

BOARD OF DIRECTORS :

ANIRUDDHA MITRA	Whole Time Director
ANANT NARAYAN SHANBHAG	Director
HEMANT KUMAR	Director
ASHOK SHARMA	Director
ASIM BASU	Company Secretary

AUDITORS :

AMOD AGRAWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS :

ICICI BANK

REGISTERED OFFICE :

21/22, GROUND FLOOR
KASHIRAM JAMNADAS BUILDING
5, P. D'MELLO ROAD
GHADIYAL GODI
MASJID EAST
MUMBAI - 400 009.
Tel. No : (022) 2372 6252
Fax No : (022) 2372 6256
E-mail : mcspanvel@vsnl.com

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of MCS Limited will be held at the Registered Office at 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P. D. Mellow Road, Ghadiyal Godi, Masjid East, Mumbai-400009 on 31st August, 2010 at 11 am to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the report of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Ashok Sharma who retires by rotation at the meeting and offer himself for reappointment.
3. To appoint auditors to hold office from the conclusion of the meeting upto the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification, the following resolution as **Ordinary Resolution:**

"Resolved that Mr. Aniruddha Mitra, who had been appointed as whole time Director of the Company for 3 years with effect from June 20, 2007 and whose terms of office expires on June 19, 2010, The Board of Directors proposes to renew the terms of Mr. Aniruddha Mitra for a further period of 3 years on the same terms and conditions subject to the approval of the Members".

RESOLVED FURTHER that the company hereby accords its approval and Consent under Section 198, 269 & 309 read with schedule XIII and any other applicable provisions of the Companies Act, 1956 and all other applicable statutory provisions, if any, subject to the approval of Central Government, if required, to the appointment of Mr. Aniruddha Mitra as Whole Time Director of the Company for a further period of 3 years with effect from June 19, 2010 and to his receiving remuneration, benefits and amenities as Whole Time Director of the Company, upon the terms and conditions contained in the agreement dated, June 19, 2010.

"RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said agreement shall nevertheless be paid and allowed to Mr. Aniruddha Mitra as minimum remuneration for any financial year in case of absence or inadequacy of profit for such year and in case, in any such year the remuneration payable exceeds the ceiling laid down in this behalf in Schedule XIII of the Companies Act, 1956 or such other notification said to be issued by the Government from time to time, the excess remuneration will be payable subject to the approval of the central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to his Resolution"

5. Reappointment of Additional Director as director of the company

To consider and, if thought fit thought fit to pass with or without modification, the following Resolution as ordinary resolution.

RESOLVED THAT Mr. Saurav Rateria who was appointed as additional director at the meeting of the board directors of the company held on 28th July, 2010 with retrospective effect from 1st July 2010, and whose term expires at the 25th Annual General Meeting of the company scheduled to be held on 31st August, 2010 and in respect of whom the company received a notice u/s 257 of the ACT. from a member proposing his candidature for the office of a director, be and is hereby appointed as a director of the company, whose tenure of office will be liable to determination by retirement of rotation"

Place : Mumbai
Date : 28th July 2010

By Order of the Board
For **MCS LIMITED**

Registered Office:
21/22, Ground Floor
Kashiram Jamnadas Building
5, P. D'Mello Road
Ghadiyal Godi,
Masjid East
Mumbai - 400 009.

ASIM BASU
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS IN ORDER TO BE VALID MUST BE LODGED WITH THE REGISTERED OFFICE OF THE COMPANY BY 10 AM ON 28TH AUGUST, 2010.
2. The Register of Members and Register of Share Transfer shall remain closed for the period from 25th August 2010 to 31st August 2010 (both days inclusive).
3. Members holding shares in physical form are requested to notify /send the intimation about the change in their address, if any and details of Bank account to the company's office at 77/2A, Hazra Road, Kolkata – 700029 at the earliest.
4. Members holding shares in Demat form are advised to inform changes in address, if any and Bank mandate directly to their respective Depository Participants,
5. The resolution regarding reappointment of Mr. Ashok Sharma as Director of the company as stated in the notice shall be moved for adoption by members at the 25th Annual General Meeting. In compliance with provisions in clause no. 49 of the Listing Agreement with Stock Exchange, the following particulars about the Director is furnished here in :
Mr. Ashok Sharma
He is an Independent Director in the company. He is an Industrialist, having substantial experience.
6. Members are requested to bring their attendance slip along with copy of the Annual Report to the meeting.
7. Members who wish to obtain information on accounts for the financial year ended 31st March, 2010 may send their queries to the Registered Office of the company 10 days before the 25th Annual General Meeting.
8. Explanatory Statement pursuant to Section 173 of The Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed.

