



FORM A

Format of covering letter of the annual audit report to be filled with stock exchange

1.	Name of the Company	MSR INDIA LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	NIL
4.	Frequency of Observation	NOT APPLICABLE
5.	To be signed by <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	

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FORM B

Format of Covering Letter of the annual Audit Report to be filled with Stock Exchange

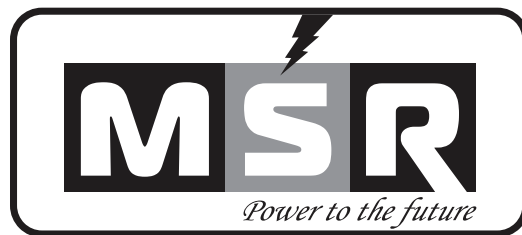
1.	Name of the Company	MSR INDIA LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit Qualification	SUBJECT TO
4.	Frequency of Qualification	FIRST TIME
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><u>QUALIFIED OPINION</u></p> <p>a) The Company has not complied with AS-15 "Employee Benefits" with regard to provision for gratuity and disclosure requirements specified in the accounting standard and</p> <p>b) Confirmations for balances outstanding in sundry debtors, advances, trade payables, secured loans and bank balances are not obtained.</p> <p>Consequently , we are unable to determine whether any adjustments to these amounts are required and if there is any impact on the financial statements</p>
	Additional comments from the Board/ audit committee chair	NIL
5.	To be signed by <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	



MSR India Ltd. CIN - L40102TG2002PLC039031

Regd. Office : MSR Towers, 3rd floor, Road No-36, Jubilee Hills, Hyderabad - 500081 A.P. INDIA,
Phone: 040-65577456, E-mail : info@msrindia.in, www.msrindia.in

31st Annual Report 2013-2014



MSR India Ltd.

8-2-293/ 82/A/ 732A-1, Plot No- 732, Jubilee Hills, Co - Operative House Building Society,
MSR Towers, 3rd Floor, Road No- 36, Jubilee Hills, Hyderabad- 500081

Dear Shareholders,

Sub: Updation of contact details and Email-Ids

As you all know that The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can now register the same by submitting there Email Ids at info@msrindia.in.

Kindly note that soft copies of the notices and documents will be sent to the shareholders who had registered their email ids with the company. The shareholders who do not want to receive notices and documents through electronic mode may communicate the same to the email id of the Company mentioned above. Kindly also update the contact details if there are any changes in the registered contact details with us.

We are sure that as a responsible citizen, you will whole heartedly support this initiative and co-operate with the Company to make it a success.

Thanking You
For M/s. MSR India Limited

Sd/-
M Srinivasa Reddy
Managing Director

CONTENTS

1. **Corporate Information**
2. **Notice of Annual General Meeting**
3. **Directors' Report**
4. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**
5. **Management Discussion & Analysis Report**
6. **Report on Corporate Governance**
7. **Auditor's Certificate on Corporate Governance**
8. **Managing Director's Certificate on Corporate Governance**
9. **Independent Auditor's Report**
10. **Annexure to Independent Auditor's Report**
11. **Balance Sheet**
12. **Statement of Profit & Loss Account**
13. **Cash Flow Statement**
14. **Notes to Accounts**
15. **Proxy Form & Attendance Slip**

CORPORATE INFORMATION

Board of Directors:

- | | | | |
|----|------------------------------|----|---------------------------------|
| 1. | Mr. Srinivasa Reddy Morthala | -- | Managing Director |
| 2. | Mr. I Srinivasa Raju | - | Chairman - Independent Director |
| 3. | Ms. Priyanka Palacherla | - | Independent Director |
| 4. | Mr. S Koti Reddy | -- | Independent Director |

Auditors:

M/s. Bhaskara Rao & Associates
Plot No. 18, 7-1-213, Sushil Kumar Compound
Ameerpet, Hyderabad - 500016

Bankers:

State Bank of India
Axis Bank Limited

Registered Office Address:

8-2-293/82/A/732A-1, Plot No 732, Jubilee Hills Co-Operative House Building Society,
3rd Floor, Road No. 36, Jubilee Hills, Hyderabad- 500081

Listing:

BSE Limited

Registrar & Share Transfer Agents:

M/s. Venture Capital & Corporate Investments Private Limited
12-10-167, Bharat Nagar Colony, Bharat Nagar, Hyderabad - 500018

NOTICE is hereby given that the 31st Annual General Meeting of the Shareholders of M/S. MSR India Limited (CIN: L40102TG2002PLC039031) will be held on Tuesday the 30th Day of September, 2014 at Survey No. 658, Bowrampet Village, Qutubullapur Mandal, Ranga Reddy Dist, Andhra Pradesh-500043 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, Consider and adopt the Directors' Report, the Audited Profit & Loss Account, the Balance Sheet and Cash Flow Statement as on 31st March, 2014.
2. To appoint a Director in place of Mr. S Koti Reddy (DIN: 03055201) who retires by rotation and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.
3. To appoint M/s. Vijay Sai Kumar & Associates as Statutory Auditors, Hyderabad, bearing Firm Registration No. 004694S to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company.

"**RESOLVED THAT** Pursuant to the provisions of Section 139, 142 and other applicable provision, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. Vijay Sai Kumar & Associates, Chartered Accountants (Firm Registration No. 004694S). Who have offered themselves for appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be hold office from the conclusion of the 31st Annual General Meeting up to the conclusion of the 36th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To appoint Mr. Gundala Raju (DIN:01742710) as a Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

"**RESOLVED** that Mr. Gundala Raju (DIN: 01742710) in respect of whom the Company has received a notice in writing along with deposit of Rs. 1,00,000 from a Member proposing him as a candidate for the office of director under the provisions of Section 160 of the Companies Act, 2013, and who is eligible for appointment as an independent Director, be and is hereby appointed as an Independent Director of the Company up to 36th Annual General Meeting."

NOTES:

1. The Statement pursuant to Schedule IV and Section 102(1) of the Companies Act, 2013 in respect of the ordinary business, set out in the Notice is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the registered Office of the Company, duly completed and signed, not less than 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 22nd Sep 2014 to Tuesday 30th sep 2014 (both days inclusive).
6. The annual report for the financial year 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant.
7. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.

8. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
9. Members are requested to intimate immediately, any change in their address or bank mandates to their depository with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Venture Capital & Corporate Investments Private Limited, if the shares are held by them in certificate form.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company or its Registrar & Share Transfer Agent, M/s. Venture Capital & Corporate Investments Private Limited.

By Order of the Board

Date: 20th Aug, 2014
Place: Hyderabad

For M/s. MSR India Limited
Sd/-
M. Srinivasa Reddy
Managing Director

Statement pursuant to Section 102 & Schedule IV of the Companies Act, 2013**ITEM NO. 2**

Mr. S. Koti Reddy, Independent Director is retiring by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. S. Koti Reddy being eligible, offer themselves for re-appointment.

Section 149 of the Companies Act, 2013 *inter alia* stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term of up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors considered for retirement by rotation. Hence, it is proposed that Mr. S. Koti Reddy be appointed for a term of 5 (five) years respectively.

The Company has received from Mr. S. Koti Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. S. Koti Reddy fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Mr. S. Koti Reddy is Independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. S. Koti Reddy is available for inspection without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

Mr. S. Koti Reddy is interested in the resolutions set out respectively at item No. 2 of the Notice with regard to their respective appointments.

The relatives of Mr. S. Koti Reddy may be deemed to be interested in the resolutions set out respectively at item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/key Managerial personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item No. 2 of the Notice for approval of the members.

ITEM NO. 4

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gundala Raju for the office of Director of the Company.

Mr. Gundala Raju is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Brief resume of Mr. Gundala raju

Mr. Gundala Raju, has a B.Tech (Chemical) Degree from JNTU Ananthapur. He has a vast experience in production and quality control. He has started his career as production supervisor in parsin chemicals later on he joined Tarus Chemicals as Shift Incharge. In 1998 he joined Krebs Biochemical Limited as Manager (Production) and continued there until 2001 after which he has opened his own entity named M/s. New Wave Health & Food Products.

To
The Shareholders,

The Directors have pleasure in presenting the 31st Annual Report of the Company together with its Audited Profit and Loss Account for the year ended 31st March, 2014 and Balance Sheet as on that date.

