

**REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

1. Your Board of Directors hereby submit their Report for the financial year ended 31st March, 2016.
2. **COMPANY PERFORMANCE**  
The Company is primarily engaged in providing estate maintenance services and the operations during the year under review resulted in a profit before tax of ₹ 1,290/- and a profit after tax of ₹ 891/-.
3. **DIVIDEND**  
In view of the accumulated losses, your Directors are not able to recommend any Dividend.
4. **DIRECTORS**  
During the year, M/s P.K. Sen and J. Singh resigned as Directors of the Company with effect from close of work on 31st May 2015 and 5th March 2016, respectively. Your Directors would like to place on record their appreciation for the services rendered by M/s P.K. Sen and J. Singh during their tenure as Directors of the Company.  
M/s C.V. Sarma (DIN: 00720233) and B.R. Chaudhuri (DIN: 07125295) were appointed by your Board as an Additional Directors of the Company with effect from 18th June, 2015 and 6th March, 2016, respectively. In accordance with Section 161 of the Companies Act, 2013 and Article 26 of the Articles of Association of the Company, M/s C.V. Sarma and B.R. Chaudhuri will cease to hold office at the ensuing Annual General Meeting and are eligible for appointment as Directors of the Company. Your Board at its meetings held on 18th June, 2015 and 5th March, 2016, recommended for the approval of the Members, the appointments of M/s C.V. Sarma and B.R. Chaudhuri, respectively, as Directors of your Company, liable to retire by rotation. Notices under Section 160 of the Companies Act, 2013 have been received by the Company for appointment of M/s C.V. Sarma and B.R. Chaudhuri, who have also filed their consent to act as Directors of your Company, if appointed. Appropriate resolutions seeking your approval to M/s C.V. Sarma's and B.R. Chaudhuri's appointment are appearing in the Notice convening the ensuing Annual General Meeting of the Company. In accordance with the provisions of the Companies Act 2013, Mr. V. Radhakrishnan (DIN: 07091008), Director, will retire by rotation at the forth coming Annual General Meeting (AGM) of the Company, and being eligible, offers himself for re-election. The Board has recommended his re-election.
5. **NUMBER OF BOARD MEETINGS**  
During the year ended 31st March, 2016, five meetings of the Board were held.
6. **DIRECTORS' RESPONSIBILITY STATEMENT**  
As required under Section 134(5) of the Companies Act, 2013, your Directors confirm having :-  
i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;  
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 and of the profit of the Company 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, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;  
iv) prepared the Annual Accounts on a going concern basis; and  
v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
7. **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**  
The Company does not have any subsidiary, associate or joint venture.

8. **PARTICULARS OF EMPLOYEES**  
None of the employees of your Company is covered under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
9. **RISK MANAGEMENT**  
The Company's risk management framework is designed to bring robustness to the risk management processes within the Company and addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company. The Risk Management Policy of the Company has been approved by the Board.  
The responsibility for management of risks vests with the Managers responsible for the day-to-day conduct of affairs of the Company. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.
10. **INTERNAL FINANCIAL CONTROLS**  
There are adequate internal financial controls in your Company with respect to the financial statements, commensurate with the size and scale of operations of the Company.
11. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**  
During the year ended 31st March, 2016, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Companies Act, 2013.
12. **RELATED PARTY TRANSACTIONS**  
During the year ended 31st March, 2016, the Company has not entered into any contract or arrangement with its related parties which is not on arm's length basis. The details in Form AOC-2 of a material transaction entered into by the Company with its related party are provided under **Annexure 1** to this Report.
13. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**  
During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.
14. **EXTRACT OF ANNUAL RETURN**  
The details forming part of the extract of the Annual Return in Form MGT-9 are provided under **Annexure 2** to this Report.
15. **AUDITORS**  
The Company's Auditors, Messrs. Lovelock & Lewes Chartered Accountants (Lovelock), were appointed at the Thirty-Third AGM to hold such office till the conclusion of the Thirty-Sixth AGM. Your Board, in terms of Section 139 of the Companies Act, 2013, has recommended for the ratification of the Members the appointment of Lovelock from the conclusion of the ensuing AGM till the conclusion of the Thirty-Sixth AGM. The Board, in terms of Section 142 of the Companies Act, 2013, has also recommended for the approval of the Members the remuneration of Lovelock for the financial year 2016-17. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.
16. **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 outflow during the year under review.