Place : Mumbai
Date : 28th July, 2010

By Order of the Board
For **MCS LIMITED**

Registered Office:
21/22, Ground Floor
Kashiram Jamnadas Building
5, P. D'Mello Road
Ghadiyal Godi,
Masjid East
Mumbai - 400 009.

ASIM BASU
Company Secretary

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section (2)173 of The Companies Act, 1956 in respect of Special Business to be transacted at the 25th Annual General Meeting.

Item No. 4

The term of office of Mr. Aniruddha Mitra as whole time Director expires on 19/06/2010 considering his capability and alround for capability, the Board of Directors proposes his reappointment for a further period of 3 years w.i.f. 20.06.2010 subject to the terms and conditions contained in the agreement dt. 20.06.2010 entered into between the company and Mr. Aniruddha Mitra.

None of the Directors other than Mr. Aniruddha Mitra is considered or interested in the passing of this resolution.

A copy of the agreement dt. 20.06.2010 is available for inspection by members of the company at the Registered office on any working day of the Company prior to the date of this meeting between 10.00 a.m and 12.00 noon and at the Meeting.

Item No. 5

Mr. Saurav Rateria who was appointed as additional director of the company on 28th July 2010 with retrospective effect from 1st July 2010, considering his background and capability. The board recommends the passing of the resolution for your approval.

Note of the Directors is in any way concerned or interested in the passing of the resolution.

Place : Mumbai
Date : 28th July, 2010

By Order of the Board
For **MCS LIMITED**

Registered Office:
21/22, Ground Floor
Kashiram Jamnadas Building
5, P. D'Mello Road
Ghadiyal Godi,
Masjid East
Mumbai - 400 009.

ASIM BASU
Company Secretary

DIRECTORS REPORT

TO
THE MEMBERS.

Your Directors hereby present their Twenty Fifth Annual Report to the members with the Audited Statement of Accounts for the year ended 31st March, 2010.

OPERATIONS:

The year under review saw world wide depression, threatening to very survival of many economies. However Indian economy, because of conservative policies and timely decisions taken by Government could maintain the growth rate though less than achieved in earlier years. The stock market continued with extreme volatility and quoting at very low levels again pushing many corporate to shelve their plans for mobilization of funds from capital market through new issues.

As an impact of the aforesaid conditions, your company's turnover for the year had been substantially lower than that of the previous year. However the cost cutting measures and prudent management of resources coupled with income from sale of properties have helped your directors to come out with profits for the year.

With the new Government having taken over and the high expectations of reform measures to boost the depressing economy and the measures announced by the Government to bring about turnaround in business and industrial environment, your company expects good news for the Stock Market making way for hitherto shelved corporate projects and plans to approach market for funds to come alive once again and thus steer your company to expand its activities in the current year.