Financial Results

Key aspects of the Company's financial results for the year 2013-14 are as tabulated below:

(Amount in Lacs)

Particulars	2013-14	2012-13
Sales and other income	1,024.85	300.30
Total Expenditure other than Depreciation	1,030.48	292.46
Gross Profit before Depreciation, Finance Charges and Tax	(5.63)	7.83
Depreciation	9.70	5.42
Profit Before Tax	(15.33)	2.40
Exceptional Items	-	1079.09
Provision for Tax	4.08	1.36
Profit after tax	(19.41)	(1078.05)

Business Performance & Operations:

Your Company's has incurred a net loss of Rs. 19.41 Lacs during the year under review as compared to the previous financial year. During the year under review the total revenue has increased to Rs. 1024.85 Lacs as against Rs. 300.30 Lacs during the previous financial year.

Dividend on Equity Shares:

Keeping in view the losses incurred by the Company, your Directors have decided not to recommend any dividend for the year under review.

Fixed Deposits:

Your Company does not accept or hold any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under and as such, no amount on account of principal or interest on fixed deposits was outstanding as on date of the Balance Sheet.

Corporate Governance:

As required by Clause 49 of the listing agreement, a separate report on Corporate Governance together with a certificate of Statutory Auditors of the Company forms part of this report as per Annexure II.

Formation of Various Committees:

Details of various committees constituted by the Board of Directors as per the provisions of Clause 49 of the Listing Agreement and Companies Act, 1956 are given in the Corporate Governance Report annexed and forming part of this report.

Directors:

Pursuant to the requirements of the Companies Act, 1956 and Articles of Association of the Company, Mr. S Koti Reddy, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Board places on record its appreciation for the contribution made by the above-mentioned Directors to your Company and industry during their tenure.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms that:

1. In preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed;
2. The Board of Directors of the Company have selected appropriate 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 as at 31st March, 2014 and of the profit and cash flow of the Company for the year ended on that date;
3. Proper and sufficient care has been taken 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 frauds and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Personnel:

Information as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 will be made available on request by the Members.

Auditors & Auditors' Report:

Your Company's Statutory Auditors, M/s. Bhaskara Rao & Associates, Chartered Accountants, bearing Firm Registration No. 006171S, have resigned. The Company has decided to appoint M/s Vijay Sai Kumar & Associates, bearing Firm Registration No. 004694S as the Statutory Auditors of the Company who have shown their eligibility and willingness to accept the office of the Statutory Auditors. The necessary resolution seeking your approval for re-appointment of Statutory Auditors has been incorporated in the Notice Convening the Annual General Meeting.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors under Section 217(3) of the Companies Act, 1956.

Management Discussion and Analysis:

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of this report as per Annexure I.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Adequate measures have been taken to conserve energy wherever possible. Nothing has been undertaken in the areas of research and development.

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

Human Resources:

Your Company continuously invests in people development, identifying and grooming management talent and has a culture of harnessing people power to the maximum.

Appreciation:

Your Directors wish to express their sincere appreciation to the Central Government, the State Governments, bankers and the business associates for their excellent support and look forward to continued support in future. Your Directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment, which has enabled the Company to progress.

**For and on behalf of the Board of Directors
of M/s. MSR India Limited**

Sd/-

**M. Srinivasa Reddy
Managing Director**

Date: 20.08.2014

Place: Hyderabad

Annexure to Directors' Report for the year ended 31st March, 2014**Annexure I****Management Discussion and Analysis Report:**

The Management's views on the Company's performance and outlook are discussed below:

Economic Outlook

The economy of India grew at a rate slower than the average of last 10 years. Real gross domestic product (GDP) grew by 5.4 per cent, year on year, in the first half of the current fiscal year. This is much slower than the average growth rate of around 8 per cent achieved in the last decade. The slowdown hit all the major sectors of the economy, including agriculture, industry and services. The deficient rainfall in the current year has resulted in the slowdown of the agriculture sector while a combination of global factors such as continuing recessionary conditions in the Euro zone, elevated levels of global prices, particularly crude petroleum and domestic factors such as tight monetary policy, impediments to project completion and lower investment in new projects resulted in a slowdown in the industrial growth. Some segments of the services sector are tied to activity in agriculture and industry, and these also slowed.

Wholesale Price Index (WPI) Inflation has declined somewhat but Consumer Price Index (CPI) inflation has remained sticky. WPI inflation averaged around 9.3 per cent in last two years viz. 2011-12 and 2012-13. It declined to 7.7 per cent in April-September 2013. The CPI (new series) averaged around 10 per cent during April- September 2013. Many factors have contributed to persistent inflation including higher international prices of crude oil, substantial increases in real wages, especially in rural areas, higher prices of protein rich items as more affluent households change dietary habits with limited supply response and substantial increases in the minimum support prices of some essential commodities

Growth seems to be stabilizing and economy should be heading towards a gradual recovery: Certain signs suggest economic growth is stabilizing and even picking up.

Performance of Businesses

Your Company's performance for the year 2013-14 has to be viewed in the context of the aforesaid economic and market environment. Some highlights are given below:

Net profit/Loss: During the year under review the company has incurred a net loss of Rs. 19.41 Lacs during the year under review as compared to Rs. the previous financial year.

Risk Management***Business, Finance & Operational risks***

The Company has adopted adequate risk management policy. Adequate measures have been adopted by the Company to combat the various risks including business risks (competition, consumer preferences, technology changes), finance risks (cost, credit, liquidity, foreign exchange) and so on.

The Company has in place a very stringent and responsive system under which all its distributors and vendors are assessed before being selected. Further, there exists a system by which all distributors' and vendors' site and operations are periodically reviewed by the Company for managing risks, if any.

Regulatory and Compliance risks

Your Company operates within the letter and spirit of all applicable laws such as:

- ✓ To obey all legal requirements at all times;
- ✓ To understand exactly what legal requirements apply to the work function;
- ✓ To consult the legal personnel if there are conflicting legal requirements in different jurisdictions;
- ✓ To strictly follow the directions from the legal personnel;
- ✓ To address and resolve, in a timely manner, any legal compliance issues that have been identified;
- ✓ Absolutely no violation of any law;
- ✓ To immediately report any instance of violations to the Legal Department.

Your Company has set in place the requisite mechanism for meeting with the compliance requirements, periodic monitoring of compliance, to avoid any deviations and regular updations to keep pace with the regulatory changes.

Security Risks

Your Company has installed comprehensive security programs to protect employees and assets at all its Offices and Plants.

During the Financial Year under review, no breaches or major accidents occurred at any of the Company's Plants. Your Company has installed the best of the security measures and processes to protect its personnel and assets.

Internal Controls & their adequacy

Your Company has put in place an adequate system of internal controls commensurate with its size and nature of operations to ensure that the transactions are properly recorded, authorized and the assets are continuously monitored and safeguarded. The internal control system is backed up by well-documented policies, guidelines and procedures and concurrent reviews are carried out by the internal auditors, who submit reports monthly to the Audit Committee of the Board and the Management. The internal audit process is designed, inter alia, to cover all significant areas of the Company's operations such as accounting, finance, inventory, insurance, treasury, safeguarding of assets, IT processes and protection against unauthorized use etc. The Audit Committee reviews significant observations made in the internal audit reports along with actions initiated and reports to the Board periodically.

Your Company has a well-defined internal control system which is being adequately monitored. Checks and balances and control systems have been established to ensure that assets are safeguarded, utilized with proper authorization and recorded in the books of account.

Human Resource Development and industrial relations

The Company operates in a highly competitive environment vis-à-vis attracting the best talent for its operations and therefore the human resources management has assumed vital importance in your Company. Your Company focuses on attracting, motivating and retaining the best talent. As we have been growing we are putting in place new HR programs to ensure that the organization is geared up to deliver the future.

Your Company's Human Resource agenda for the year focused on strengthening four key areas: building a robust talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices at the shop floor.

Forward Looking Statement

The Statements in the Management Discussion and Analysis Report may be seen as forward looking statements. The actual results may differ materially for those expressed or implied in the statement depending on circumstances.

Date: 20.08.2014
Place: Hyderabad

**For and on behalf of the Board
of MSR India Limited**
Sd/-
M. Srinivasa Reddy
Managing Director

CORPORATE GOVERNANCE

You Company committed towards adoption of best corporate governance practices and continues to lay a strong emphasis on Transparency, Accountability and Integrity. The Company continuously endeavors to improve these aspects on an ongoing basis.

