

29th Annual Report
2011-2012



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

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CORPORATE INFORMATION

Board of Directors:

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

Company Secretary & Compliance Officer

Mr. P. Satish

Auditors:

M/s. Chitta & Associates
304 Divya Sai Chambers, Above SBI ATM,
Chanda Nagar, Hyderabad – 500032

Audit Committee:

- 1.Mr. I. Srinivasa Raju
2. Mr. Koti Reddy Somala
- 3.Mr. MVVR Varma

Investor Grievance Committee

- 1.Mr. I Srinivasa Raju
- 2.Mr. M Srinivasa Reddy
- 3.Ms. P Priyanka

Remuneration Committee

- 1.Mr. P Kamala Kumar
- 2.Mr. S Koti Reddy
- 3.Mr. I Srinivasa Raju

Bankers:

State Bank of India
Axis Bank Limited
Union Bank of India

Registered Address:

Remidicherla House, CPR Brundavan, Flat No. 401, Near Nectar Garden, Madhapur,
Hyderabad- 500081

Listing:

Bombay Stock Exchange 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 29th Annual General Meeting of the Shareholders of M/S. MSR INDIA LIMITED will be held on Saturday the 29th Day of September at Survey No. 658, Bowrampet Village, Quthbullapur Mandal, Rangareddy Dist, at 03.00 p.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, 2012.
2. To appoint a Director in place of Mr. S Koti Reddy who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Chitta & Associates as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed there under, the existing Articles of Association of the Company be and is hereby amended as under :

i) After Article 62 of the Articles of Association of the Company, the following new Article 62a shall be inserted:

62a: The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

ii) After Article 92 of the Articles of Association of the Company, the following new Article 92a shall be inserted:

92a: Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report. Proxies submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive).
3. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change of address immediately to M/s. Venture Capital & Corporate Investments Private Limited/ Investors Service Department of the Company.
4. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. The Company has designated an exclusive e-mail ID called info@msrindia.in for the redressal of shareholders' complaints/ grievances. In case of any queries/ complaints or grievances, then please write to us at info@msrindia.in.
6. 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 duly filled-in 'E-Communication Registration Form' attached at the end of this report with M/s. Venture Capital & Corporate Investments Private Limited / Investors Service Department of the Company. The Members holding shares in electronic form are requested to register their e-mail addresses with their Depository Participants only.

**By Order of the Board
For M/s. MSR India Limited**

Sd/-

**M. Srinivasa Reddy
Chairman & Managing Director**

**Date: 06.09.2012
Place: Hyderabad**

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4: The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the companies to hold Board Meetings and Shareholders' Meetings through video conference facility, as part of the Green Initiatives under Corporate Governance.

Further, MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders' Meetings optional to the Company. In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company Remidicherla House, CPR Brundavan, Flat No. 401, Near Nectar Garden, Madhapur, Hyderabad- 500081 on any working day except holidays observed by the Company during usual business hours up to the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution as a Special Resolution.
None of the Directors is interested or concerned in this Resolution.

DIRECTORS' REPORT

To
The Shareholders,

The Directors have pleasure in presenting the 29th Annual Report of the Company together with its Audited Profit and Loss Account for the year ended 31st March, 2012 and Balance Sheet as on that date.

Financial Results

Key aspects of your Company's financial results for the year 2011-12 are tabulated below:

(Rs. In Lacs)

Particulars	2011-12	2010-11
Revenue	752.11	1417.20
Total Expenditure other than Finance Charges and Depreciation	751.14	1372.63
Gross Profit before Depreciation, Finance Charges and Tax	0.97	44.57
Finance Charges	-	-
Depreciation	0.06	0.07
Profit Before Tax	0.91	44.50
Provision for Tax	0.32	13.75
Profit after tax	0.59	30.75

Business Performance & Operations:

Your Company's Net profit during the year under review decreased to Rs. 0.59 Lacs as against Rs. 30.75 Lacs in the previous year. During the year under review the total revenue also decreased to Rs. 752.11 Lacs as against a Profit of Rs. 1417.20 Lacs for the previous year.

Because of the global recession and based on the India Economic conditions Your Company has diversified its business from Infrastructure to Agriculture Sector during the year under review.

Dividend on Equity Shares:

Keeping in view the growth and expansion plans, 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.

Increase in Share Capital:

During the year under review your company has issued 50,00,000 Equity Shares of Re. 10/- each at an issue price of Rs. 62.50/- per share to promoters and others on preferential basis on 7th February, 2012. Thus the issued, subscribed and paid-up capital of the Company increased from Rs. 24.00 Lacs to Rs.524.00 Lacs.

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.

Brief resume of the Director proposed to be re-appointed, nature of their expertise and other details as stipulated under Clause 49 of the Listing agreement are provided in the Notice for convening the Annual General Meeting forming part of this Annual Report.

Post Balance Sheet date Mr. P kamala Kumar, Mr. MVVR Varma, Mr. S Krishna Kanth Verma, Ms. C Swapna resigned from the Directorship of the Company.

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, 2012, 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, 2012 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:

No employee was in receipt of remuneration exceeding the limits prescribed under section 217 (2A) of the Companies Act, 1956 and the rules framed there under, as amended from time to time.

