

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

1. Your Directors submit their Report for the financial year ended 31st March, 2019.

2. COMPANY PERFORMANCE

During the year, your Company earned revenue of ₹ 7.20 lakhs from its operations, with total income being ₹ 7.41 lakhs. The Company continues to engage in providing estate maintenance services.

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2019 (₹)	For the year ended 31st March, 2018 (₹)
a. Profit Before Tax	6,665	4,317
b. Less : Tax Expense	1,734	1,190
c. Profit After Tax	4,931	3,127
d. Add : Other Comprehensive Income	-	-
e. Total Comprehensive Income	4,931	3,127
f. Add : Loss brought forward from previous years	(4,04,288)	(4,07,415)
g. Balance carried forward	(3,99,357)	(4,04,288)

3. DIRECTORS

During the year, there was no change in the composition of the Board of Directors of your Company ('the Board').

In accordance with the provisions of Section 152(6) of the Companies Act 2013 ('the Act'), Mr. V. Radhakrishnan (DIN: 07091008), Director, will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

4. BOARD MEETINGS

Four meetings of the Board were held during the year ended 31st March, 2019.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors confirm having:

- followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- 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;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

7. PARTICULARS OF EMPLOYEES

Requirements of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

The requirement relating to constitution of Internal Complaints Committee in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is also not applicable to the Company.

8. RISK MANAGEMENT

The Company's risk management framework, designed to bring robustness to the risk management processes in the Company, addresses risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

The Internal Audit Department of ITC Limited, the ultimate Holding Company, periodically carries out risk focused audits with the objective of identifying areas where risk management processes could be strengthened. The Board annually reviews the effectiveness of the Company's risk management systems and policies.

9. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations. The Internal Auditor of the Company periodically evaluates the adequacy and effectiveness of such internal financial controls. The Board which provides guidance on internal controls, also reviews internal audit findings and implementation of internal audit recommendations.

During the year, the internal financial controls in the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

10. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2019, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

11. RELATED PARTY TRANSACTIONS

The details of material related party transactions of the Company in the prescribed Form No. AOC-2 are enclosed as Annexure 1 to this Report.

12. 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.

13. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed Form No. MGT-9 is enclosed as Annexure 2 to this Report.

14. COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

15. AUDITORS

The Company's Auditors, Messrs. Deloitte Haskins & Sells Chartered Accountants (Deloitte), were appointed at the Thirty-Sixth AGM to hold such office till the conclusion of the Forty-First AGM. The Board has recommended for the approval of the Members, remuneration of Deloitte for the financial year 2019-20, pursuant to Section 142 of the Act. 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

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption.

During the year under review, there has been no foreign exchange earnings or outflow.

Dated : 18th April, 2019

On behalf of the Board

C. V. Sarma
V. Radhakrishnan
Director
Director

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2019
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 arrangements or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	ITC Limited (ITC), the Ultimate Holding Company
b)	Nature of contracts / arrangements / transactions	Rendering of estate maintenance services to ITC
c)	Duration of the contracts / arrangements / transactions	One year from 1st April, 2018 to 31st March, 2019
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Receipt of Service Charges @ ₹ 7.20 lakhs per annum
e)	Date(s) of approval by the Board, if any	31st January, 2018
f)	Amount paid as advances, if any	Nil

On behalf of the Board

C.V. Sarma
V. Radhakrishnan
Director
Director

Dated: 18th April, 2019

**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, 2019**

[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	:	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	68100	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	
A. Promoters									
(1) Indian									
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.
Sub-total (A)(1)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	Nil
(2) Foreign									
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.
Sub-total (A)(2)	-	-	-	-	-	-	-	-	N.A.
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	Nil
B. Public Shareholding									
(1) Institutions									
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.
Sub-total (B)(1)	-	-	-	-	-	-	-	-	N.A.
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	N.A.
ii) Overseas	-	-	-	-	-	-	-	-	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	N.A.
c) Others (specify)	-	-	-	-	-	-	-	-	N.A.
Sub-total (B)(2)	-	-	-	-	-	-	-	-	N.A.
Total Public shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	N.A.
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	N.A.
Grand Total (A+B+C)	-	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	No change during the year			
	At the beginning of the year				
	Date wise Increase / (Decrease) in Promoters Shareholding during the year				
	At the end of the year				

(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: None of the Directors hold any share in the Company in their individual capacity.