Your Company continuously strives for excellence through adoption of best governance and disclosure practices. Your Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange(s). The details of the compliance are as follows:

1. Board of Directors

Composition

The Members of the Board of Directors of your Company are from diversified background having rich and versatile experience in their respective fields. Your Company has an optimum balanced board with combination of Executive and Non-Executive Directors which includes independent professionals.

The Board of your Company comprises of Four Directors as on 31st March, 2014 of which Three Directors (75% of the total board strength) are Non-Executive. Mr. M Srinivasa Reddy is the Executive Chairman of the Company. Hence, as per the provisions of Clause 49 of the Listing Agreement, at least half of the Board should comprise of independent directors. Out of total Four Directors of the Company, Three (75% of the total board strength) are Independent Directors.

None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees (as specified in Clause 49), across all the companies in which he/she is a Director. All the Directors have intimated periodically about their Directorship and Membership on the Board Committees of other companies and none of the Directors of the Company holds the office of Director in more than 15 Companies.

The Board's composition is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The composition of the Board of Directors and the number of Directorships and Committee positions held by them are as under:

Name of the Director (s)	Category	No. of Other Directorships held ¹ (other than MSR India Limited)	No. of Board Committees ² (other than MSR India Limited) in which Chairman/Member	
			Chairman	Member
Srinivasa Reddy Morthala	Promoter/MD	1	-	-
Indukuri Srinivasa Raju	INED	1	2	2
Priyanka Palacherla	INED	1	-	-
S Koti Reddy	INED	-	-	-

Notes:

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Not for Profit Companies and Private Limited Companies, which are not the subsidiaries of Public Limited Companies.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Shareholders' / Investors' Grievance Committee as per Clause 49 of the Listing Agreement.
3. As on 31st March, 2014, none of the Directors of the Company were related to each other.

Board Meetings and Procedure

The Board of Directors plays the primary role in ensuring good governance and functioning of the Company. The Board provides strategic direction and oversees the effective functioning of the Company to ensure protection of long term interests of the stakeholders.

Dates for the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors.

The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings. The important decisions taken at the Board/Committee meetings are communicated to the concerned departments promptly.

8 Board Meetings were held during the financial year 2013-14 and the gap between two meetings did not exceed four months.

The dates on which the Board Meetings were held are as follows:

08th April, 2013; 20th April, 2013; 17th May, 2013; 30th May, 2013; 27th June, 2013; 14th August, 2013; 08th November, 2013; 10th February, 2014.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of the Director	Number of Board Meetings held during the tenure		Attended the last AGM
	Held	Attended	
Srinivasa Reddy Morthala	8	8	Yes
Indukuri Srinivasa Raju	8	8	Yes
Priyanka Palacherla	8	8	No
Koti Reddy Somala	8	8	Yes

Notes on Directors appointment / re-appointment

Brief resume(s) of the Directors proposed to be appointed / re-appointed are given in the explanatory statement annexed to the Notice convening the Annual General Meeting.

2. COMMITTEES OF THE BOARD

The Board has constituted the following Committees:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Stakeholders Relationship Committee

The terms of reference of the Committees are reviewed and modified by the Board from time to time. The Committee meetings facilitates the decision making process at the meetings of the Board in an informed and efficient manner.

Meetings of each Committee are convened by the respective Committee Chairman.

A. Audit Committee

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. As on 31st March, 2014, the Audit Committee consists of Three Directors. During the financial year 2013-14 four meetings of the Audit Committee were held on 30th May, 2013; 14th August, 2013; 08th November, 2013; 10th February, 2014. The details of the composition of the Committee and attendance of the members at the meeting are given below:

Sl. No.	Name	Designation	Category	No. of Meetings Held during the Year	No. of Meetings Attended during the year
1	S Koti Reddy	Chairman	NED/ID	4	4
2	I Srinivasa Raju	Member	NED/ID	4	4
3	Priyanka Palacherla	Member	NED/ID	4	4

Details of meetings attended by the members thereof are as follows:

Minutes of the Audit Committee are circulated and reviewed at the subsequent Board Meetings. The necessary quorum was present at all the meetings of Audit Committees.

Mr. S Koti Reddy, Chairman of the Audit Committee was present at the Annual General Meeting held on 29th July, 2013.

B. Nomination and Remuneration Committee

The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in force a remuneration committee for the said purpose. The broad terms of reference of the Remuneration committee are as follows:

- ✓ Review the performance of the Executive Director(s) after considering the Company's performance.

- ✓ To recommend to the Board the terms of appointment and remuneration to be paid to the Executive Director(s) including Commission, revision in salary.
- ✓ The remuneration payable to Non-Executive Directors based on their performance and defined assessment criteria.

Two meetings of the Remuneration Committee were held during 2013-14 on 14th May, 2013 and 9th November, 2013.

The composition of the Remuneration Committee and the details of meetings attended by directors during the year under review at meetings are given below:

Sl. No.	Name of the Director	Designation	Category	No. of Meetings held during the tenure	
				Held	Attended
1	S Koti Reddy	Chairman	NED/ID	2	2
2	I Srinivasa Raju	Member	NED/ID	2	2

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Remuneration Committee Meetings at subsequent Board Meetings.

The objective of Company's remuneration policy is to attract, motivate and retain the qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

The details of remuneration paid to the Executive Directors for the financial year 2013-14 are given below:

Mr. MSrinivasa Reddy, Chairman cum Managing Director: Nil

C. Stakeholders Relationship Committee

In order to ensure quick redressal of the complaints of the stakeholders, Company has in due compliance with Clause 49 of the Listing Agreement constituted a Shareholders'/Investors' Grievance Committee. The terms of reference of the committee cover the matters specified under Clause 49 of the Listing Agreement with Stock Exchanges.

The Committee oversees the process of share transfer and monitors redressal of shareholders'/ investors' complaints/ grievances viz. non-receipt of annual report, dividend payment, issue of duplicate share certificates, transmission of shares, dematerialization / dematerialization of shares and other related complaints. In addition, the Committee also reviews performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition, Meetings and Attendance

During the year 2013-14, four meetings of Shareholders' / Investors' Grievance committee were held on 13th May, 2013; 13th August, 2013; 9th November, 2013; 13th February, 2014. The composition of Shareholders' / Investors' Grievance committee as on 31st March, 2014 and the details of meetings attended by its members are given below:

Sl. No.	Name of the Director	Category	No. of Meeting held during the year 2012-13	
1	Mr. S Koti Reddy	Chairman	4	4
2	Mr. I Srinivasa Raju	Member	4	4
3	Ms. P Priyanka	Member	4	4

The Board has designated Ms. Priyanka as the Compliance Officer of the Company.

The Minutes of the Shareholders'/Investors' Grievance Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent address all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments. The Company endeavors to implement suggestions as and when received from the investors.

During the year under review, no investors' complaints were received. There was no unattended or pending investor grievance as on March 31, 2014.

Share Transfer Committee

The Board of Directors has delegated the power of approving transfer/transmission of shares, issue of duplicate share certificates and other related formalities to the Share Transfer Committee comprising of Mr. M. Srinivasa Reddy, Chairman cum Managing Director and Mr. I Srinivasa Raju Director of your Company.

The meetings of the said committee are held once in a fortnight. The Board of Directors review the Minutes of such Committee at subsequent Board Meeting.

During the year under review, no investors' complaints were received. There was no unattended or pending investor grievance as on March 31st, 2014.

Investor Services

M/s. Venture Capital & Corporate Investments Private Limited is acting as Registrar & Share Transfer Agent of your Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

a) Name and Address of Compliance Officer:

Mr. Abhilash T, Company Secretary and Compliance Officer
 MSR India Limited, # 8-2-293/82/A/732A-1,
 Plot No. 732A, Jubilee Hills Co-operative House Building Society
 3rd Floor, Road No. 36, Jubilee Hills, Hyderabad- 500081
 Tel No. :(040) 65577456, Email: cs@msrindia.in

3. ANNUAL GENERAL MEETINGS

Location, day, date and time of Annual General Meetings (AGMs) and Special Resolutions passed thereat:

Financial Year	Venue	Date & Time
2009-2010	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur, Hyderabad- 500081	29.09.2010 9.30 A.M.
2010-2011	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur, Hyderabad- 500081	29-09-2011 11.00 A.M.
2011-2012	Survey No. 658, Bowrampet Village, Qutubullapur Mandal, (sub-urban of Hyderabad) Ranga Reddy District, Andhra Pradesh	29-09-2012 3.00 P.M.
2012-2013	Survey No. 658, Bowrampet Village, Qutubullapur Mandal Ranga Reddy Dist, Andhra Pradesh-500043	29-07-2013 10.00 A.M.