Auditors & Auditors' Report:

Your Company's Statutory Auditors, M/s. Chitta & Associates, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. 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, indentifying 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: 06.09.2012
Place: Hyderabad**

Annexure to Directors' Report for the year ended 31st March, 2012

Annexure I

Management Discussion and Analysis Report:

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

Economic Outlook

India's economic growth has accelerated significantly over past decade or so and so is the spending power of its citizen. The average income has doubled since 1985 and projected to triple in just 20 years. These are staggering numbers and just give you an idea of kind of growth path Indian is currently riding.

There has been a great buzz around the growth in Indian economy for last couple of years. There are many pointers right now that give compelling reasons to believe that this growth cannot be stopped – even with all the Infrastructure, diversity, un-education and population.

Currently in India, the national economy and marketplace are undergoing rapid changes and transformation. A large number of reasons could be attributed to these changes. One of the reasons in these changes in the Indian Market Scenario is Globalization, and the subsequent and resulting explosive growth of global trade and the international competition. The other reason for these changes in the Indian Market Scenario is the technological change. This is an important factor because the technological competitiveness is making, not only the Indian market, but also the global marketplace cutthroat.

In the Indian Marketing Scenario, the market success goes to those companies that are best matched to the current environmental imperatives. Those companies that can deliver what the people want and can delight the Indian customers are the market leaders.

Today the companies are operating in such a marketplace where survival of the fittest is the law. In order to win, the companies are coming out with various new and evolving strategies because the Indian market is also changing very fast. It is to capture the Indian market, that the Indian and the Multi National Companies are using all of their resources. The Indian market is no longer a sellers market. The winner is the one who provides value for money. A large number of companies have huge idle capacities, as they have wrongly calculated the market size and installed huge capacities. This has further contributed to converting the Indian market into a buyers market.

The Indian Marketing Scenario is one of the biggest consumer markets and that is precisely the reason why India has attracted several MNC's. These large Multi National Companies have realized that to succeed in the Indian marketplace they need to hire Indian representative who are much more aware of the Indian economic, political, legal and social realities. In the Indian Marketing Scenario, it is the MADE FOR INDIA marketing strategies that work.

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:

- ü To obey all legal requirements at all times;
- ü To understand exactly what legal requirements apply to the work function;
- ü To consult the legal personnel if there are conflicting legal requirements in different jurisdictions;
- ü To strictly follow the directions from the legal personnel;
- ü To address and resolve, in a timely manner, any legal compliance issues that have been identified;
- ü Absolutely no violation of any law;
- ü 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 robust Internal Controls and Risk Management systems for achieving operational efficiency, optimal utilization of resources and compliance with local applicable laws. Your Company has a strong system of Internal Controls to ensure that all assets are safeguarded and protected against loss and unauthorized use.

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: 06.09.2012
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 Eight Directors as on 31st March, 2012 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 Executive	2	1	1
Indukuri Srinivasa Raju	Non-Executive	1	-	-
S Koti Reddy	Non-Executive	-	-	-
P Priyanka	Non-Executive	-	-	-

Notes:

- a. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 25 of the Companies Act, 1956 and Private Limited Companies, which are not the subsidiaries of Public Limited Companies.
- b. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Shareholders' / Investors' Grievance Committee as per Clause 49 of the Listing Agreement.
- c. As on 31st March, 2012, 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.

Nine Board Meetings were held during the financial year 2011-12 and the gap between two meetings did not exceed four months.

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

14th May, 2011; 31st May, 2011; 18th July, 2011; 12th August, 2011; 10th November, 2011; 24th November, 2011; 10th December, 2011; 7th February, 2012; 26th March, 2012;

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	9	9	Yes
Indukuri Srinivasa Raju	9	8	Yes
S Koti Reddy	9	8	Yes
P Priyanka	9	9	Yes
C Swapna	9	6	Yes
MVVR Varma	9	7	Yes
P Kamala Kumar	9	4	Yes
S Krishna Kanth Verma	9	6	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;

Remuneration Committee; and
Shareholders / Investors Grievance 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, 2012, the Audit Committee consists of Three Directors as under:

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 Board Meeting Held during the Year	
1	I Srinivasa Raju	Chairman	NED/ID	4	4
2	S Koti Reddy	Member	NED/ID	4	4
3	MVVR Varma	Member	NED/ID	4	4

All members of the Audit Committee have expertise in financial management.

During the financial year 2011-12 four meetings of the Audit Committee were held on 10th May, 2011, 6th August, 2011, 5th November and 9th February, 2012

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 September, 2011.

B. 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 2010-11 on 14th May, 2011 and 28th October, 2011.

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	Non-Executive & Independent Director	2	2
2	I Srinivasa Raju	Member	Non-Executive & Independent	2	2
3	P Kamala Kumar	Member	Non-Executive & Independent	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 2011-12 are given below:

Mr. M Srinivasa Reddy, Chairman cum Managing Director: NIL
 Ms. P Priyanka: Rs. 3,00,000/- p.a.