FINANCIAL RESULTS

The highlights of financial results of the Company for the Financial Year ended 31st March, 2010 are as under :-

(Rupees in Lacs)

Particulars	For the year Ended 31.03.10	For the year Ended 31.03.2009
Professional Service Charges (Net)	517.99	534.50
Other Income	8.55	6.38
Total	<u>526.54</u>	<u>540.88</u>
Profit/Loss before Depreciation and Tax	138.05	(207.35)
Depreciation	(133.93)	(206.16)
Profit (Loss) before Tax	4.12	(413.51)
Prior Period Adjustment (Net)	18.60	(4.27)
Extra Ordinary Items	15.88	618.14
Profit after adjustments	<u>38.60</u>	<u>200.36</u>
Provision for Taxation	(25.14)	(30.73)
Current Tax	-	(5.77)
Fringe Benefit Tax	(12.97)	-
Taxation for earlier year	<u>35.85</u>	<u>52.04</u>
Deferred Tax Asset	<u>(2.26)</u>	<u>15.54</u>
Profit after Tax	36.34	215.90
Add : Balance of Profit brought forward from Previous Year	<u>740.74</u>	<u>461.85</u>
Balance of Profit Carried Forward	<u>777.08</u>	<u>677.75</u>

DIVIDEND:

In view of requirement of funds for working capital and upcoming proposals the directors are constrained not to recommend payment of dividend for the year ended 31st March, 2010.

DIRECTORS:

In terms of the provisions of Section 255 and 256 of The Companies Act, 1956 Mr. Ashok Sharma shall retire by rotation at the 25th Annual General Meeting (AGM) and shall offer himself for reappointment. Resolution for his reappointment shall be moved at the AGM for approval of the members.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AAA) of The Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year.
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. the directors have prepared the accounts on a going concern basis.

FIXED DEPOSIT:

During the year under review your company had not accepted /taken any Fixed Deposit from the public.

AUDITORS

The statutory auditors M/s. Amod Agrawal & Associates, Chartered Accountants retire at the conclusion of the 25th Annual General Meeting and are eligible for reappointment. The company has received a letter from the statutory auditors stating the appointment, if made will be within the limits prescribed under Section 224 (1B) of The Companies Act, 1956.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with the recent amendment to the provisions of Section 383A of The Companies Act, 1956, the Secretarial Compliance Certificate for the year ended 31st March, 2010 from a Practising Company Secretary has been obtained and the same is annexed and forms part of this report.

CORPORATE GOVERNANCE

Report on Corporate Governance and auditors certificate confirming compliance of the conditions of the same as stipulated under clause 49 of the Listing Agreement with the stock exchange is annexed and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The company do not have manufacturing operations and therefore provisions of Section 217(1)(e) of The Companies Act, 1956 relating to conservation of Energy and Technology Absorption are not applicable.

During the year under review your Directors have been negotiating with various parties in foreign countries to boost the export performance. Information related to foreign exchange earnings and outgo have been given in schedule 'M' being notes forming part of the accounts for the year ended 31st March, 2010.

EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 are not applicable since none of the employees have been paid remuneration in excess of the limits prescribed by the Act.

ACKNOWLEDGEMENT

Your Directors acknowledge and thank the Customers, Banks, Statutory authorities, Suppliers, Shareholders for the support and co operation extended to the company. Your Directors also record their appreciation for the services rendered by employees at all levels.

For and on behalf of the Board
For **MCS LIMITED**

Place : Mumbai
Date : 28th July, 2010

A.N. SHANBHAG
Director

ANIRUDDHA MITRA
Whole time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT :

The year 2009-2010 was turbulent in many ways with economic slowdown in many developed countries having its impact on the Indian Stock market which recorded its lowest index in many years. The foreign capital inflow having slowed down, stock market quoting at lowest levels, many of the corporates have shelved / deferred their expansion plans and approach to capital market for funds.

In the scenario, your company because of its track record could retain its clientele and operating at very thin margin to stay in the business with the expectation of a turn around and better times with the installation of new Government with comfortable majority promising stability and rapid economic reforms.

OPPORTUNITIES AND THREATS :

Your company, being rated among the leading Registrar and Transfer Agent, continues its pursuit to render better services to its clients and looks forward to add to its client list by utilizing the contacts. However the threats come in the form of limited public issues and presence of large number of players chasing small volume of jobs forcing to operate at thin margins for survival.

FINANCIAL PERFORMANCE :

The turnover achieved during the year was Rs.517.99 lacs recording a substantial fall from the previous year. In the situation, considering the needs for working capital your directors do not recommend any dividend for the year.