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:

(Amount in ₹)

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	Independent Directors				
	Total Amount (B)(1)				Nil
2.	Other Non-Executive Directors				
	C.V. Sarma	Nil	Nil	Nil	Nil
	B.R. Chaudhuri				
	V. Radhakrishnan				
	Total Amount (B)(2)				Nil
	Total Amount (B) = (B)(1) + (B)(2)				Nil
	Overall ceiling as per the Companies Act, 2013 (11% of the net profits of the Company computed in accordance with Section 198 of the said Act).				733

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

Dated : 18th April, 2019

C.V. Sarma Director
V. Radhakrishnan Director

INDEPENDENT AUDITOR'S REPORT

To The Members of MRR Trading & Investment Company Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of MRR Trading & Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (f) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MRR Trading & Investment Company Limited ("the Company") as of March 31, 2019 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

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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 18, 2019

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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the

criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 18, 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at the end of the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, cess and other material statutory dues applicable to it with the appropriate authorities. Provident Fund, Employees' State Insurance, Goods and Services Tax and cess are not applicable to the Company.
 - (b) There were no undisputed amounts payable in respect of Income-tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) There were no dues with respect to Income-tax dues and other material statutory dues as on March 31, 2019, on account of any disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, there is no managerial remuneration fixed for payment which require approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 and hence reporting under clause (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The provisions of section 177 of the Companies Act, 2013 do not apply to the company.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)

Sumit Trivedi
(Partner)
(Membership No. 209354)

Place: Hyderabad
Date: April 18, 2019

Balance Sheet as at 31st March, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Advance tax and TDS Receivables [Net of provisions Rs. 2,924 (March 31, 2018 : Rs. 1,190)]		29,085	13,210
Other Non-Current Assets	4	121,978	7,120
Total Non-current Assets		151,063	20,330
Current Assets			
Financial Assets			
Cash and Cash Equivalents	5	129,868	107,159
Total Current Assets		129,868	107,159
Total Assets		280,931	127,489
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	6	500,000	500,000
Other Equity	7	(399,357)	(404,288)
Total Equity		100,643	95,712
Current Liabilities			
Financial Liabilities			
Trade Payables	16	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		74,800	31,777
Other Current Liabilities		105,488	-
Total Current Liabilities		180,288	31,777
Total Equity and Liabilities		280,931	127,489

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sumit Trivedi
Partner
Place: Hyderabad
Date: 18/04/2019

For and on behalf of the Board of Directors

C.V. Sarma
Director
Place: Secunderabad
Date : 18/04/2019

V. Radhakrishnan
Director

Statement of Profit and Loss for the year ended 31st March, 2019

(All amounts are in Indian Rupees unless otherwise stated)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from Operations	8	720,000	720,000
II Other Income	9	21,442	572
III Total Income (I+II)		<u>741,442</u>	<u>720,572</u>
IV Expenses			
Other Expenses	10	734,777	716,255
Total expenses (IV)		<u>734,777</u>	<u>716,255</u>
V Profit before Tax (III- IV)		6,665	4,317
VI Tax Expense:			
Current Tax	11	1,734	1,190
VII Profit for the Year (V-VI)		4,931	3,127
VIII Other Comprehensive Income		–	–
IX Total Comprehensive Income for the Year (VII+VIII)		<u>4,931</u>	<u>3,127</u>
Earnings per Equity Share : Basic and Diluted (Face value of Rs. 10 each)	13	0.10	0.06

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsSumit Trivedi
PartnerPlace: Hyderabad
Date: 18/04/2019

For and on behalf of the Board of Directors

C.V. Sarma
DirectorPlace: Secunderabad
Date : 18/04/2019V. Radhakrishnan
Director**Cash Flow Statement for the year ended 31st March, 2019**

(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash Flows from Operating Activities		
Profit before Tax	6,665	4,317
Adjustments for :		
Interest income	(21,442)	(572)
Operating Profit Before Working Capital Changes	<u>(14,777)</u>	<u>3,745</u>
Adjustments for :		
Increase in other assets	(10,000)	–
Increase/(decrease) in Trade Payables and other liabilities	43,653	13,377
Cash generated from Operations	<u>18,876</u>	<u>17,122</u>
Income Taxes Paid (Net of Refunds and interest thereon)	(17,609)	(1,190)
Net Cash generated from Operating Activities	<u>1,267</u>	<u>15,932</u>
Cash Flows from Investing Activities		
Interest income	21,442	–
Net Cash generated from Investing Activities	<u>21,442</u>	<u>–</u>
Cash flows from Financing Activities		
	–	–
Net Increase in Cash and Cash Equivalents	<u>22,709</u>	<u>15,932</u>
Cash and Cash Equivalents at the beginning of the year	107,159	91,227
Cash and Cash Equivalents at the end of the year (Refer Note 5)	<u>129,868</u>	<u>107,159</u>

See accompanying notes forming part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered AccountantsSumit Trivedi
PartnerPlace: Hyderabad
Date: 18/04/2019