Details on Extraordinary General Meeting (EGM) held in the last three years:

Financial Year	Day and Date	Venue	Time	No. of Resolutions Passed
2011-12	Saturday 30.06.2011	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081	11.00 A.M.	1
	Wednesday 04.01.2012	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081	11.00 A.M.	1
2012-13	Thursday 19.04.2012	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081 "Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081	10.00 A.M	2
	Wednesday 05.12.2012	8-2-293/82/ A/732A-1, Plot No 732, Jubilee Hills Co-Operative House Building Society, 3 rd Floor, Road No. 36, Jubilee Hills, Hyderabad- 500081	10.00 A.M	4

No Extra Ordinary General Meetings were held during the year 2013-2014.

However, during the year under review the Company has conducted postal ballot for the alteration of the Main Objects of the Memorandum of Association. The Scrutinizer for the Postal Ballot was CS Gopal Dhanaji, Practicing Company Secretary. The result of the postal ballot was declared on 28th September, 2013 which was in favor of the resolution.

a) Details of non-compliance by your Company

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

b) Code of Conduct

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

A declaration signed by the Managing Director affirming the compliance with the Code of Conduct by the Board Members and Senior Management Personnel of the Company is as under:

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), it is hereby confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct for the year ended 31st March, 2014.

Sd/-

Place: Hyderabad

M. Srinivasa Reddy

Date: 20.08.2014

Managing Director

c) CEO/CFO Certificate

The CEO and CFO have certified to the board with regard to the financial statements and other matters as required by clause 49 of the listing agreement. The certificate is appended as an Annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to clause 41 of the Listing Agreement.

4. MEANS OF COMMUNICATION

a) Financial Results:

The annual/half-yearly/quarterly financial results of the Company are normally published in the one English and one regional daily published from Andhra Pradesh.

The annual/half-yearly/quarterly results and other official news releases are displayed on the website of the Company - www.msrandia.in.

The Company also regularly intimates to the Stock Exchanges all price sensitive and other information which are material and relevant to the investors.

At the end of each quarter, the Company organizes earnings call with analysts and investors and the transcripts are uploaded on the website thereafter.

The Management Discussion and Analysis Report forms part of the Directors' Report.

5. GENERAL SHAREHOLDER INFORMATION

A) Details of ensuing AGM:

<i>Day and Date</i>	<i>Time</i>	<i>Venue</i>
<i>Tuesday; 30.09.2014</i>	<i>10.00 AM</i>	Survey No. 658, Bowrampet Village, Qutubullapur Mandal, Ranga Reddy Dist, Andhra Pradesh- 500043

B) Financial Calendar: (tentative and subject to change)

Your Company observes 1st April to 31st March as its financial year. The tentative schedule of Board Meetings for consideration of financial results for the year ended 31st March, 2015 is as under:

<i>Period</i>	<i>Approval of Quarterly results</i>
Quarter ended 30 th June 2014	Mid of August, 2014
Quarter ended 30 th September 2014	Mid of November, 2014
Quarter ended 31 st December, 2014	Mid of February, 2015
Quarter ended 31 st March, 2015	30 th Day of May, 2015

C) Date of Book Closure: 22nd Sep, 2014 to 30th Sep, 2014 (both days inclusive)

D) Listing on Stock Exchanges:

(a) The equity shares of your Company are listed with the following stock exchanges:

BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai - 400 001		Stock Code:508922
Depositories	1	National Securities Depositories Limited (NSDL) Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
	2	Central Depository Service of India Limited (CDSL) Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

Annual Issuer charges for the year 2014-15 have been paid to the above depositories.

E) Market Price Data : High, Low during each month in financial year 2013-14

Monthly share price movement during the year 2013-14 at BSE:

Month	BSE		
	High	Low	No. of shares traded
April-13	97.50	66.85	15,588
May-13	102.40	50.00	13,115
June-13	63.00	39.60	1,898
July-13	37.65	30.25	58,610
Aug-13	37.00	29.65	1,952
Sep- 13	41.55	31.20	5,490
Oct-13	37.35	20.55	3,112
Nov-13	19.55	17.75	7,280
Dec-13	17.95	16.80	2,502
Jan-14	25.25	17.75	80,758
Feb-14	32.10	24.50	1,69,340
Mar-14	35.20	27.70	89,780
	TOTAL		280,085

F) Registrar and Transfer Agents :

M/s. Venture Capital and Corporate Investments Private Limited is appointed as Registrar and Transfer (R&T) Agents of your Company for both Physical and Demat Shares. The address is given below:

M/s. Venture Capital and Corporate Investments Private Limited

12-10-167, Bharat Nagar Hyderabad, 500018,

Hyderabad, 500018,

Phone : +91 040-23818475/23818476/23868023

Fax : +91 040-23868024

Contact Person: Mr. E Rama Rao

Shareholders are requested to correspond with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.

G) Share Transfer System:

Your Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. The share transfers received in physical form are processed through Registrar and Share Transfer Agent, within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, issue of duplicate share certificate, dematerialization etc. to the Share Transfer Committee. All the physical transfers received are processed by the R & T Agent and are approved by the Share Transfer Committee well within the statutory period of one month.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R&T Agent of your Company at the address given above.

H) Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the equity share is INE331L01026. As on 31st March, 2014, 55305000 (constituting 87.96%) were in dematerialized form. Your Company's Equity Shares are frequently traded on the BSE Ltd. (BSE).

I) Distribution of Shareholding as on 31st March, 2014

Number of shares category	No. of shareholders		Equity Shares held in each category	
	Holders	% Total	Total Shares	% of Total
Upto - 500	155	40.36	15673	0.02
501 - 1000	25	6.51	20008	0.03
1001 - 2000	45	11.72	65218	0.1
2001 - 3000	25	6.51	62653	0.1
3001 - 4000	15	3.91	52707	0.08
4001 - 5000	11	2.86	51330	0.08
5001 - 10000	24	6.25	174407	0.28
10001 and above	84	21.88	62438004	99.3
TOTAL	384	100	62880000	100

J) Shareholding Pattern as on 31st March, 2014:

Categories	No. of shares held	% of Total
PROMOTER AND PROMOTER GROUP	46852718	74.51
BODIES CORPORATE	6275138	9.98
NON RESIDENTIAL INDIVIDUALS	6568	0.01
CLEARING MEMBERS	30403	0.05
PUBLIC	9715173	15.45
TOTAL	62880000	100.00

K) Address for correspondence:

The shareholders may address their communications / suggestions / grievances / queries to:

1	<p>Mr. Abhilash T Company Secretary & Compliance Officer 8-2-293/82/A/732A-1, Plot No 732, Jubilee Hills Co-Operative House Building Society, MSR Towers, 3rd Floor, Road No. 36, Jubilee Hills, Hyderabad- 500081 Phone No.: 040 65577456 Email: cs@msrindia.in Website: www.msrindia.in</p>	2	<p>Mr. E.S.K Prasad M/s. Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar Hyderabad- 500018, Phone: 040 3818475/23818476/23868023 Fax : +91 040-23868024 Email: info@vccipl.com Website: www.vccipl.com</p>
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L) NON-MANDATORY REQUIREMENTS

Apart from complying with all the mandatory requirements, the Company has adopted non-mandatory requirements of Clause 49 of the Listing Agreement as under:

1. Chairman's Office: Your Company has an Executive Chairman and hence, the need for implementing this non-mandatory requirement has not arisen.
2. Remuneration Committee: Your Company has a Remuneration Committee to recommend appointment / re-appointment and to recommend/review remuneration of the Executive Chairman / Managing / Executive Directors.
3. Shareholder rights: The quarterly / half quarterly results of your Company after being subjected to a Limited Review by the Statutory Auditors are published in newspapers and posted on Company's website www.msrandia.in. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com
4. Postal Ballot: The provisions relating to Postal Ballot have been complied with in respect of matters where applicable.
5. Audit Qualifications: Your Company continues to adopt best practices to ensure the regime of unqualified financial statements. Statutory Auditors have issued an unqualified opinion on the statutory financial statements of your Company.
6. Whistle Blower Policy: The employees of your Company are accessible to the senior management for any counseling or consultation and your Company has not denied any employee access to the audit committee.
7. Training of Board Members: All the Non-Executive Directors have rich experience and expertise in their functional areas. During Audit and Board Meetings, the management and the Executive Directors give extensive presentations and briefings to the Board Members on the business of your Company.