RISKS & CONCERNS :

The major risk faced by your company is from competition from other players and fewer opportunities for work. Your directors are considering diversification in other lines, exploring the possibility of Joint Venture into other business through subsidiary companies in foreign countries. To meet the challenges posed by low margin, various cost saving measure have been put in place to balance the costs.

INTERNAL CONTROL SYSTEMS :

The company has put in place suitable internal control systems which provides for reasonable assurance with regard to safeguarding of assets, promoting operational efficiency and compliance with legal and statutory provisions. The Board of Directors periodically reviews the systems and directs actions wherever necessary to strengthen the system.

For and on behalf of the Board
For **MCS LIMITED**

Place : Mumbai
Date : 28th July, 2010

A.N. SHANBHAG
Director

ANIRUDDHA MITRA
Whole time Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY AND CORPORATE PRINCIPLES

The Company believes in adopting and adhering to best recognized corporate governance practices and continuously bench marking itself against each such practice. The Company understands and respects its fiduciary role and responsibility to shareholders and strives hard to meet their expectations. The Company has infused the Philosophy of Corporate Governance in all its activities. The Company has made all efforts to adhere to the principles of Corporate Governance as laid down in the Listing Agreement in its true spirits.

BOARD OF DIRECTORS

Composition of the Board

The Composition of the Board is in compliance with the requirements of clause 49 (2) A of the Listing Agreement with Stock Exchange. The Board consists of total 4 (four) Directors out of which 1 (one) is Whole Time Director and 3 (three) are Independent Directors. The Board does not have any Non Executive Chairman and at the Board/General Meetings of the Company, one of the Directors is elected to chair the meetings. The members of the Board are drawn from various facets of the industries having vast and varied experience in financial services, administration, information technology, investment consulting etc. The Board meetings of the Company are held as per the provisions of the Companies Act, 1956 and the Listing Agreement.

The brief particulars of Directors are as follows :

1) Mr. Hemant Kumar

He is an Independent Director. He specializes in Human Resource Management and has relevant experience in this field.

2) Mr. Ashok Sharma

He is an Independent Director. He is an Industrialist and is on the Board of Directors of other Companies also. He retires at the ensuing Annual General Meeting and shall be eligible for reappointment.

3) Mr. A.N. Shanbhag

He is an Independent and Professional Director. He is an Investment Consultant and has over 43 years of experience in financial, investment matters. He retires at the ensuing Annual General Meeting and shall be eligible for reappointment.

4) Mr. Aniruddha Mitra

He is a Commerce Graduate and has 22 years of experience in similar and allied field in which your Company is engaged in. He is a Whole-time Director looking after the day-to-day management of the Company.

The details of Directorship or Board, membership and office of the Chairman of Board Committees across all companies as well as their attendance at the Board and Annual General meetings of the Company are given hereunder -

Name of Director	Directorships held in other Companies	Memberships of Board Committees	Chairman of Board Committees	Last AGM attended	No. of Board Meetings attended during the year
Mr. A. N. Shanbhag	1	1	0	YES	9
Mr. Hemant Kumar	1	3	1	YES	9
Mr. Ashok Sharma	5	3	1	YES	8
Mr. Aniruddha Mitra	0	0	0	YES	9

Details of Board Meetings held during the year and Directors attendance are as follows :

	30.04.09	04.06.09	30.06.09	20.07.09	29.07.09	18.08.09	12.10.09	11.01.10	08.02.10
Mr. A.N. Shanbhag	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Hemant Kumar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashok Sharma	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Aniruddha Mitra	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Details of Remuneration paid to Whole Time Directors is as follows :

NAME	AMOUNT Rs.
Mr. Aniruddha Mitra	4,38,400.00
Total	4,38,400.00

- * Bonus are paid as per the Company's rule.
- * During the Financial year Company has not given any Stock Option
- * Severance : Notice period is 3 (three) months.
- * The above remuneration is exclusive of provision for future liabilities in respect of retirement benefits which are based on actuarial valuation on overall company basis.