On behalf of the Board  
C.V. Sarma Director  
V. Radhakrishnan Director

19th April, 2016

**Annexure 1 to the Report of the Board of Directors****FORM NO. AOC-2**

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

**2. Details of material contracts or arrangement or transactions at arm's length basis**

a)	Name(s) of the related party and nature of relationship	ITC Limited, ultimate Holding Company
b)	Nature of contracts / arrangements / transactions	Rendering of estate maintenance services to ITC Limited
c)	Duration of the contracts / arrangements / transactions	1 year from 1.4.2015 to 31.3.2016
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Receipt of Service Charges @ Rs. 7,20,000/- p.a.
e)	Date(s) of approval by the Board, if any	19th April 2016
f)	Amount paid as advances, if any	-

On behalf of the Board  
C.V. Sarma Director  
V. Radhakrishnan Director

19th April, 2016

## Annexure 2 to the Report of the Board of Directors

FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

i) CIN	:	U65990MH1980PLC023259
ii) Registration Date	:	10th October, 1980
iii) Name of the Company	:	MRR Trading & Investment Company Limited
iv) Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v) Address of the Registered office and contact details	:	Eucharistic Congress Building No.1 4th Floor, 5 Convent Street, Colaba, Mumbai – 400 039 Phone: 022 22836894, Fax: 022 22832663 e-mail ID : mrrtrading@rediffmail.com
vi) Whether listed company (Yes / No)	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Providing estate maintenance services	92098	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held in the Company	Applicable Section
1.	ITC Investments & Holdings Limited Virginia House 37 J. L. Nehru Road Kolkata – 700 071	U65923WB2012PLC176166	Holding Company	100.00	2 (46)
2.	ITC Limited Virginia House 37 Jawaharlal Nehru Road Kolkata – 700 071	L16005WB1910PLC001985	Ultimate Holding Company	–	2(46)

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	–	–	–	–	–	–	–	–	N.A.
b) Central Govt.	–	–	–	–	–	–	–	–	N.A.
c) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
d) Bodies Corp.	–	50,000	50,000	100.00	–	50,000	50,000	100.00	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A.
f) Any Other	–	–	–	–	–	–	–	–	N.A.
<b>Sub-total (A)(1)</b>	–	50,000	50,000	100.00	–	50,000	50,000	100.00	Nil
(2) <b>Foreign</b>									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	N.A.
b) Other – Individuals	–	–	–	–	–	–	–	–	N.A.
c) Bodies Corp.	–	–	–	–	–	–	–	–	N.A.
d) Banks / FI	–	–	–	–	–	–	–	–	N.A.
e) Any Other	–	–	–	–	–	–	–	–	N.A.
<b>Sub-total (A)(2)</b>	–	–	–	–	–	–	–	–	N.A.
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	–	50,000	50,000	100.00	–	50,000	50,000	100.00	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	N.A.
b) Banks / FI	–	–	–	–	–	–	–	–	N.A.
c) Central Govt.	–	–	–	–	–	–	–	–	N.A.
d) State Govt.(s)	–	–	–	–	–	–	–	–	N.A.
e) Venture Capital Funds	–	–	–	–	–	–	–	–	N.A.
f) Insurance Companies	–	–	–	–	–	–	–	–	N.A.
g) FIs	–	–	–	–	–	–	–	–	N.A.
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	N.A.
i) Others (specify)	–	–	–	–	–	–	–	–	N.A.
<b>Sub-total (B)(1)</b>	–	–	–	–	–	–	–	–	N.A.
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	N.A.
ii) Overseas	–	–	–	–	–	–	–	–	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	N.A.
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	N.A.
c) Others (specify)	–	–	–	–	–	–	–	–	N.A.
<b>Sub-total (B)(2)</b>	–	–	–	–	–	–	–	–	N.A.
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	–	–	–	–	–	–	–	–	N.A.
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	N.A.
<b>Grand Total (A+B+C)</b>	–	50,000	50,000	100.00	–	50,000	50,000	100.00	Nil

## (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Investments & Holdings Limited	50,000	100.00	Nil	50,000	100.00	Nil	Nil

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. ITC Investments & Holdings Limited				
At the beginning of the year	50,000	100.00	50,000	100.00
Date wise Increase / (Decrease) in Promoters Shareholding during the year	–	–	–	–
At the end of the year	–	–	50,000	100.00

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>C.V. Sarma (Non-Executive Director)</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the end of the year	Nil – –	N.A. N.A. –	– – Nil	– N.A. N.A.
2.	<b>B. R. Chaudhuri (Non-Executive Director)</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the end of the year	Nil – –	N.A. N.A. –	– – Nil	– N.A. N.A.
3.	<b>V. Radhakrishnan (Non-Executive Director)</b> At the beginning of the year Date wise Increase / Decrease in Shareholding during the year At the end of the year	Nil – –	N.A. N.A. –	– – Nil	– N.A. N.A.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NOT APPLICABLE

## B. Remuneration to other Directors:

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	<b>Independent Directors</b>				
	Total Amount (B)(1)	–	–	–	–
2.	<b>Other Non-Executive Directors</b>				
	C.V. Sarma	–	–	–	–
	B.R. Chaudhuri	–	–	–	–
	V. Radhakrishnan	–	–	–	–
	Total Amount (B)(2)	–	–	–	–
	Total Amount (B) = (B)(1) + (B)(2)	–	–	–	–
	Total Managerial Remuneration (A + B)	–	–	–	–
	Overall ceiling as per the Act				Rs. 30 lakhs per annum (refer note)

Note : Ceiling as per Part II of Schedule V of the Companies Act, 2013 has been disclosed, considering that the profit of the Company for the financial year ended 31st March, 2016 is inadequate.

