the year"	<u>1,25,346</u>	90,203
Cash and Cash equivalents at the end of the year	<u>93,574</u>	1,25,346
Cash and cash equivalents comprise of:		
Cash on Hand	—	—
Balances with Banks	<u>93,574</u>	1,25,346
Total	<u>93,574</u>	1,25,346

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in AS-3 on 'Cash Flow Statements'.

2. The comparative figures for the previous year have been re-arranged wherever necessary 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, April 22, 2014

For and on behalf of the Board of Directors

P. K. Sen Director  
M. Yelamanda Director  
Hyderabad, April 22, 2014

## Notes to the financial statements

## 1 General Information

"MRR Trading & Investment Company Limited (MRR) 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 Basis 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."

## 2.2 Accruals

All revenue and expenses are accounted on accrual basis.

## 3 Share Capital

## 3.1 Break up of Share Capital

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
Authorised:		
50,000 (2013: 50,000) equity shares of Rs. 10 each	5,00,000	5,00,000
Issued:		
50,000 (2013: 50,000) equity shares of Rs. 10 each	5,00,000	5,00,000
Subscribed and paid up:		
50,000 (2013: 50,000) equity shares of Rs. 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.

3.3 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, 2014 (₹)	As at March 31, 2013 (₹)
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	<u>(4,16,160)</u>	(4,16,160)
Profit / (Loss) for the year	—	—
<b>Balance as at the end of the year</b>	<u>(4,16,160)</u>	<u>(4,16,160)</u>
<b>5 Trade Payables</b>		
Trade Payables (Refer note 11 below)	<u>16,854</u>	48,626
<b>Total</b>	<u>16,854</u>	48,626
<b>6 Long-term loans and advances</b>		
Balances with Government Authorities	<u>7,120</u>	7,120
<b>Total</b>	<u>7,120</u>	7,120
<b>7 Cash and Bank balances</b>		
Cash and Cash equivalents	—	—
Bank balance in current account	<u>93,574</u>	1,25,346
<b>Total</b>	<u>93,574</u>	1,25,346

**Notes to the financial statements (Contd.)**

(All amounts in ₹, unless otherwise stated)

**8 Other expense**

	As at March 31, 2014 (₹)	As at March 31, 2013 (₹)
Rent	1,00,813	96,083
Rates & Taxes	5,70,430	61,872
Water Charges	30,175	23,173
Payment to Auditors		
Audit Fee	15,000	15,000
Reimbursement of Expenses (including service tax)	2,244	1,854
Contribution for Repairs	—	2,34,000
Bank Charges	78	225
Professional Fees	—	7,865
<b>Total</b>	<b>7,18,740</b>	<b>4,40,072</b>

**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 each)	—	—

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, 2014 (₹)	March 31, 2013 (₹)
<b>Transactions:</b>		
Reimbursement of expenses	7,18,740	4,40,072
<b>Balances at the year end</b>	—	—

13 Previous year figures have also been reclassified wherever necessary to conform to current year's classification.