SCHEDULE OF SITTING FEE PAID TO DIRECTORS

Name of Director	No. of Board Meetings	No. of Committee Meetings	Amount Rs.
Mr. A.N. Shanbhag	9	1	36,000
Mr. Ashok Sharma	8	5	28,000
Mr. Hemant Kumar	9	4	38,000
Total			1,02,000

AUDIT COMMITTEE
COMPOSITION

The composition of the Audit Committee is as under. During the Financial year 2009-2010 four meetings of Audit Committee were held on 30.06.09, 29.07.09, 12.10.09 & 11.01.10 respectively:

Name of the Director	Designation	Category	No. of Meeting attended
Mr. Hemant Kumar	Member	Independent Director	4
Mr. Ashok Sharma	Member	Independent Director	4

TERMS OF REFERENCE

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II(D) of the Listing Agreements entered into with Stock Exchange and Section 292A of the Companies Act, 1956.

The terms of reference are briefly described below :

- a) Oversight of the Company's financial reporting process and disclosure of financial information.
- b) Recommend the appointment and removal of external auditors, fixation of audit and their fees.
- c) Review with management the annual financial statements before submission to the Board.
- d) Review with management, external and internal auditors, the adequacy of internal control systems.
- e) Review the adequacy of internal audit function.
- f) Discussions with internal auditors of any significant findings and follow-ups thereon.
- g) Review the findings of any internal investigations by the internal auditors.
- h) Discussion with external auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussions to ascertain any areas of concern.
- i) Reviewing the Company's financial and risk management policies.

- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any.

The Committee is vested with necessary powers to achieve its objectives.

REMUNERATION COMMITTEE

During the financial year 2009-2010, No meeting of the Remuneration Committee was held as the same was not required.

SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE

During the Financial year 2009-10 meeting of Investors Grievance Committee was held on 11/01/2010. The details of members and their attendances in meeting are as follows :

Name of the Director	Category	No. of meetings attended
Mr. Ashok Sharma	Independent Director	1
Mr. A.N. Shanbhag	Independent Director	1
Mr. Hemant Kumar	Independent Director	1

Name & designation of the Compliance Officer : Ms. Valsa Sajan, Asst. Vice President

The Committee reviewed grievances received from the shareholders and the action taken thereon. The status of complaints received and redressed during the period from April 1, 2009 to March 31, 2010 are as under :

Description	Number
Number of shareholders complaints received	29
Number of shareholders complaints redressed	29
Number of shareholders complaints pending	Nil

SHARE TRANSFER COMMITTEE

The Share Transfer Committee consisted of Whole Time Director, Mr. Aniruddha Mitra and Ms. Valsa Sajan.

As transfers are few in numbers, the meeting are held once every 10 days to facilitate prompt transfers. A statement containing the summary of shares transferred and de-materialized between two Board Meeting dates is placed at every Board Meeting for their information.

There were no transfers pending as of March 31, 2010 exceeding the limit prescribed by the Listing Agreement.

GENERAL MEETINGS

The Company holds its Annual General Meetings in between July to September every year. The Company's Annual General Meeting for the year ended on 31st March, 2010 will be held on 31st August 2010. However, during the last three years, the Annual General Meetings were held on 28th September, 2007 and 29th September, 2008 and 30th September, 2009 respectively.

INSIDER TRADING

As per SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

This Code was adopted by the Board of Directors of the Company on January 27, 2003 and has been implemented by the Company.

SECRETARIAL AUDIT

As required by Circular issued by SEBI, Secretarial Audit was carried out by a practicing Company Secretary for each of the 4 quarters ending 31st March 2010 and the Audit Report for each quarter submitted to Stock Exchange, Mumbai.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with the recent amendment to Section 383A of The Companies Act, 1956, the company obtained a Secretarial Compliance Certificate for the period from 01/04/2009 to 31/03/2010 from a Practising Company Secretary and the same is annexed.