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: NOT APPLICABLE

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

On behalf of the Board

C.V. Sarma                      Director  
V. Radhakrishnan              Director

Dated : 19th April, 2016

**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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. 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 financial statements to 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 of 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

**10. As required by Section 143 (3) of the Act, we report that:**

- (a) We have sought and 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 it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

Sunit Kumar Basu  
Partner

Place: Hyderabad  
Date: April 19, 2016

Membership Number: S5000

**Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of MRR Trading & Investment Company Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of MRR Trading & Investment Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants  
Sunit Kumar Basu  
Partner

Place: Hyderabad  
Date: April 19, 2016

Membership Number: 55000

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 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, 2016

- i. The Company does not hold any fixed assets during the year ended March 31, 2016. Therefore, the provisions of Clause 3(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 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, as applicable, which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. There are no managerial personnel appointed by the Company under the provisions of Companies Act, 2013. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants  
Sunit Kumar Basu  
Partner

Place: Hyderabad  
Date: April 19, 2016

Membership Number: 55000

**Balance Sheet**

(All amounts in ₹, unless otherwise stated)

	Note	As at March 31, 2016	March 31, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	5,00,000	5,00,000
Reserves and Surplus	4	(4,11,552)	(4,12,443)
<b>Current Liabilities</b>			
Trade Payables	5	—	—
Total outstanding dues of micro enterprises and small enterprises and		90,475	19,913
Total outstanding dues of creditors other than micro enterprises and small enterprises		—	—
<b>Total</b>		<b>1,78,923</b>	<b>1,07,470</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	1,57,802	85,950
Other Current Assets	8	14,001	14,400
<b>Total</b>		<b>1,78,923</b>	<b>1,07,470</b>

The accompanying 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

Place: Hyderabad  
Date: 19th April, 2016

For and on behalf of the Board of Directors

C.V. Sarma  
Director  
V. Radhakrishnan  
Director

Place: Hyderabad  
Date: 19th April, 2016



**Statement of Profit and Loss**

(All amounts in ₹, unless otherwise stated)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>Revenue</b>			
Operating Income	9	7,20,000	7,20,000
Other Income	10	2,714	–
<b>Total Revenue</b>		<u>7,22,714</u>	<u>7,20,000</u>
<b>Expenses</b>			
Employee Benefit Expenses	11	–	88,000
Other Expenses	12	7,21,424	6,28,283
<b>Total Expenses</b>		<u>7,21,424</u>	<u>7,16,283</u>
<b>Profit/(Loss) before tax</b>		<u>1,290</u>	<u>3,717</u>
Tax expense			
Current Tax		399	–
Deferred Tax		–	–
<b>Profit/(Loss) for the year</b>		<u>891</u>	<u>3,717</u>
<b>Earnings per equity share: [Nominal Value per share: Rs.10 (2015: Rs.10)]</b>			
Basic and Diluted	13	<u>0.02</u>	<u>0.07</u>

The accompanying 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

Place: Hyderabad  
Date: 19th April, 2016

For and on behalf of the Board of Directors

C.V. Sarma  
Director

V. Radhakrishnan  
Director

Place: Hyderabad  
Date: 19th April, 2016

**Cash Flow Statement**

(All amounts in ₹, unless otherwise stated)

	Year ended March 31, 2016	Year ended March 31, 2015
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before taxation	1,290	3,717
Less: Liabilities no longer required written back	(1,925)	–
Changes in Working Capital:		
Increase / (Decrease) in trade payables	72,487	3,059
(Increase) / Decrease in other current assets	–	(14,400)
Cash (used in) / generated from Operations	<u>71,852</u>	<u>(7,624)</u>
Taxes paid	–	–
<b>Net cash (used in) / generated from operating activities</b>	<u>71,852</u>	<u>(7,624)</u>
<b>B. Cash flow from Investing Activities:</b>	–	–
<b>C. Cash flow from Financing Activities</b>	–	–
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>71,852</u>	<u>(7,624)</u>
<b>Cash and Cash equivalents at the beginning of the year</b>	<u>85,950</u>	<u>93,574</u>
<b>Cash and Cash equivalents at the end of the year</b>	<u>1,57,802</u>	<u>85,950</u>
Cash and cash equivalents comprise of:		
Cash on Hand	–	–
Balances with Banks	1,57,802	85,950
<b>Total</b>	<u>1,57,802</u>	<u>85,950</u>

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

Place: Hyderabad  
Date: 19th April, 2016

For and on behalf of the Board of Directors

C.V. Sarma  
Director

V. Radhakrishnan  
Director

Place: Hyderabad  
Date: 19th April, 2016

**Notes to the financial statements**

(All amounts in ₹, unless otherwise stated)

**1 General Information**

The Company 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. The only source of income of this company is from Estate Maintenance Services of the aforesaid property.