Date: 20.08.2014
Place: Hyderabad

For and on behalf of the
Board of Directors of MSR India Limited
Sd/-
M. Srinivasa Reddy
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**The Members
MSR India Limited**

We have examined the compliance of conditions of Corporate Governance by MSR India Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 20.08.2014
Place: Hyderabad

For M/s. Bhaskar Rao & Associates

Firm Reg. No: 006171S

Sd/-

P Prashanth

Partner

M. No. 211208

The Board of Directors
MSR India Limited
Hyderabad

**CERTIFICATION BY
MANAGING DIRECTOR**

We have reviewed the financial statements and the cash flow statements for the year 2013-2014 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during this year.
 - b. There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements; and
 - c. There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

**For and on behalf of the
Board of Directors of MSR India Limited
Sd/-
M. Srinivasa Reddy
Managing Director**

**Date: 20.08.2014
Place: Hyderabad**

Independent Auditor's Report

To
The Members of
MSR India Limited.

We have audited the accompanying financial statements of M/s MSR India Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the 'Act') read with General circular 15/2014 dated 13th September, 2014 of the Ministry Of Company Affairs in respect of Section.133 of the Companies Act, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion:

- a) The company has not complied with AS-15 "Employee Benefits" with regard to provision for gratuity and disclosure requirements specified in the accounting standard and
- b) Confirmations for balances outstanding in sundry debtors, advances, trade payables, secured loans and bank balances are not obtained.

Consequently, we are unable to determine whether any adjustments to these amounts are required and if there is any impact on the financial statements.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified opinion Paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") ,as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) Except for the possible effects of the matter described in the Basis for Qualified opinion Paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General circular 15/2014 dated 13th September,2014 of the Ministry Of Company Affairs in respect of Section.133 of the Companies Act,2014 except non-compliance of AS-15: and
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s Bhaskara Rao & Associates

Chartered Accountants

Firm Regn. No. 006171S

Sd/-

(P. Prashanth)

(Partner)

Membership No.: 211208

Place: Hyderabad

Date: 28-05-2014

Annexure to Independent Auditor's Report

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of MSR India Limited. On the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
© In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account the Company has given advance to M/s. Avanti Medical Diagnostics Pvt Ltd which is a party listed in the register maintained under section 301 of the companies Act, 1956. The maximum amount and the balance outstanding is Rs.97,50,000. No terms and conditions have been mentioned for the said advance.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loan from one party listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding is Rs.24,00,000 for which no terms and conditions have been specified and hence we are unable to comment whether it is prejudicial to the interests of the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for services & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arise.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, cess to the extent applicable and any other statutory dues have regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable except TDS of Rs.27,972 which is outstanding for more than six months
10. The company has no accumulated losses which have exceeded the net worth of the company by more than 50% during the current year. The company has incurred cash losses of Rs.5,63,460 during the current year but not in preceding year.
11. According to the information and explanations given to us, the Company has no borrowings from a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For M/s Bhaskara Rao & Associates

Chartered Accountants

Firm Regn. No. 006171S

Sd/-

(P. Prashanth)

(Partner)

Membership No.: 211208

Place: Hyderabad

Date: 28-05-2014

Note 1. SIGNIFICANT ACCOUNTING POLICIES**Basis for preparation of accounts**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof. 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 Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between acquisition of assets for processing and their realization 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.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of Assets and Liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to valuation of investments, collect ability of receivables, sales returns, incentive discount offers, valuation of inventory, depreciable lives of fixed assets and valuation of acquired intangibles and goodwill, income taxes, stock based compensation and contingencies. Actual results could differ materially from those estimates.

Fixed Assets and Depreciation

a) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their book value and net realizable value and are shown separately in the financial statements under Other Current Assets if any. Any expected loss is recognized immediately in the profit and loss account. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the profit and loss account if any.

b) Depreciation has been provided under the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. In respect of assets added / assets sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule XIV. Depreciation in respect of assets acquired during the year whose cost does not exceed Rs. 5,000/- has been provided at 100%.

Revenue Recognition

a) Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer, upon supply of goods, and are recorded net of trade discounts, rebates, sales taxes and excise duties.

b) Income from services rendered is recognized as the service is performed and is booked based on agreements / arrangements with the concerned parties.

c) Interest income on Deposits is recognized during the time proportion method, based on interest rates implicit in the transaction.

Expenditure

Expenses are accounted on accrual basis and the Provisions are made for all expected losses and liabilities.

Investments

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments. Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Employee benefits

Disclosure is made as per the requirements of the standard and the same is furnished below:

1. Defined contribution plan
Contribution to provident fund is in the nature of defined contribution plan and is made to EPFO.
2. Defined Benefit Plan
The company doesn't have policy of contribution to Gratuity and Leave encashment. Hence no provision is made in the books.

Foreign Exchange Transactions

a) Foreign currency transactions arising during the year are recorded as per the prescribed foreign exchange rates prevailing on the date of the transaction.

b) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are stated at the contract rates and / or at the transaction note.

Earnings per share

A basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares if any.

Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Impairment of Assets:

At each balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- a) The provision for impairment loss, if any, required or
 - b) The reversal, if any, required for impairment loss recognized in previous periods.
- Impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount

Borrowing Costs:

Borrowing Costs that are directly attributable to long term project management and development activities are capitalized as part of the projects cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Other borrowing costs are recognized as expenses in profit and loss account in the period in which they are occur.

Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence, on timing differences being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are not recognized on unabsorbed depreciation and losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred tax assets can be realized

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under such leases are charged to profit and loss account on a straight line basis over the lease term.

Provisions and Contingent Liabilities

A provision is recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

For M/s. Bhaskara Rao & Associates

Chartered Accountants

Firm Regn No. 006171S

Sd/-

(P. Prashanth)

Partner

M.No.211208

for MSR India Limited

Sd/-

(M. Srinivasa Reddy)

Managing Director

Sd/-

(I. Srinivasa Raju)

Director

Place: Hyderabad

Date: 28-05-2014

MSR INDIA LIMITED
 8-2-293/82/A/732A-1, Plot No. 732A,
 Jubilee Hills Co-operative House Building Society, 3rd Floor, Road No. 36
 Jubilee Hills, Hyderabad - 500 081
 Balance Sheet as at 31st March, 2014

(All amounts in Rs. Lacs, unless otherwise stated)

	Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
A	<u>EQUITY AND LIABILITIES:</u>			
1	Shareholders Funds:			
	(a) Share Capital	2	3,144.00	3,144.00
	(b) Reserves and Surplus	3	(1,083.07)	(1,063.66)
			2,060.93	2,080.34
2	<u>Non-current liabilities</u>			
	(a) Long-term borrowings	4	49.42	40.80
	(b) Deferred tax liabilities (net)	5	4.76	0.68
			54.18	41.48
3	<u>Current Liabilities</u>			
	(a) Short - term borrowings		-	-
	(b) Trade payables	6	753.78	0.05
	(c) Other current liabilities	7	22.13	11.35
	(d) Short - term provisions	8	0.51	1.27
			776.41	12.67
	TOTAL		2,891.53	2,134.50
B	<u>ASSETS:</u>			
1	<u>Non - current assets</u>			
	(a) Fixed assets			
	(i) Tangible Assets	9	547.03	216.69
	(b) Non Current Investments	10	492.60	492.60
	(c) Long - term loans and advances	11	801.70	764.13
	(d) Other - Non Current Assets	12	-	3.51
			1,841.33	1,476.94
2	<u>Current Assets</u>			
	(a) Inventories	13	1.03	1.53
	(b) Trade receivables	14	715.87	3.89
	(c) Cash and Bank Balances	15	3.50	140.11
	(d) Short - term loans and advances	16	328.97	504.44
	(e) Other - current assets	17	0.83	7.59
			1,050.19	657.56
	TOTAL		2,891.53	2,134.50
	Summary of Significant Accounting Policies Accompanying Notes form integral part of Accounts	1		