DISCLOSURES

There are no materially significant transactions with related parties except under contractual obligations viz., Promoters, Directors or the Management or their relatives that may have potential conflict with the interest of the Company at large.

There are no pecuniary relationships or transactions with Non-Executive Directors of the Company except the remuneration namely sitting fees paid to them as for services rendered as Directors of the company.

The Company has adopted a Website Blower Policy and has established the necessary mechanism in the line with Clause 7 of Annexure ID to Clause 49 of the listing Agreement with the Stock Exchange, for employees to report concerns about unethical behavior. No Person has been denied access to the Audit Committee.

DISCLOSURES OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the accounting Standards issued by the Institute of Chartered Accountants of India.

DISCLOSURES OF RISK MANAGEMENT

The Company has initiated the risk assessment and minimization procedures.

CEO / CO CERTIFICATION

A certificate in accordance with the revised Clause 49 of the Listing Agreement issued by Mr. Aniruddha Mitra who is a Whole Time Director on the Financial Statements of the Company has been placed before the Board and noted by the members of the Board.

REVIEW OF DIRECTORS' RESPONSIBILITY STATEMENT

The Board in its report has confirmed that the annual accounts for the year ended 31st March 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

MEANS OF COMMUNICATION

The Quarterly/Half yearly/Annual results together with the information relating to Book Closure/Annual General Meeting are published in Free Press Journal/Business Standard and Navshakti as per the requirements of the Listing Agreement and Companies Act. The Annual Report of the Company together with the Notice and Explanatory Statement convening the Annual General Meeting are also sent to the members at their registered addresses. The Management Discussion and Analysis Report forming part of the Annual Report is annexed.

REVIEW OF GOVERNANCE PRACTICES

We have in this report attempted to present the governance practices and principles being followed at the Company, as evolved over the years, and as best suited to the needs of our business and shareholders. Our discussion and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the recognized practices of governance, so as to meet the expectations of all our stakeholders.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, the Auditors' Certificate is given as on Annexure to the Directors' Report.

SHAREHOLDERS INFORMATION**DETAILS OF TWENTY FIFTH ANNUAL GENERAL MEETING**

DATE	31st August, 2010
TIME	11.00 A.M.
VENUE	21/22 Ground Floor, Kashiram Jamnadas Building, 5, P. D'Mello Road, Ghadiyal Godi, Masjid East, Mumbai - 400 009

FINANCIAL CALENDAR

Financial Year	April 2010 to March 2011
First Quarter Results	3 rd /4 th week of July 2010
Half Yearly and second quarter Results	3 rd /4 th week of October 2010
Third Quarter Results	3 rd /4 th week of January 2011
Audited Results for the year ended March 31, 2010	May/June 2011
Book Closure Period	25th August, 2010 to 31st August, 2010 (Both days inclusive)

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed at the following Stock Exchange :

The Stock Exchange Limited, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.

SCRIP CODE – BSE – 523221

ISIN NO. – INE737A01019

Details of share capital of the Company held in Dematerialized and Physical Form as on March 31, 2010 are as follows :

	No of Shareholders	Shares	% to Total Capital
Held in dematerialized form in CDSL	860	513,889	9.85
Held in dematerialized form in NSDL	2,275	4,328,756	82.94
Held in Physical mode	5,225	376,637	7.22
Total	8,360	5,219,282	100.00

Company does the share registry work in-house and has connectivity with both the depositories.

The High/Low price during each month in the last financial year is given hereunder -

Month	Highest Price (Rs.)	Lowest Price (Rs.)	Volume (Number of shares traded)
April 2009	13.45	8.25	19,207
May 2009	16.07	9.50	17,849
June 2009	18.10	12.40	41,536
July 2009	16.89	10.65	28,530
August 2009	17.50	14.30	54,273
September 2009	21.00	15.60	40,863
October 2009	19.20	15.90	16,983
November 2009	18.25	14.95	36,011
December 2009	19.40	15.00	52,917
January 2010	27.80	17.25	141,060
February 2010	21.00	16.10	60,452
March 2010	20.80	15.15	127,212