**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 III to the Companies Act, 2013. 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.

**2.3 Revenue**

Income from Estate Maintenance Services are recognized based on Contractual arrangement entered by the Company.

**3 Share Capital****3.1 Break up of Share Capital**

	As at March 31, 2016	As at March 31, 2015
<b>Authorised:</b>		
50,000 (2015: 50,000) equity shares of Rs. 10 each	<u>5,00,000</u>	<u>5,00,000</u>
<b>Issued:</b>		
50,000 (2015: 50,000) equity shares of Rs. 10 each	<u>5,00,000</u>	<u>5,00,000</u>
<b>Subscribed and paid up:</b>		
50,000 (2015: 50,000) equity shares of Rs. 10 each	<u>5,00,000</u>	<u>5,00,000</u>
<b>Total</b>	<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 ITC Investments & Holdings Limited, the holding Company (till March 29, 2015 these shares were held by BFIL Finance Limited) 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, 2016	As at March 31, 2015
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(4,12,443)	(4,16,160)
Profit / (Loss) for the year	891	3,717
<b>Balance as at the end of the year</b>	<u>(4,11,552)</u>	<u>(4,12,443)</u>

**5 Trade Payables**

Trade Payables (Refer note 15 below)	90,475	19,913
<b>Total</b>	<u>90,475</u>	<u>19,913</u>

**6 Long-term loans and advances**

Balances with Government Authorities	7,120	7,120
<b>Total</b>	<u>7,120</u>	<u>7,120</u>

**7 Cash and Bank balances**

Cash and Cash equivalents		
Bank balance in current account	1,57,802	85,950
<b>Total</b>	<u>1,57,802</u>	<u>85,950</u>

**8 Other Current Assets**

TDS on Estate Maintenance Services (Net of Provision for tax - Rs. 399(2015 - Nil))	14,001	14,400
<b>Total</b>	<u>14,001</u>	<u>14,400</u>

**9 Operating Income**

	Year ended March 31, 2016	Year ended March 31, 2015
Income from Estate		
Maintenance Services	7,20,000	7,20,000
<b>Total</b>	<u>7,20,000</u>	<u>7,20,000</u>

**10 Other Income**

Liabilities written back to the extent no longer required	1,925	–
Miscellaneous Income	789	–
<b>Total</b>	<u>2,714</u>	<u>–</u>

**11 Employee Benefit Expenses**

Salary	–	88,000
<b>Total</b>	<u>–</u>	<u>88,000</u>

**12 Other Expenses**

Rent	68,107	64,596
Service Charges	39,225	38,700
Rates & Taxes	2,61,029	1,87,553
Water Charges	26,082	35,330
Payment to Auditors		
- Audit Fee	15,000	15,000
- Reimbursement of Expenses (including service tax)	4,805	2,921
Bank Charges	257	337
Professional Fees	86,539	45,187
Expenses on Estate Maintenance Service	2,20,380	2,38,659
<b>Total</b>	<u>7,21,424</u>	<u>6,28,283</u>

**13 Earnings per share**

Profit after tax	891	3,717
Weighted average number of equity shares	50,000	50,000
Basic and Diluted earnings per share (face value of Rs. 10 each)	0.02	0.07

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.

**14 Segment Reporting**

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

**15 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.

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

Where control exists  
Ultimate Holding Company: ITC Limited  
Holding Company: ITC Investments & Holdings Limited (BFIL Finance Limited till March 29, 2015)

**(b) Key Management Personnel:**

C.V. Sarma	Non Executive Director (w.e.f. 18.06.2015)
V. Radhakrishnan	Non Executive Director
P. K. Sen	Non Executive Director (ceased w.e.f. 18.06.2015)
J. Singh	Non Executive Director (ceased w.e.f. 06.03.2016)
B.R. Chaudhuri	Non Executive Director (w.e.f. 06.03.2016)

**(c) Transactions / Balances**

	Ultimate Holding Company March 31, 2016	March 31, 2015
<b>Transactions:</b>		
Payment of Internal Audit Fees (ITC Limited)	14,464	–
Income from Estate Maintenance Services (ITC Limited)	7,20,000	7,20,000
<b>Balances at the end of the year</b>	<u>–</u>	<u>–</u>

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