As per our Report of even date attached.
 For M/s BHASKARA RAO & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn: 006171S

Sd/-
 (P. PRASHANTH)
 PARTNER
 Membership No. 211208
 Place : Hyderabad
 Date : 28-05-2014

for and on behalf of the Board
 For MSR INDIA LIMITED

Sd/-
 (M. SRINIVASA REDDY)
 MANAGING DIRECTOR

Sd/-
 (I. SRINIVASA RAJU)
 DIRECTOR

MSR INDIA LIMITED
 8-2-293/82/A/732A-1, Plot No. 732A,
 Jubilee Hills Co-operative House Building Society, 3rd Floor, Road No. 36
 Jubilee Hills, Hyderabad - 500 081
Statement of Profit and Loss for the year ended 31st March, 2014
 (All amounts in Rs. Lacs, unless otherwise stated)

Particulars		Note No.	Year Ended 31st March 2014	Year Ended 31st March 2013
A	<u>CONTINUING OPERATIONS</u>			
1	Revenue from operations			
	Sale of Products			
	Domestic Sales		1,018.38	294.56
2	Other Income		6.47	5.73
3	Total Revenue (1+2)		1,024.85	300.30
4	<u>Expenses</u>			
	(a) Cost of material consumed	18	-	122.50
	(b) Purchases of stock in Trade		958.52	112.57
	(c) Changes in inventories of finished goods, Work - in - Progress and Stock in trade	19	0.50	0.06
	(d) Employee Benefit Expenses	20	16.51	23.03
	(e) Finance Costs	21	2.09	1.05
	(f) Depreciation and amortization expenses	22	9.70	5.42
	(g) Other Expenses	23	52.86	33.26
	Total Expenses		1,040.18	297.90
5	Profit / (Loss) before Exceptional and Extraordinary items and Tax -(4-5)		(15.33)	2.40
6	Exceptional items (Provision for Doubtful Advances)	24	-	1,079.09
7	Profit / (Loss) before Extraordinary items and tax		(15.33)	(1,076.70)
8	Extraordinary Items		-	-
9	Profit / (Loss) before tax (7 + 8)		(15.33)	(1,076.70)
10	Tax Expenses:			
	(a) Current tax		-	0.69
	(b) Deferred tax		4.08	0.67
			4.08	1.36
11	Profit / (Loss) from continuing operations (9-10)		(19.41)	(1,078.06)
12	Profit / (Loss) from discontinuing Operations			
13	Tax Expense of discontinuing Operations		-	-
14	Profit / (Loss) from discontinuing operations (After Tax) (12-13)		-	-
15	Profit / (Loss) for the year (11 +14)		(19.41)	(1,078.06)
16	Earnings per Equity Share:	25		
	(a) Basic		(0.03)	(9.14)
	(b) Diluted		(0.03)	(9.14)
	Summary of Significant Accounting Policies ! IJQ, Ū ĩ çđ ° Notes form integral part of Accounts	1		

In terms of our report attached
For M/s BHASKARA RAO & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn: 006171S
Sd/-
(P. PRASHANTH)
PARTNER
Membership No. 211208
Place : Hyderabad
Date :28-05-2014

For and on behalf of the Board
For MSR INDIA LIMITED

<p>Sd/- (M. SRINIVASA REDDY) MANAGING DIRECTOR</p>	<p>Sd/- (I. SRINIVASA RAJU) DIRECTOR</p>
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MSR INDIA LIMITED
 8-2-293/82/A/732A-1, Plot No. 732A,
 Jubilee Hills Co-operative House Building Society, 3rd Floor, Road No. 36
 Jubilee Hills, Hyderabad - 500 081

(All amounts in Rs. Lacs, unless otherwise stated)

Cash Flow Statement for the period ending 31st March 2014					
		For the year ended 31st March 2014		For the year ended 31st March 2013	
A	PARTICULARS				
	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax as per Profit and Loss Account		(15.33)		(1,076.70)
	Adjusted for:				
	Depreciation and Amortization Expense	6.19		1.91	
	Provision for Doubtful Advances	-	6.19	1,079.09	1,081.01
	Operating Profit before Working Capital Changes		(9.14)		4.31
	Adjusted for:				
	Trade and Other Receivables	(711.98)		4.56	
	Inventories	0.50		0.06	
	Other Current Assets	182.24		591.27	
	Trade and Other Payables	763.74		16.58	
	Net Working Capital		234.50		612.47
	Increase / (Decrease) in Working Capital		225.35		616.78
	Less Taxes Paid		-		(0.69)
	Cash Generated from Operating Activities		225.35		616.09
B	Cash Flow from Investments				
	(Increase) / Decrease in Fixed Assets - Purchase of New Assets	(336.53)		(191.57)	
	(Increase) / Decrease in Investments - Fresh investments during the Year.	(34.06)		(331.59)	
	Pre-Operative Expenses to the Extent not Written Off			-	
	Net Cash Flow from Investment Activities		(370.58)		(523.16)
C	Cash Flow from Financing Activities				
	Proceeds from New Share Capital	-		-	
	Proceeds from New Borrowings - Hire Purchase Loan	8.62		16.80	
	Net Cash Flows From Financing Activities		8.62		16.80
	Net Cash flow during the year (A+B+C)		(136.61)		109.72
	Cash and Cash Equivalents at the beginning of the period		140.11		30.38
	Cash and Cash Equivalents at the end of the period		3.50		140.11
	Cash and Cash Equivalents				
	(i) Cash on hand		0.14		0.09
	(ii) Balances with banks				
	In current accounts		3.35		0.30
	Fixed Deposits with Bank		-		139.71
			3.50		140.11
	Summary of Significant Accounting Policies				
	Accompanying				
	Notes form integral part of Accounts				

In terms of our Report attached
 For M/s BHASKARA RAO & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn: 006171S

Sd/-
(P. PRASHANTH)
 PARTNER
 Membership No. 211208
 Place : Hyderabad
 Date: 28.05.2014

For and on behalf of the Board
For MSR INDIA LIMITED

Sd/-
(M. SRINIVASA REDDY)
 MANAGING DIRECTOR

Sd/-
(I. SRINIVASA RAJU)
 DIRECTOR

Note 2 - a - Share capital:

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	As at 31-03-2014		As at 31-03-2013	
	No of shares	Amount	No of shares	Amount
(a) Authorized Share Capital				
Equity shares of Rs.5/- each with voting rights	640.00	3,200.00	320.00	3,200.00
(b) Issued & Subscribed Share Capital				
Equity shares of Rs.5/- each with voting rights	628.80	3,144.00	314.40	3,144.00
(c) Subscribed and Fully Paid up Share Capital				
Equity shares of Rs.5/- each with voting rights	628.80	3,144.00	314.40	3,144.00
TOTAL	628.80	3,144.00	314.40	3,144.00

Note 2 - b - Reconciliation of Equity Shares Outstanding at the beginning and end of the year:

Particulars	Opening Balance	Fresh issue during the year	Closing Balance
Equity shares with voting rights			
Year ended 31-03- 2013			
Number of shares (No.s)	314.40	-	314.40
Amount (Rs)	3,144.00	-	3,144.00
Year ended 31-03- 2014			
Number of shares (No.s)	628.80	-	628.80
Amount (Rs)	3,144.00	-	3,144.00

The Company has subdivided the share from Equity Shares of Rs. 10/- each to Equity Shares of Rs. 5/- each on 3rd June, 2013

Note - 2 - c - Terms / Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a Par Value of Rs. 10 /- per share. Each holder of Equity Shares is entitled to one vote per share.

In the event of liquidation of the Company the holder of Equity Share will be entitled to receive remaining Assets of the Company in Proportion to number of Equity Shares held.