C. Shareholders/Investors Grievance and Share Transfer 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 2011-12, four meetings of Shareholders' / Investors' Grievance committee were held on 14th May, 2011, 10th August, 2011 28th October, 2011 and 12th February, 2012. The composition of Shareholders' / Investors' Grievance committee as on 31st March, 2012 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 2011-12	
1	M Srinivasa Reddy	Chairman	4	4
2	Ms. P Priyanka	Member	4	4
3	Mr. I Srinivasa Raju	Member	4	4

The Board has designated Ms. P Satish as the Company Secretary.

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, 2012.

Investor Services

M/s. Venture Capital & Corporate Investments Private Limited are 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 Company Secretary:

P. Satish, Company Secretary & Compliance Officer

MSR India Ltd. "Remidicherla House",

Flat No. 401, Near Nectar Garden, Madhapur

Hyderabad- 500081

Tel No. (040) 40176880

Fax No. (040) 40176881

info@mserindia.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
2008-2009	6-3-659, Kapadia Lane, Somajiguda, Hyderabad- 500082	29.09.2009 11.00 A.M.
2009-2010	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081	29.09.2010 19.30 A.M.
2010-2011	"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081	29.09.2011 11.00 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	Hyderabad- 500081	11.00 A.M	1
		"Remidicherla House", Flat No. 401, Near Nectar Garden, Madhapur Hyderabad- 500081		

No Extra Ordinary General Meetings were held during the year 2008-09 & 2010-11

4. OTHER DISCLOSURES

a) Disclosure on materially significant related party transactions

The related party transactions are placed before the Audit Committee on a quarterly basis. For the financial year ended 31st March, 2012, there were no transactions of material nature entered into with related parties which were not on the arm's length basis or that may have potential conflict with the interest of the Company at large. The particulars of related party transactions have been disclosed under Note 32 of Schedule 20 of the Balance Sheet forming part of the Annual Report.

b) 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.

c) 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, 2012.

Place: Hyderabad
Date: 06.09.2012

Sd/-
M. Srinivasa Reddy
Managing Director

d) 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.

5. 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 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.

6. GENERAL SHAREHOLDER INFORMATION

A) Details of ensuing AGM:

<i>Day and Date</i>	<i>Time</i>	<i>Venue</i>
<i>Saturday, 29th September, 2012</i>	<i>03.00 p.m.</i>	<i>Survey No : 658, Bowrampet Village, Quthbullapur Mandal, Rangareddy dist. Andhra Pradesh.</i>

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, 2013 is as under:

<i>Period</i>	<i>Approval of Quarterly results</i>
Quarter ended 30 th June 2012	Mid of August, 2012
Quarter ended 30 th September 2012	Mid of November, 2012
Quarter ended 31 st December, 2012	Mid of February, 2013
Quarter ended 31 st March, 2013	End of May, 2013 (Audited)

C) Date of Book Closure: 24th Sep, 2012 to 28th Sep, 2012 (both days inclusive)

D) Listing on Stock Exchanges :

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

Bombay Stock Exchange Limited (BSE)	Stock	Code:
P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	508922	

Depositories	1	National Securities Depositories Limited Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
	2	Central Depository Service of India Limited Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 023.

Annual Issuer charges for the year 2012-13 have been paid to the above depositories.

E) Market Price Data : High, Low during each month in financial year 2011-12

Monthly share price movement during the year 2011-12 at BSE:

Month	BSE		
	High	Low	No. of shares traded
April-11	0	0	0
May-11	0	0	0
June-11	0	0	0
July-11	0	0	0
Aug-11	0	0	0
Sep- 11	0	0	0
Oct-11	0	0	0
Nov-11	0	0	0
Dec-11	69.05	61.4	450
Jan-12	82.3	70.4	91
Feb-12	102.05	83.9	8118
Mar-12	104	62.3	37833
	TOTAL		46492

F) Registrar and Transfer Agents :

M/s. Venture Capital & 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 & Corporate Investments Private Limited

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

Tel: +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 INE331L01018. As on 31st March, 2012, 4814700 (constituting 91.88%) were in dematerialized form. Your Company's Equity Shares are frequently traded on the Bombay Stock Exchange Ltd. (BSE)

I) Distribution of Shareholding as on 31st March, 2012

<i>Number of shares category</i>	<i>No. of shareholders</i>		<i>Equity Shares held in each category</i>	
	<i> Holders</i>	<i>% Total</i>	<i>Total Shares</i>	<i>% of Total</i>
Upto - 5000	104	60.12	146320	0.28
5001 - 1000	10	5.78	72930	0.14
10001 - 20000	4	2.31	61850	0.12
20001 - 30000	4	2.31	102610	0.2
30001 - 40000	0	0	0	0
40001 - 50000	0	0	0	0
50001 - 100000	1	0.58	69050	0.13
100001 and above	50	28.90	51947240	99.13
TOTAL	173	100.00	52400000	100.00

J) Shareholding Pattern as on 31st March, 2012:

<i>Categories</i>	<i>No. of shares held</i>	<i>% of Total</i>
PROMOTER AND PROMOTER GROUP	3909051	74.00
BODIES CORPORATE	515765	9.84
CLEARING MEMBERS	8012	0.15
PUBLIC	807172	15.40
TOTAL	5240000	100

K) Address for correspondence:

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

1	<p>Mr. P. Satish Company Secretary & Compliance Officer Remidicherla House, Flat No. 401, CPR Brundavan, Madhapur, Hyderabad- 500081 Phone: 040-40176880 Fax: 040- 40176881 Email: info@msrinidia.in</p>	2	<p>M/s. Venture Capital & Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad-500018 Phones: 040-23818475/23818476 Fax: 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. 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.