For and on behalf of the Board of Directors

C.V. Sarma
DirectorPlace: Secunderabad
Date : 18/04/2019V. Radhakrishnan
Director

Statement of changes in equity for the year ended 31st March, 2019

(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Equity Share Capital:		
Balance as at April 1	500,000	500,000
Changes in Equity Share Capital during the year	<u> -</u>	<u> -</u>
Balance at March 31	<u>500,000</u>	<u>500,000</u>
B. Other Equity - Reserves & Surplus:		
Retained Earnings		
Balance as at April 1	(404,288)	(407,415)
Profit for the Year	<u>4,931</u>	<u>3,127</u>
Balance at March 31	<u>(399,357)</u>	<u>(404,288)</u>

See accompanying notes forming part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered AccountantsSumit Trivedi
PartnerPlace: Hyderabad
Date: 18/04/2019

For and on behalf of the Board of Directors

C. V. Sarma
DirectorPlace: Secunderabad
Date : 18/04/2019V. Radhakrishnan
Director

Notes forming part of the Financial Statements

1. Company Overview

The Company has tenancy rights in a commercial premise at Eucharistic Congress Building No. 1, 4th Floor, 5 Convent Street, Colaba, Mumbai – 400039. 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. Standards issued but not yet effective

Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on March 30, 2019 notifying Ind AS 116, 'Leases'. The notification is applicable for annual periods beginning on or after April 1, 2019. The Company is in the process of examining the impact of this Standard on its financial statements.

3. Summary of Significant Accounting Policies

3.1 Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below and on accrual basis. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that a price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

3.2 Use of Estimates and Judgements

In view of the nature of the operations of the Company no significant assumption / judgement are applied in preparation of financial statement.

3.3 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

3.4 Financial instrument

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument in accordance with classification and measurement requirements of applicable Accounting Standards. Financial assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset.

Financial liabilities, depending on their nature, are classified as amortised cost or fair value through profit & loss. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.5 Contingencies & Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.6 Revenue

Income from Estate Maintenance Services is recognized based on the contractual arrangement entered by the Company.

3.7 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit. Current tax is determined in accordance with the Income-tax Act, 1961. Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

3.8 Earnings Per Share ('EPS')

Basic earnings per share ('EPS') is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit/(loss) attributable to the equity shareholders for the period by the weighted average number of equity and equivalent dilutive equity shares outstanding during the period, except where the results would be anti-dilutive.

3.9 Operating Segment

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is one of the Directors of the Company.

3.10 Operating Cycle

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 services and their realisation in cash and cash equivalents.

Notes to the financial statements (Contd.)

4. Other Non-Current Assets

	As at 31st March, 2019 (₹)	As at 31st March, 2018 (₹)
Other deposits	1,21,978	7,120
TOTAL	1,21,978	7,120

5. Cash and Cash Equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with Banks: - In Current Account	129,868	107,159
TOTAL	129,868	107,159

6. Equity Share Capital

	As at March 31, 2019	As at March 31, 2018
Authorised Share Capital: 50,000 Equity Shares of Rs. 10 each	5,00,000	5,00,000
Issued, Subscribed and Paid-up Capital: 50,000 Equity Shares of Rs. 10 each	5,00,000	5,00,000

A) Reconciliation of number of Equity Shares outstanding

	No. of Shares	Share capital
Balance as at April 1, 2017	50,000	5,00,000
Add: issued during the year 2017-18	-	-
Balance as at March 31, 2018	50,000	5,00,000
Add: issued during the year 2018-19	-	-
Balance as at March 31, 2019	50,000	5,00,000

B) Shareholders holding more than 5% of the Equity Shares in the Company:

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
ITC Investments & Holdings Limited * and its Nominees	50,000	100	50,000	100

* 49,994 equity shares are held by ITC Investments & Holdings Limited, the Holding Company and the balance 6 equity shares are held by the nominees of the Holding Company jointly with the Holding Company. The Ultimate Holding Company is ITC Limited.

C) Rights, preferences and restrictions attached to the 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.

7. Other Equity

	As at March 31, 2019	As at March 31, 2018
Reserves and Surplus: Retained Earnings Retained Earnings comprise of the Company's undistributed earnings after taxes.	(3,99,357)	(4,04,288)
	(3,99,357)	(4,04,288)