Note - 2 - d - Details of shareholders holding more than 5% Equity Shares in the Company:

Class of shares / Name of shareholder	As at 31-03-2014		As at 31-03-2013	
	No of shares	% held	No of shares	% held
Equity shares with voting rights				
Morthala Srinivasa Reddy	468.53	74.51	223.39	71.05

Note 3 - Reserves and Surplus

Particulars	As at 31-03-2014	As at 31-03-2013
(i) Securities Premium Account		
As per last Year Balance Sheet	4.37	2,624.37
Less: Deduction during the year- On Issue of Bonus Shares	-	2,620.00
Total	4.37	4.37
(ii) Surplus in Statement of Profit & Loss Account		
As per last Year Balance Sheet	(1,068.03)	10.03
Add: Profit / (Loss) for the Year	(19.41)	(1,078.06)
Net Surplus	(1,087.44)	(1,068.03)
Total	(1,083.07)	(1,063.66)

Note 4 - Long-term borrowings

Particulars	As at 31-03-2014	As at 31-03-2013
(i) Loans and Advances from Related Parties (Unsecured) (All amounts in Rs. Lacs, unless otherwise stated)		
(a) From Related Parties	24.00	24.00
(b) From Others	19.00	-
(ii) Other Loans and Advances:(secured)		
(a) Hire Purchase Loans (Secured by Hypothecation of Vehicle)	6.42	16.80
Total	49.42	40.80

* The above Hire Purchase loan is obtained from Audi Finance at a Fixed rate of interest of 9.5% p.a., EMI is Rs 96099 and the no. of installment is 36.

Note 5 - Deferred tax Liability(net)

Particulars	As at 31-03-2014	As at 31-03-2013
i) Deferred tax liability on account of Depreciation	4.76	0.68
ii) Deferred tax asset on account of Business losses	-	-
Total	4.76	0.68

Note 6 - Trade Payables

Particulars	As at 31-03-2014	As at 31-03-2013
Trade Payables:		
Other than Acceptances	753.78	0.05
Total	753.78	0.05

*As the information regarding the status is not provided by the suppliers, the information required U/s 22 of the MICRO SMALL AND MEADIUM ENTERPRISES DEVELOPMENT ACT, 2006 could not provided

Note 7 - Other current liabilities

Particulars	As at 31-03-2014	As at 31-03-2013
(i) *Current maturities of long term borrowings	10.38	9.44
(ii) Other Payables		
Salaries Payable	1.53	1.61
TDS Payables	1.67	0.30
Other Payables - Rental Deposit	2.25	-
Rent Payable	6.30	-
Total	22.13	11.35

* The above Hire Purchase loan is obtained from Audi Finance at a Fixed rate of interest of 9.5% p.a., EMI is Rs. 96,099 and the no. of Installments are 36.

Note 8 - Short-term provisions

Particulars	As at 31-03-2014	As at 31-03-2013
Provision - Others:		
Income Tax (Net of TDS)	-	0.12
Audit Fee Payable	0.51	0.45
Electricity Charges Payable	-	0.70
Total	0.51	1.27

MSR INDIA LIMITED
STATEMENT OF DEPRECIATION AS PER COMPANIES ACT

Note No - 9

FIXED ASSETS:

(All amounts in Rs. Lacs, unless otherwise stated)

PARTICULARS	GROSS BLOCK			Accumulated Depreciation and Impairment				NET BLOCK	
	As On 01-04-2013	Additions	As On 31-03-2014	As On 01-04-2013	Depreciation For the Year	Impairment for the year	As On 31-03-2014	As On 31-03-2014	As On 31-03-2013
<u>Tangible Assets:</u>									
Land	26.43	336.53	362.95	-	-	-	-	362.95	26.43
Buildings									
Lease Hold Improvements	152.00	-	152.00	0.61	2.47	-	3.08	148.92	151.39
Furniture & Fixtures	0.23	-	0.23	0.05	0.01	-	0.06	0.17	0.18
Vehicles	34.16	-	34.16	1.22	3.13	-	4.35	29.81	32.94
Others									
Computers	17.35	-	17.35	15.45	0.31	-	15.76	1.59	1.89
Electrical Equipments	4.00	-	4.00	0.13	0.27	-	0.41	3.59	3.87
	234.15	336.53	570.68	17.46	6.19	-	23.65	547.03	216.69
Previous Year (2012 - 2013)	42.58	191.57	234.15	15.54	1.91	-	17.46	216.69	27.03

Note 10 - Non Current Investments

Particulars	As at 31-03-2014	As at 31-03-2013
(a) Other Investments (Non-Trade)		
(i) Investment in Avanti Medical Diagnostics Pvt. Ltd. (No of Shares – 85,000) fully paid up Equity Shares at Rs 300/- at cost.	255.00	255.00
(ii) Investment in Farmax India Limited (Quoted, Trade Investments) (No of Shares – 1,65,00,000) fully paid up Equity Shares at Rs 1.44/- at cost Value of Share as on 31-3-2013 is Rs 0.44 aggregate market value is Rs 72,60,000/-	237.60	237.60
Total	492.60	492.60

Note 11 - Long-term loans and advances (Unsecured and considered good)

Particulars	As at 31-03-2014	As at 31-03-2013
(a) Capital Advances		
(i) Advance Given	512.17	474.61
(b) Security Deposits		
(i) Rental Deposits	180.00	180.00
(ii) Deposits with Department of Mines and Geology	12.02	12.02
(c) Loans & Advances to related parties		
(i) Advance Given for Avanti Medical Diagnostics	97.50	97.50
Total	801.70	764.13

Note 12 - Other Non - Current Assets

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	As at 31-03-2014	As at 31-03-2013
Deferred Expenses		
Opening Balance	3.51	7.02
Add: Additions	-	-
	3.51	7.02
Less: Expenses during the year.	3.51	3.51
Closing Balance	-	3.51

Note 13 - Inventories

(Valued at lower of Cost or Net Realizable Value)

Particulars	As at 31-03-2014	As at 31-03-2013
Stock in trade	1.03	1.53
Total	1.03	1.53

Note 14 - Trade Receivables

Particulars	As at 31-03-2014	As at 31-03-2013
Unsecured and Considered Good		
Exceeding Six Months	-	-
Others	715.87	3.89
Total	715.87	3.89

Note 15 - Cash and Bank Balance

Particulars	As at 31-03-2014	As at 31-03-2013
(a) Cash and Cash Equivalents		
(i) Cash on hand	0.14	0.09
(ii) Balances with banks		
In current accounts	3.35	0.30
Fixed Deposits with Bank	-	139.71
Total	3.50	140.11

Note 16 - Short-term loans and advances

Particulars	As at 31-03-2014	As at 31-03-2013
Other Advances		
(a) Doubtful		
(i) Advance for Works	1,079.09	1,079.09
Less: Provision for Doubtful Advances (Refer note 24)	1,079.09	1,079.09
Balance	-	-
(b) Unsecured and considered good		
(i) Advance for Purchase of Raw Materials	262.47	437.95
(ii) Other Advances	66.50	66.50
Total	328.97	504.44

Note 17 - Other Current Assets

(All amounts in Rs. Lacs, unless otherwise stated)

Particulars	As at 31-03-2014	As at 31-03-2013
TDS Receivable	0.56	-
Prepaid Insurance	0.27	0.43
Other Advances(unsecured and considered good)	-	7.16
Total	0.83	7.59

Note 18 - Cost of materials Stock in Trade

Particulars	As at 31-03-2014	As at 31-03-2013
Opening stock	-	-
Add: Purchase of Materials	958.52	122.50
	958.52	122.50
Less: Closing stock	-	-
Total	958.52	122.50

Note 19 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31-03-2014	As at 31-03-2013
<u>Opening Inventory</u>		
Stock in Trade	1.53	1.59
	1.53	1.59
<u>Closing Inventory</u>		
Stock in Trade	1.03	1.53
	1.03	1.53
INCREASE / DECREASE IN STOCK	0.50	0.06

Note 20 - Employee benefits expenses

Particulars	As at 31-03-2014	As at 31-03-2013
Salaries and Wages	16.51	23.03
Total	16.51	23.03

Note 21 - Finance Cost:

Particulars	As at 31-03-2014	As at 31-03-2013
Interest Expenses	2.09	1.05
Total	2.09	1.05

Note 22 - Depreciation and Amortization expenses:

Particulars	As at 31-03-2014	As at 31-03-2013
Depreciation	6.19	1.91
Preliminary Expenses	3.51	3.51
Total	9.70	5.42

Note 23 - Other Expenses:

(All amounts in Rs. Lacs, unless otherwise stated)

Note 23(a) - Administrative expenses

Particulars	As at 31-03-2014	As at 31-03-2013
Postage & Courier	0.24	-
Audit Fee & Expenses	0.56	0.50
Professional Fee	2.76	3.49
ROC Fee	0.06	1.40
Listing Fee	2.24	1.11
Office Rent	18.00	-
Rates & Taxes, Service Tax (Auditors)	0.06	0.51
Labour Charges	6.30	17.99
Advertisement & Publicity	0.03	0.53
Travelling & Conveyance	5.98	0.79
Telephone Expenses	3.17	0.53
Printing & Stationery	0.64	0.43
Power & fuel	6.31	3.40
Bank Charges	0.26	0.22
Office Expenses	3.32	0.86
Insurance	0.62	0.35
Lab Testing Charges	0.36	-
Vehicle Maintenance	1.25	-
Miscellaneous Expenses	0.69	1.16
Total	52.86	33.26

Note 24 - Exceptional Items

Particulars	As at 31-03-2014	As at 31-03-2013
Provision for Doubtful Advances (Refer note below)	-	1,079.09
Total	-	1,079.09

Note:

The management has reviewed the position of advances given to various parties and decided to make 100% provision for all debts doubtful of recovery. At every subsequent balance sheet date adjustments shall be made to the provisions after review of such advances.