**For & on behalf of Board of
M/s. MSR India Limited
Sd/-**

**M Srinivasa Reddy
Chairman & Managing Director**

**Date: 06.09.2012
Place: Hyderabad**



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members
M/s. MSR India Limited

We have examined the compliance of conditions of Corporate Governance by MSR India Limited for the year ended on 31st March, 2012, 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.

For Chitta and Associates
Chartered Accountants

Firm Reg. No. 009490S

Sd/-

Chitta Nageshwara Sastry
Proprietor

Membership No. 210531

Place: Hyderabad

Date : 01.09.2012

The Board of Directors
M/s. MSR India Limited
Hyderabad

**CERTIFICATON BY
MANAGING DIRECTOR**

We have reviewed the financial statements and the cash flow statements for the year 2011-2012 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 M/s. MSR India Limited
Sd/-**

**M Srinivasa Reddy
Chairman & Managing Director**

**Date: 06.09.2012
Place: Hyderabad**

AUDITOR'S REPORT

TO
THE MEMBERS OF
MSR INDIA LIMITED

1. We have audited the attached Balance Sheet of M/s MSR INDIA LIMITED Hyderabad as at 31st March 2012, the Statement of Profit and Loss Account and Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the company.
4. Further to our comments in the annexure referred to above, 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 it appears from our examination of such books.
 - c) The Balance Sheet, and the Profit and Loss account referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Profit and Loss account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached there to give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March 2012.
 - ii) In so far as it relates to the Statement of Profit and Loss account, of the Profit for the 12 months period ended on that date and
 - iii) In so far as it relates to the Cash flow statement, of the Cash flows for the Year ended on that date.

Place: Hyderabad
Date: 01-Sep-12

For Chitta and Associates
Chartered Accountants
Firm Reg No:009490S
Sd/-
Chitta Nageshwara Sastry
Proprietor
M.No. 210531

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT EVEN DATE

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of most of its fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. None of the Fixed Assets are disposed off during the year.
2. In respect of its inventories
 - a. As explained to us, inventories, excluding materials lying with third parties, were physically verified by the management at all locations at reasonable intervals.
 - b. As explained to us, the inventories excepting material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
3. According to Information and explanation provided, the company has not granted loans or taken loans (secured/unsecured) to/from companies, firms or other parties listed in Registers maintained U/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. There were no transactions of purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year Rs.5,00,000 or more.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public and hence the provisions of section 58A, 58AA or any other provisions of the Companies Act, 1956 and the rules made there under are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations made available to us by management, the company is not required to maintain cost records under Section 209 (1) (d) of the Companies Act 1956, for any of the products manufactured by the company during the period.
9. Statutory and Other Dues
 - a. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Value added tax, Central Sales Tax, Customs Duty, Service tax, Cess and any other material statutory dues applicable to it with the appropriate authorities during the year. However there is a delay in remittance of statutory dues. There are no arrears of outstanding statutory dues as at March 31, 2012 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Central Sales Tax, Value Added Tax, Customs Duty, Service tax and Cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.

10. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the question of maintenance of documents and records does not arise.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Company doesn't have any Term loan from Banks and Other Financial Institutions.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the financial year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issues during the current financial year. Hence the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Hyderabad
Date: 01-Sep-12

For Chitta and Associates
Chartered Accountants
Firm Reg No:009490S
Sd/-
Chitta Nageshwara Sastry
Proprietor
M.No. 210531

MSR INDIA LIMITED
BALANCE SHEET AS AT March 31, 2012

		(₹ in lacs)	
	Note	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
<u>EQUITY AND LIABILITIES</u>			
## Share Holders' Funds			
(a) Share Capital	1	524.00	24.00
(b) Reserves and Surplus	2	2634.40	9.43
## Share Application money pending allotment		-	278.22
## Non Current Liabilities			
(a) Deferred Tax Liability (net)		0.02	0.01
(b) Other Long Term liabilities	3	-	166.11
## Current Liabilities			
(a) Trade Payables	4	8.54	41.97
(b) Other Current Liabilities	5	11.24	40.25
(c) Short term provisions	6	0.31	13.74
Total {(1) + (2) + (3) + (4)}		3178.51	573.74
<u>ASSETS</u>			
## Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	7	27.03	27.10
(b) Non Current Investments	8	255.00	-
(c) Long term loans and Advances	9	654.61	-
(d) Other Non Current Assets	10	7.02	10.53
## Current Assets			
(a) Inventories	11	1.59	11.76
(b) Trade receivables	12	8.46	12.08
(c) Cash and Cash Equivalents	13	30.38	7.73
(d) Short term Loans and Advances	14	2172.56	278.94
(e) Other Current Assets	15	21.86	225.60
Total {(1) + (2)}		3178.51	573.74

See Accompanying Notes to the Financial Statements and Significant Accounting Policies

As per our Report of even date

For and on behalf of

Chitta & Associates

Chartered Accountants

(Firm Registration NO:009490S)

