

## REPORT OF THE DIRECTORS

The Directors hereby submit their report for the financial year ended 31st March, 2001.

## Operations

The operations of the Company during the year under review resulted in a loss of Rs. 1,680/-. Your Directors have proposed to carry the same to the Balance Sheet.

## Fixed Deposits

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

## Particulars of Employees

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

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

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

## Directors

Dr.(Mrs.) G. Sirur retires at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

Mr. M. Yelamanda was appointed an additional Director with effect from 15th December, 2000. In accordance with Section 260 of the Companies Act, 1956, he retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Prakash G. Kurup resigned from the Board with effect from 15th December, 2000. The Board of Directors place on record its appreciation of the services rendered by Mr. Prakash G. Kurup during his tenure as Director.

## Director's Responsibility Statement

Your Directors have :

- followed, in the preparation of the annual accounts, the applicable accounting standards with proper explanation relating to material departures;
- selected such accounting policies and applied them consistently and made judgements 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 loss 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 Companies Act, 1956 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.

## Auditors

Lovelock & Lewes, Chartered Accountants, the Company's Auditors retire at the conclusion of the Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

On behalf of the Board

G. Sirur *Director*

M. Yelamanda *Director*

Secunderabad, 18th April, 2001

## REPORT OF AUDITORS TO THE MEMBERS

We report that we have audited the Balance Sheet of MRR Trading & Investment Company Limited as at March 31, 2001 and the relative Profit and Loss Account for the year ended on that date both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and also respectively, a true and fair view of the state of the Company's affairs as at March 31, 2001 and its loss for the year ended on that date.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books.

In our opinion these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2001 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

- The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section 370 are not applicable to a company.

- The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section 370 are not applicable to a company.
- There are no transactions of purchase of goods and sale of goods and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to Profit and Loss Account, nor have we been informed of such case by the management other than those payable under contractual obligations or normally accepted business practices.
- In relation to service activities of the Company, there exists reasonable system of internal control system commensurate with the size of the Company and nature of its business.
- Clauses 4A (i), (ii), (iii), (iv), (v), (vi), (ix), (x), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xx), 4C and 4D of the above Order are not applicable in the case of the Company since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For Lovelock & Lewes

Chartered Accountants

S. Gopalakrishnan

Partner

Secunderabad  
18th April, 2001

## BALANCE SHEET AS AT MARCH 31, 2001

	Schedule	As at March 31, 2001 (Rs.)	As at March 31, 2000 (Rs.)
<b>SOURCES OF FUNDS</b>			
I. Shareholders' Funds			
a) Capital	1	1,00,000.00	1,00,000.00
2. Unsecured Loans from Others		1,100.00	1,100.00
<b>TOTAL</b>		<b>1,01,100.00</b>	<b>1,01,100.00</b>
<b>APPLICATION OF FUNDS</b>			
1. Current Assets, Loans and Advances			
a) Cash/Bank Balances	2	2,05,998.00	1,678.00
b) Loans and Advances	3	8,120.00	9,120.00
		2,14,118.00	10,798.00
Less : Current Liabilities and Provisions			
a) Current Liabilities - Sundry Creditors	4	2,10,000.00	5,000.00
<b>Net Current Assets</b>		<b>4,118.00</b>	<b>5,798.00</b>
2. Debit Balance in Profit & Loss Account		96,982.00	95,302.00
<b>TOTAL</b>		<b>1,01,100.00</b>	<b>1,01,100.00</b>
Notes on Accounts	5		

Schedules 1 to 5 form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes

Chartered Accountants

S. Gopalakrishnan

Partner

Secunderabad, 18th April, 2001

On behalf of the Board

G. Sirur *Director*

M. Yelamanda *Director*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2001

Schedule	Year ended March 31, 2001 (Rs.)	Year ended March 31, 2000 (Rs.)
<b>INCOME</b>		
Service Charges	1,44,131.00	96,966.00
Other Income	—	470.00
<b>Total</b>	<b>1,44,131.00</b>	<b>97,436.00</b>
<b>EXPENDITURE</b>		
Rent	1,25,780.00	90,096.00
Water Charges	12,801.00	6,822.00
Bank Charges	1,230.00	830.00
Profession Tax	1,000.00	1,000.00
Audit Fees	5,000.00	5,000.00
Income Tax	—	350.00
<b>Total</b>	<b>1,45,811.00</b>	<b>1,04,098.00</b>
Profit/(Loss) Before Taxation	(1,680.00)	(6,662.00)
Provision for Taxation	—	—
Profit/(Loss) After Taxation	(1,680.00)	(6,662.00)
Balance Carried Forward From Previous Year	(95,302.00)	(88,640.00)
Balance Carried to Balance Sheet	<u>(96,982.00)</u>	<u>(95,302.00)</u>

Notes on Accounts 5

Schedule 5 forms an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date. For Lovelock & Lewes

On behalf of the Board

Chartered Accountants

S. Gopalakrishnan, Partner

Secunderabad, 18th April, 2001

G. Sirur Director  
M. Yelamanda Director

SCHEDULES TO FINANCIAL STATEMENTS

	March 31, 2001 (Rs.)	March 31, 2000 (Rs.)
<b>SCHEDULE 1</b>		
<b>CAPITAL</b>		
AUTHORISED: 10,000 (2000 – 10,000) Equity Shares of Rs. 10/- each	1,00,000.00	1,00,000.00
ISSUED & SUBSCRIBED: 10,000 (2000 – 10,000) Equity Shares of Rs. 10/- each fully paid-up (9,998 Equity Shares are held by Holding Company BFIL Finance Limited)	1,00,000.00	1,00,000.00
	<u>1,00,000.00</u>	<u>1,00,000.00</u>
<b>SCHEDULE 2</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	80.00	80.00
With Scheduled Bank	2,00,918.00	—
- On current account	5,000.00	1,598.00
- On deposit account	2,05,998.00	1,678.00
<b>SCHEDULE 3</b>		
<b>LOANS &amp; ADVANCES</b>		
Deposits with Government, Public Bodies, etc.	7,120.00	7,120.00
Advances recoverable in cash, in kind or for value to be received	1,000.00	2,000.00
	<u>8,120.00</u>	<u>9,120.00</u>
<b>SCHEDULE 4</b>		
<b>CURRENT LIABILITIES - SUNDRY CREDITORS</b>		
BFIL - Finance Limited	2,05,000.00	—
Others	5,000.00	5,000
	<u>2,10,000.00</u>	<u>5,000</u>
<b>SCHEDULE 5</b>		
<b>NOTES ON ACCOUNTS :</b>		
1) Significant Accounting Policies		
a) The accounts have been prepared on historical cost basis.		
b) All revenue & expenses are accounted on accrual basis.		

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

I. Registration Details

Registration No. 1 1 - 2 3 2 5 9 State Code 1 1

Balance Sheet Date 3 1 0 3 0 1  
Date Month Year

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

Public Issue Rights Issue  
Bonus Issue Private Placement

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

Total Liabilities Total Assets  
Sources of Funds Reserves & Surplus  
Paid up Capital Unsecured Loans  
Secured Loans Investments  
Application of Funds  
Net Fixed Assets Misc. Expenditure  
Net Current Assets  
Accumulated Losses

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

Turnover Total Expenditure  
Profit/Loss before Tax Profit/Loss after Tax  
Earning per Share in Rs. Dividend Rate %

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

Item Code No. (ITC CODE) N O T A P P L I C A B L E  
Product Description N O T A P P L I C A B L E

On behalf of the Board

Secunderabad, 18th April, 2001

G. Sirur Director  
M. Yelamanda Director