8. Revenue from Operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Services	720,000	720,000
TOTAL	720,000	720,000

Notes to the financial statements (Contd.)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018		For the year ended March 31, 2019	For the year ended March 31, 2018
9. Other Income					
Interest on Other Deposits	21,442	–			
Interest on Income Tax Refund	–	572			
TOTAL	21,442	572			
10. Others Expenses					
	For the year ended March 31, 2019	For the year ended March 31, 2018		For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	79,368	75,816			
Rates and Taxes	2,59,880	3,06,659			
Maintenance and Upkeep Expenses	2,57,661	2,11,660			
Bank Charges	413	733			
Payments to Auditors [Refer note 10(a) below]	15,000	15,000			
Consultancy and Professional fees	82,268	45,120			
Miscellaneous expenses	40,187	61,267			
TOTAL	7,34,777	7,16,255			
10(a). Payment to Auditors (excluding applicable taxes)					
				For the year ended March 31, 2019	For the year ended March 31, 2018
			- Statutory Audit	15,000	15,000
			TOTAL	15,000	15,000
11. Tax Expense					
				For the year ended March 31, 2019	For the year ended March 31, 2018
			Profit Before Income Tax	6,665	4,317
			Enacted Tax Rates	26.00%	25.75%
			Income Tax Expense	1,734	1,190
			TOTAL	1,734	1,190

12. Contingent liabilities

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as Debts:	–	–

13. Earnings per share

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Computation of earnings per share is set out below:		
Net Profit attributable to Equity Shareholders (A) (Rs.)	4,931	3,127
Weighted Average Number of Equity Shares outstanding during the year (B) (Nos.)	50,000	50,000
Face Value of Equity Share (Rs.)	10	10
Earnings Per Share (Basic and Diluted) (A/B) (Rs.)	0.10	0.06

14. Segment Information

The Board of Directors of the Company have identified one of the directors as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 Operating Segments. The Company's activities involve providing estate maintenance services which is considered to be a single business segment since these are subject to similar risks and returns. Further, the business is carried out in India and hence there are no reportable geographical segments.

The entity-wide disclosures are as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Customer Information	The Company's revenue from operations arises entirely (100%) from sale of services to the Ultimate Holding Company	The Company's revenue from operations arises entirely (100%) from sale of services to the Ultimate Holding Company
Non-current Assets (In India)	1,21,978	7,120

15. Related Party Disclosures**a) Details of Related Parties**

Name	Relationship
ITC Limited	Ultimate Holding Company
ITC Investments & Holdings Limited	Holding Company
Key Management Personnel (KMP):	Relationship
C.V. Sarma	Non-Executive Director
V. Radhakrishnan	Non-Executive Director
B.R. Chaudhuri	Non-Executive Director

Notes to the financial statements (Contd.)

(All amounts are in Indian Rupees unless otherwise stated)

b) Details of Related Party Transactions:

Description	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
ITC Limited:		
Consultancy and Professional fees	11,800	4,720
Sale of Services – Estate Management Services	7,20,000	7,20,000

c) Details of Related Party Balances:

Description	As at March 31, 2019	As at March 31, 2018
ITC Limited	11,800	4,720
ITC Investments & Holdings Limited	–	–

16. The Company, based on the information available on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

17. Financial Instruments and Related Disclosures

a) Capital Management:

The Company funds its operations mainly through internal accruals. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds in order to carry on the operations of its businesses as a going concern.

b) Categories of Financial Instruments

	Note	As at March 31, 2019		As at March 31, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets (Measured at amortised cost)					
Cash and Cash Equivalents	4	1,29,868	1,29,868	1,07,159	1,07,159
Total Financials Assets		1,29,868	1,29,868	1,07,159	1,07,159
Financial Liabilities (Measured at amortised cost)					
Trade Payables		74,800	74,800	31,777	31,777
Total Financials Liabilities		74,800	74,800	31,777	31,777

The carrying amounts of trade payables and cash and cash equivalents are considered to be the same as their fair values due to their short term nature.

c) Financial risk management:

Given the nature of operations of the Company as indicated in Note 1 above, the Company has minimal activity and the only source of income is from estate maintenance services provided to its sister companies. Accordingly, the Company has no exposure towards market risks. Similarly, its exposure to credit risk and liquidity risk are also minimal as explained hereunder.

d) Credit Risk:

The only source of income to the Company arises through receipts from estate maintenance services from its ultimate holding company. Being part of the same group, exposure to credit risk is minimum. The Board of Directors analyse and monitor these financial instruments and assess the risk on an individual basis and take necessary action where required.

e) Liquidity risk:

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The company's liquidity position is regularly monitored and as the Company does not have any borrowings, its working capital is sufficient to ensure adequate liquidity for operations.

f) Fair value measurement

The Company does not have any Non-current Financial Assets and Non-current Financial Liabilities. Fair value of Current Financial Assets and Current Financial Liabilities is equivalent to their carrying value.

18. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

19. The financial statements were approved for issue by the Board of Directors on April 18, 2019.

For and on behalf of the Board of Directors

C.V. Sarma
Director

V. Radhakrishnan
Director

Place: Secunderabad

Date: 18/04/2019