Sd/-

Chitta Nageswara Sastry

Proprietor

Membership No: 210531

Date: September 1,2012

For and on behalf of

MSR INDIA LIMITED

Sd/-

M. Srinivasa Reddy

Managing Director

DIN: 00882956

Sd/-

S. Koti Reddy

Director

DIN: 03055201

MSR INDIA LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED March 31, 2012
 (₹ in lacs)

	Note No	Year Ended 31 March, 2012	Year Ended 31 March, 2011
		₹	₹
I			
REVENUE FROM OPERATIONS	16	752.11	1417.20
II			
OTHER INCOME		-	-
III			
TOTAL REVENUE		752.11	1417.20
IV			
EXPENSES			
Cost of Materials Consumed	17		1271.10
Purchases of Stock in Trade		688.72	-
Changes in Inventories of Finished Goods, Work-in-progress and Stock in Trade	18	10.17	(11.76)
Employee Benefits Expense	19	37.98	32.74
Finance Costs	20	-	4.81
Depreciation and Amortisation Expense	7	0.06	0.07
Other Expenses	21	14.26	75.73
		751.21	1372.70
V			
Profit before Exceptional and Extraordinary Items and Tax		0.91	44.50
VI			
Exceptional Items		-	-
VII			
Profit before Extraordinary Items and Taxes		0.91	44.50
VIII			
Extraordinary Items		-	-
IX			
Profit before Taxes		0.91	44.50
X			
Tax Expense			
-Current Tax		0.31	13.74
-Deferred Tax Expense		0.01	0.01
Profit/(Loss) for the period from Continuing Operations		0.59	30.75
XI			
Profit/(Loss) for the period from Discontinuing Operations		-	-
XII			
Tax Expense of Discontinuing Operations		-	-
Profit/(Loss) for the period from Discontinuing Operations after Tax		-	-
XIV			
Profit/(Loss) for the period Earnings per share		0.59	30.75
IX			
-Basic and Diluted	22	0.06	12.81

See Accompanying Notes to the Financial Statements

For and on behalf of

Chitta & Associates

Chartered Accountants

(Firm Registration NO:009490S)

Sd/-

Chitta Nageswara Sastry

Proprietor

Membership No: 210531

Date: September 1, 2012

For and on behalf of

MSR INDIA LIMITED

Sd/-

M. Srinivasa Reddy

Managing Director

DIN: 00882956

Sd/-

S. Koti Reddy

Director

DIN: 03055201

MSR INDIA LIMITED
Cash Flow Statement for the period ending 31st March 2012

PARTICULARS	2011-12		(₹ in lacs) 2010-11	
	₹	₹	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per Profit and Loss Account		0.91		44.50
Adjusted for:				
Depreciation and Amortisation Expense	0.06	0.06	0.07	0.07
Operating Profit before Working Capital Changes		0.97		44.58
Adjusted for:				
Trade and Other Receivables	3.63		(12.08)	
Inventories	10.17		(11.76)	
Other Current Assets	(2344.49)		(472.90)	
Trade and Other Payables	(75.86)		63.49	
Net Working Capital		(2406.56)		(433.25)
Increase /(Decrease) in Working Capital		(2406.56)		(388.67)
Less Taxes Paid		0.31		13.74
Cash Generated from Operating Activities		(2405.90)		(402.41)
B Cash Flow from Investments				
(Increase) / Decrease in Fixed Assets	-		(26.95)	
(Increase) / Decrease in Investments	(255.00)		-	
Pre-Operative Expenses to the Extent not Written Off	3.51		3.51	
Net Cash Flow from Investment Activities		(251.49)		(23.44)
C Cash Flow from Financing Activities				
Proceeds from New Share Capital	2846.15		267.22	
Proceeds from New Borrowings	(166.11)		166.11	
		2680.04		433.33
Net Cash flow during the year		22.65		7.47
Cash and cash Equivalents (Opening Balance)		7.73		0.26
Cash and cash Equivalents (Closing Balance)		30.38		7.73

See Accompanying Notes to the Financial Statements and Significant Accounting Policies

As per our Report of even date

For and on behalf of

Chitta & Associates

Chartered Accountants

(Firm Registration NO:009490S)