Note 25 - Earnings Per Equity Share:

Particulars	As at 31-03-2014	As at 31-03-2013
Net Profit after tax as per statement of Profit and Loss		
Attributable to Equity Shareholders	(19.41)	(1,078.06)
Weighted Average number of Equity Shares used as denominator for calculating EPS	628.80	117.90
Face Value Per Share (Rs.)	5.00	10.00
Basic and Diluted Earnings Per Share (Rs.)	(0.03)	(9.14)

(All amounts in Rs. Lacs, unless otherwise stated)

Note.26

Related party disclosures

List of Related Parties:

- i) Key Management Personnel : Mr. M. Srinivasa Reddy, Chairman & MD.
- ii) Relative of Key Management Personnel (Relationship - Brothers) : Mr. M. Krishna Reddy, Director (Avanti Medical Diagnostics Pvt. Ltd.)
- iii) Enterprises over which Key Management personnel Exercise significant influence. : Farmax India Limited
Avanti Medical Diagnostics Pvt. Ltd

Disclosure of transactions between the Company and Related Parties and the status of outstanding balances as on 31st March, 2014

		For the year ended 31 st March, 2014 (Rs. In Lacs)	For the year ended 31 st March, 2013 (Rs. In lacs)
i)	Key Management Personnel : Unsecured Loan taken	24.00	24.00
(ii)	Enterprises over which Key Management personnel as relative Exercise significant influence. : Farmax India Limited Investment in Equity	237.60	237.60
	: Avanti Medical Diagnostics Pvt Ltd Investment in Equity	255.00	255.00
Note 27	Advance Given	97.50	97.50

The Company operates in one segment only. Hence the requirement of giving segmental information as per the accounting standards AS - 17 'Segmental Reporting' is not applicable.

Note 28

The Management is of the opinion that as on the Balance Sheet date, there are no indications of a material impairment loss on Fixed Assets, hence the need to provide for impairment loss as per AS-28 "Impairment Of Assets" does not arise.

Note 29

Consumption of Materials, Spare parts and Components.

Imported

Particulars	Value	%
Materials	Nil	NIL
Spare Parts and Components	Nil	NIL
Total	Nil	NIL

Indigenous

Particulars	Value	%
Materials	Nil (CY)	Nil
	122.51 (PY)	100
Total	Nil	Nil

Note 30

Purchases, Sales and Inventory details for trading activity.

(Since item wise details were not maintained for the previous year the required details could not be provided.)

(Value in Lacs..)

Particulars	Purchases	Sales	Inventory
Traded Goods*	958.52 (C.Y)	1018.38 (C.Y)	1.03 (C.Y)
	112.57 (P.Y)	294.56 (P.Y)	1.53 (P.Y)

*Details of purchases, sales and inventory of individual items are not available.

Note 31

Imports on CIF Basis - Nil

Note 32

Earnings & Expenditure in Foreign exchange- NIL

Note 33

Auditors Remuneration:

Particulars	For the year ended 31-Mar-14	For the year ended 31-Mar-13
i. Statutory and Tax Audit Fees	0.50	0.50
ii. Other Services	NIL	NIL
Total remuneration paid	0.50	0.50

Note 34

Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

For M/s. Bhaskara Rao & Associates
Chartered Accountants
Firm Regn No. 006171S

For MSR India Limited

Sd/-
(P. Prashanth)
Partner
M.No.211208

Sd/-
(M. Srinivasa Reddy)
Managing Director

Sd/-
(I. Srinivasa Raju)
Director

Place : Hyderabad
Date : 28-05-2014



MSR INDIA LIMITED

ATTENDANCE SLIP

(CIN: L40102TG2002PLC039031)
Regd. Office : MSR Towers, 3rd floor, Road No-36, Jubilee
Hills, Hyderabad - 500 081, Telangana, India.
Email : info@msrindia.in, Webmail : www.msrindia.in
Off : 040 - 2368 6600 , Fax : 040- 2368 6677

31st ANNUAL GENERAL MEETING

2014

I/We hereby record my/our presence at the 31st Annual General Meeting of the Company at S.No. 658, Bowrampet (V), Quthbullapur (M), Rangareddy Dist, 500043, Telangana, India. On Tuesday, 30th September 2014 at 10:00am

Member's Folio/DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note :

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2013 - 2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013 - 2014 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.



MSR INDIA LIMITED

PROXY FORM

(CIN: L40102TG2002PLC039031)
Regd. Office : MSR Towers, 3rd floor, Road No-36,
Jubilee Hills, Hyderabad - 500 081, Telangana, India.
Email : info@msrindia.in, Webmail : www.msrindia.in
Off : 040 - 2368 6600 , Fax : 040- 2368 6677

Name of the member (s):
Registered address:
E-mail Id:
Folio / DP ID-Client ID No.

I/We being the member(s) ofshares of the above named Company hereby appoint:

- (1) Name: Address:
E-mail Id: Signature:, or failing him;
- (2) Name: Address:
E-mail Id: Signature:, or failing him;
- (3) Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Tuesday, 30th September, 2014 at 10:00 a.m. at S.No. 658, Bowrampet (V), Quthbullapur (M), Rangareddy Dist, 500043, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

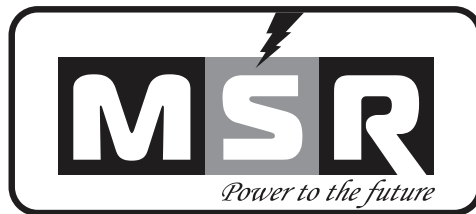
Resolution No.	RESOLUTIONS	Optional *	
		For	Against
1.	Adoption of the Directors' Report, the Audited Profit & Loss Account, the Balance Sheet and Cash Flow Statement as on 31st March, 2014.		
2.	Re-appointment of Mr. S. Koti Reddy, who retires by rotation.		
3.	Appointment of M/s. Vijay Sai Kumar & Associates as Statutory Auditors.		

Signed this.....day of..... 2014
Signature of shareholder

Affix
Re. 0.15/-
Revenue Stamp

Signature of Proxy holder(s)

- Note:
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st Annual General Meeting.
 - * 3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
 4. Please complete all details including details of member(s) in above box before submission.



MSR India Ltd.

8-2-293/ 82/A/ 732A-1, Plot No- 732, Jubilee Hills, Co - Operative House Building Society,
MSR Towers, 3rd Floor, Road No- 36, Jubilee Hills, Hyderabad- 500081

PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Karvy Computershare Private Limited (KCPL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

1. To use the following URL for e-voting:
<https://evoting.karvy.com>
2. Enter the login credentials i.e., user id and password as provided at the bottom of the mail, as per format given below:

E-voting Details

EVENT	User ID	Password

3. After entering the details appropriately, click on LOGIN.
4. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e. 1443.
7. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / Against as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
8. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

10. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory/(ies) who are authorized to vote, to the Scrutinizer through e-mail: bsurendracs@gmail.com
11. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
12. The Portal will remain open for voting from: **9.00 a.m. on Wednesday, September 24, 2014 and will end at 6.00 p.m. on Friday, September 26, 2014 (both days inclusive).**
13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt Ltd at 040 44655000 or at 1800 345 4001 (toll free).
14. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.