Sd/-

Chitta Nageswara Sastry

Proprietor

Membership No: 210531

Date: September 1, 2012

For and on behalf of
MSR INDIA LIMITED

Sd/-

M. Srinivasa Reddy

Managing Director

DIN: 00882956

Sd/-

S. Koti Reddy

Director

DIN: 03055201

	(₹ in lacs)	
Schedule:1 Share Capital	31 March, 2012	31 March, 2011
	₹	₹
<u>Authorised Share Capital</u>		
3,00,00,000 Equity Shares of ` 10 Each	3000.00	3000.00
<u>Issued, Subscribed and Fully Paid up Share Capital</u>		
52,40,000 Equity Shares of ` 10/- Each	524.00	24.00
(Previous Year: 2,40,000 Equity Shares of ` 10/- Each)		
<u>Subscribed and Fully Paid up Share Capital</u>		
52,40,000 Equity Shares of ` 10/- Each	524.00	24.00
(Previous Year: 2,40,000 Equity Shares of ` 10/- Each)		
	524.00	24.00
Schedule: 1A Reconciliation of the number of shares outstanding		
Particulars	31 March, 2012	31 March, 2011
	No.s	No.s
Equity Shares at the beginning of the year	240,000	240,000
Add : Shares issued during the Year	5,000,000	-
Equity Shares at the end of the year	5,240,000	240,000
Schedule: 1B Shareholders holding more than 5% shares		
Particulars	31-Mar-12	31-Mar-11
	No.s	No.s
MORTALA SRINIVASA REDDY	3,909,051	179,051
	3,909,051	179,051
Schedule:2 Reserves and Surplus		
	31 March, 2012	31 March, 2011
(i) Securities Premium reserve	2624.37	-
(ii) Profit and Loss Account		
<i>As per the last Balance Sheet</i>	9.44	(21.31)
<i>Add: Profit/ (Loss) for the Year</i>	0.59	30.75
<i>Total</i>	10.03	9.44
	2634.40	9.45
Schedule:3 Other Long Term Liabilities		
	31 March, 2012	31 March, 2011
	₹	₹
UNSECURED LOANS		
Inter-Corporate Deposit	-	64.11
From Directors	-	102.00
	-	166.11
Schedule:4 Trade Payables		
	31-Mar-12	31-Mar-11
	₹	₹
Trade Payables	8.54	41.97
	8.54	41.97

Schedule:5 Other Current Liabilities	31 March, 2012	31 March, 2011
	₹	₹
Outstanding Expenses	11.24	40.25
	11.24	40.25
Schedule:6 Short Term Provisions	31 March, 2012	31 March, 2011
	₹	₹
Provision for Income Tax	0.31	13.74
	0.31	13.74

Schedule : 7 Fixed Assets and Depreciation

Particulars	Gross Block		Depreciation / Amortisation			Net Block		
	As on	Additions	As on	Up to	For the	Up to	As on	As on
	01 April, 2011		31 March, 2012	01 April, 2011	Year	31 March, 2012	31 March, 2012	31 March, 2011
Tangible Assets								
Land	26.43	-	26.43	-	-	-	26.43	26.43
Furniture and Fixtures	0.23	-	0.23	0.02	0.01	0.03	0.19	0.21
Vehicles	0.53	-	0.53	0.06	0.05	0.11	0.42	0.47
Computers	15.40	-	15.40	15.40	-	15.40	0.00	0.00
Total	42.58	-	42.58	15.48	0.06	15.54	27.03	27.10
Previous Year (2010-11)	15.63	26.95	42.58	15.40	0.07	15.48	27.10	0.22

Schedule:8 Non Current Investments	31 March, 2012	31 March, 2011
	₹	₹

Non Trade and Unquoted Investments

Investment in Avanti Medical Diagnostics Pvt Ltd	255.00	-
	255.00	-

Schedule:9 Long term Loans and Advances	31 March, 2012	31 March, 2011
	₹	₹

Rental Deposits	180.00	-
Advances given for acquisition of capital goods	474.61	-
	654.61	-

Schedule:10 Other Non-current Assets	31 March, 2012	31 March, 2011
	₹	₹

Deferred Expenses		
Opening Balance	10.53	14.04
Add: Additions	-	-
Less: Current year Expense	3.51	3.51
Closing Balance	7.02	10.53

Schedule:11 Inventories	31 March, 2012	31 March, 2011
	₹	₹
Raw materials	1.59	11.76
	1.59	11.76
Schedule:12 Trade Receivables	31 March, 2012	31 March, 2011
	₹	₹
Unsecured and Considered Good		
Less Than 6 Months	8.46	12.08
more Than 6 Months	-	-
	8.46	12.08
Schedule:13 Cash and Cash Equivalents	31 March, 2012	31 March, 2011
	₹	₹
Balances with banks in Current Accounts	30.15	0.19
Cash on hand	0.23	7.54
	30.38	7.73
Schedule:14 Short Term Loans and Advances	31 March, 2012	31 March, 2011
	₹	₹
Advances for Works	1282.75	26.92
Advances for Procurement of Rawmaterials	726.62	
Other Advances	163.19	9.77
	2172.56	278.94
Schedule:15 Other Current Assets	31 March, 2012	31 March, 2011
	₹	₹
Prepaid Taxes	9.83	23.58
Deposits with Suppliers	-	1900.00
Deposit with Department of Mines and Geology	12.02	12.02
	21.86	22.56

Notes Forming Part of Profit and Loss Account

(₹ in lacs)

	31 March, 2012	31 March, 2011
Schedule:16 Revenue from Operations	₹	₹
Sale of Products	752.11	1417.20
	752.11	1417.20
Schedule:17 Cost of Materials Consumed	₹	₹
Cost of Sales	688.72	1271.10
	688.72	1271.10
Schedule:18 Changes in Inventories of Finished Goods and Stock in Trade	₹	₹
Inventories (at Commencement)		
-Finished Goods	11.76	-
Less:		
Inventories (at Close)		
-Finished Goods	1.59	11.76
	10.17	(11.75)
Schedule:19 Employee Benefits Expense	₹	₹
Salaries and Wages including Directors Remuneration and Bonus	37.41	32.10
Staff Welfare Expenses	0.57	0.64
	37.98	32.74
Schedule:20 Finance Costs	₹	₹
Interest Expense	-	4.81
	-	4.81
Schedule:21 Other Expenses	₹	₹
Administrative Expenses		
-Website Expenses	0.07	0.07
-Audit Fee	0.50	0.55
-Professional Fee	1.08	0.30
-ROC Filing Fee	0.17	1.91
-Rent	1.80	-
-Advertisement and Publicity	-	5.00
-Professional Charges	0.90	60.16
-Travelling & Conveyance	3.86	2.73
-Telephone Expenses	0.58	1.22
-Printing and Stationery	0.95	0.24
-Miscellaneous Expenses	0.85	0.02
-Deferred Expenses	3.51	3.51
	14.27	75.73
Schedule:22 Earnings Per Share	₹	₹
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	0.59	30.75
Weighted Average number of equity shares used as denominator for calculating EPS	9.78	2.40
Face Value Per Share (₹)	10	10
Basic and Diluted Earnings Per Share (₹)	0.06	12.81

27. NOTES TO THE FINANCIAL STATEMENTS**A. ACCOUNTING STANDARDS****(a) AS - 1 Disclosure of accounting policies**

The accounts are maintained on accrual basis. The revenue and expenditure are accounted on a going concern basis.

(b) AS - 2 Valuation of inventories

Inventories are valued in accordance with the method of valuation prescribed by The ICAI at weighted average cost or net realisable value, whichever is less.

(c) AS - 3 Cash flow statements

The cash flow statement is prepared under "indirect method" and the same is annexed.

(d) AS - 4 Contingencies and events occurring after Balance Sheet date

Contingencies and events occurring after the Balance sheet date if any are recognized as per the standard issued by the ICAI.

(e) AS - 5 Net profit or loss for the period, prior period items and changes in accounting policies

Net profit or loss for the period, prior period items and changes in accounting policies if any are disclosed separately as per the AS-5

(f) AS - 6 Depreciation accounting

Depreciation has been provided under the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956 with the applicable shift allowance. 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%.

(g) AS - 7 Construction contracts

This Accounting Standard is not applicable.

(h) AS - 9 Revenue recognition

The income of the company is derived from sale (net of trade discounts). Sale of goods is recognised on despatch of goods to customers. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. When uncertainty in remittance is anticipated for interest, royalties and dividends, revenue recognition may need to be postponed as per the Standard issued by ICAI

(i) AS - 10 Accounting for fixed assets

All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.

(j) AS - 11 Accounting for effects of changes in foreign exchange rates

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the Profit and Loss account. Monetary and Non monetary Current Assets and liabilities are carried at fair value and other assets and liabilities are carried at historical cost.

(k) AS - 12 Accounting for Government Grants

Company doesn't have any government grants.

(l) AS - 13 Accounting for Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost or realizable value determined on individual basis. Long term investments are carried at cost.

(m) AS - 14 Accounting for amalgamations

During the year no entity is amalgamated with the company.

(n) AS - 15 Accounting for Employee benefits

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

Defined contribution plan

Contribution to provident fund is in the nature of defined contribution plan and is made to EPFO.

The company doesn't have policy of contribution to Gratuity and Leave encashment. Hence no provision is made in the books.

(o) AS - 16 Borrowing costs

The borrowing costs have been treated in accordance with Accounting Standard issued by The Institute of Chartered Accountants of India.

(p) AS - 17 Segment reporting

The Company operates in only one segment in one segment. Hence the Accounting Standard on segment reporting is not applicable.

(q) AS - 18 Related party disclosures

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

List of Related Parties as per clause 3(a) of the standard where control exists.

	Period	
	From	To
List of Related Parties as per clause 3(c) of the standard		
Key Management Personnel		
Mr. M. Srinivasa Reddy, Chairman & Managing Director	01-Apr-11	31-Mar-12
Ms. Priyanka Executive Director	01-Apr-11	31-Mar-12
Enterprise over which key management personnel and his relative have significant influence:		
Farmax India Limited, Hyderabad	01-Apr-11	31-Mar-12
Avanti Medical Diagnostics Pvt. Ltd	01-Feb-12	31-Mar-12

Transactions with Related Parties

	Rupees in lacs	
	As at / Year Ended	
	31-Mar-12	31-Mar-11
1. Availing of services -Remuneration to Relative of Key Management Personnel	15.00	NIL
2. Amount outstanding as at Balance sheet date: Loans and advances receivable - Enterprise over which key management personnel and his relative have significant influence	NIL	64.11
Loans and advances payable - Enterprise over which key management personnel and his relative have significant influence:	NIL	166.11
3. Investment in a company where Relative of Key management Personal is a Interested	255.00	NIL

(r) AS - 19 Accounting for Leases

Operating Leases are recognized as expense in Profit and Loss Account on Straight Line Basis over the lease term.

(s) AS - 20 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the shareholders by the weighted average number of equity shares outstanding as at the close of the year.

(t) AS - 21 Consolidated financial statements

Consolidated financial statements are not applicable.

(u) AS - 22 Accounting for taxes on income

Deferred tax liability and asset are recognised based on timing difference using the tax rates substantively enacted on the Balance Sheet date

	2011-12	2010 -11
(i) Deferred tax liability consists of - tax on depreciation	0.01	0.01
(ii) Deferred tax asset consists of: - Opening Deferred Tax Asset	0	0
(iii) Net Deferred Tax Liability	0.02	0.01

(v) AS - 23 Accounting for investments in associates in consolidated financial Statements

Company doesn't have any associates to consolidate as per AS – 23 issued by The ICAI.

(w) AS - 24 Discontinuing operations

During the year, the Company has not discontinued any of its operations.

(x) AS - 25 Interim financial reporting

The Company has elected to publish quarterly financial results which were subject to limited review by the statutory auditors.

(y) AS - 26 Accounting for Intangible assets

The company doesn't have any Intangible assets.

(z) AS - 27 Financial Reporting of interests in joint venture

Company doesn't have any Joint venture as on 31.03.2012.

(aa) AS - 28 Impairment of assets

The company doesn't have any impaired assets.

(bb) AS - 29 Provisions, contingent liabilities and contingent assets

The company doesn't have any contingent liabilities as per AS-29.

(cc) AS 30 - Financial instruments: Recognition and Measurement

The Company has chosen not to adopt the Accounting Standard 30 "Financial Instruments: Recognition and Measurement".

B. Other Notes and Additional Disclosures:**a. Capital Commitments:**

Estimated amount of Contracts to be executed on Capital not provided for (Net of Advances) – NIL

b. Trade Payables doesn't include any due to parties covered under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2012

c. Auditors Remuneration:

Particulars		31-Mar-12	31-Mar-11
i.	Statutory and Tax Audit Fees	0.50	0.50
Total remuneration paid		0.50	0.50

- a. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

For M/s. Chitta and Associates
Chartered Accountants
Firm Registration NO:009490S

Sd/-
Chitta Nageshwara Sastry
Proprietor
M.No.210531
Date: September 1, 2012
Place: Hyderabad

For MSR India Limited

Sd/-	Sd/-
M. Srinivasa Reddy	S. Koti Reddy
Managing Director	Director
DIN:00882956	DIN:03055201

MSR INDIA LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31-03-2012
INFORMATION PURSUANT TO PART-IV TO THE COMPANIES ACT, 1956

(Rs. In Lacs)

I. Registration Details:

Registration No. L40102AP12002PLC039031 State Code: 01
 Date 31.03.2012

II. Capital Raised During the Year:

Public Issue/Calls Nil Rights Issue: Nil
 Bonus Issue Nil Private Placement: 500.00

III. Position of Mobilization and deployment of funds:

Total Liabilities: 3178.51	Total Assets: 3178.51
Source of funds	
Paid up Capital: 524.00	Reserve & Surplus: 2634.40
Secured Loans: Nil	Unsecured Loans: Nil
Deferred Tax Liability:	
Net Fixed Assets: 2643.17	Investments: Nil
Net Current Assets: 27.03	Misc. Expenses: 7.02
Accumulated Losses: Nil	CWIP: Nil

IV. Performance of the Company:

Turnover: 752.11	Total Expenditure: 751.21
Profit/Loss Before Tax: 0.91	Profit/Loss After Tax: 0.59
Earnings Per Share: 0.06	Dividend Rate (%): Nil

V. Generic Name of Principal product/Service of Company

ITEM Code No. (ITC Code)	N.A.
Product Description	N.A.

For & on behalf of the Board

Sd/-

M Srinivasa Reddy
Managing Director

Sd/-

S Koti Reddy
Director

Place: Hyderabad
Date: 06.09.2012



MSR INDIA LIMITED

Remidicherla House, Flat No. 401, CPR Brundawan, Near Nectar Gardens, Madhapur, Hyderabad- 500081

ATTENDANCE SLIP

DP ID No. : _____

Regd. Folio No.: _____

Client ID No.: _____

No. of Shares held: _____

Name of the Shareholder/ Proxy Present: _____

I hereby record my presence at the 29th Annual General Meeting of the members of the company to be held on Saturday, the 29th September, 2012 at 03.00 p.m. at Survey No. 658, Bowrampet Village, Quthbullapur Mandal, Rangareddy Dist.

Shareholders/ Proxy's Signature _____

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



MSR INDIA LIMITED

Remidicherla House, Flat No. 401, CPR Brundawan, Near Nectar Gardens, Madhapur
Hyderabad- 500081

PROXY FORM

DP ID No. : _____

Regd. Folio No.: _____

Client ID No.: _____

No. of Shares held: _____

I/We _____ of _____ being a Member(s) of above named Company, hereby appoint _____ of _____ as my/ our proxy to attend and vote for me/ us, on my/ our behalf at the 29th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at 03.00 p.m. at Survey No. 658, Bowrampet Village, Quthbullapur Mandal, Rangareddy Dist..

Signed _____ this _____ of 2012

Signature of the Shareholder _____

Note:

The proxy in order to be effective should be stamped, completed. Signed and must be deposited at the Registered Office of the Company not less than 48 Hours before the time for holding the meeting.





***MSR* India Ltd.**

Regd. Office : Flat No.401, CPR Brundavan, Near Nectar Garden, Madhapur, Hyderabad - 500081

A.P. INDIA, Tel : 040-40165880, Fax : 040-40165881,

E-mail : info@msrindia.in, www.msrindia.in