Source : www.bseindia.com

INVESTOR SERVICES

All activities relating to Share Transfers, Transmissions, etc are carried out at the Registered Office of the Company. The details of the contact person is given hereunder :

Ms. Valsa Sajan
 21/22, Ground Floor
 Kashiram Jamnadas Building
 5, P. D'Mello Road
 Ghadiyal Godi, Masjid East, Mumbai - 400 009
 Tel No. : (022) 2372-6252, Fax No. : (022) 2372-6256; Email : mcspanvel@vsnl.com
 Timings : Monday to Friday (9.30 a.m. to 1.00 p.m. & 1.30 p.m. to 5.30 p.m.)

DISTRIBUTION OF SHAREHOLDING AS OF MARCH 31, 2010

No of equity share held	Folio	%	Shares	%
UPTO 500	7891	94.3900	719445	13.7844
501-1000	218	2.6077	184242	3.5300
1001-2000	113	1.3517	181014	3.4682
2001-3000	43	0.5144	110075	2.1090
3001-4000	17	0.2033	60138	1.1522
4001-5000	23	0.2751	107691	2.0633
5001-10000	30	0.3589	215742	4.1336
10001 AND ABOVE	25	0.2990	3640935	69.7593
TOTAL	8360	100.0000	5219282	100.000

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2010

CATEGORY		NO. OF SHARES HELD	% OF SHAREHOLDING
A.	Promoter's Holding		
1	Promoter's Holding		
	Indian Promoters	2086053	39.97
	Foreign Promoters	NIL	NIL
2	Persons acting in Concert	NIL	NIL
	Sub - Total	2086053	39.97
B.	Non - Promoters Holding		
3	Institutional Investors		
a.	Mutual Funds and UTI	100	0.00
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions)		
	Companies(Central/State Govt.)	1600	0.03
c.	FIIIs	NIL	NIL
	Sub - Total	1700	0.03
C.	Others		
a.	Private Corporate Bodies	1225444	23.48
b.	Indian Public	1901108	36.43
c.	NRIs / OCBs	4977	0.10
d.	Any other (please specify)	NIL	NIL
	Sub - Total	3131529	60.00
	GRAND TOTAL	5219282	100

THE DETAILS OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE SHARES OF THE COMPANY UNDER EACH HEAD AS ON MARCH 31, 2010

SI No	Name of Holder	No. of Shares	% of Total Capital
A	Promoter's Holding		
	1 Mr. Saurabh Rateria	1086752	20.82
	2 Ms. Sneha Rateria	600000	11.50
	3 Mr. Santosh Kumar Rateria	396801	7.60
	4 Mrs. Saroj Rateria	2500	0.05
	Sub - Total	2086053	39.97
B	Non Promoters Holding		
	Institutional Investors (Mutual Funds and UTI)	100	0.00
	1 UTI - Unit Trust of India		
	2 UTI - Unit Scheme for Charitable and Religious Trust and Registered Societies		
	3 Registered Societies, Banks, financial Institutions, Insurance Companies	1600	0.31
Sub - Total			
C	Others		
	Private Bodies Corporate		
	1) S. K. Infosolutions Pvt. Ltd.	700000	13.41
	2) Gagan Merchantgs Private Ltd.	350000	6.71
	Indian Public :		
	1) Bhavesh Dhireshbhai Shah	74403	1.43
Sub - Total	1124403	21.55	

Names of Depositories for dematerialization of equity shares (ISIN – INE737A01019)
National Securities Depository Limited (NSDL)
Central Depository Services (India) Limited (CDSL)

For and on behalf of the Board of Directors

Place : Mumbai ANIRUDDHA MITRA
Date : 28th July, 2010 Whole Time Director
Declaration by Whole time Director (CEO) under clause 49 of the Listing Agreement
To
The Members of
MCS Limited.

I, Aniruddha Mitra, Whole time Director of MCS Limited declare that to the best of my knowledge and belief, all the members of the Board and Senior Management Personnel of the Company have affirmed their respective Compliance with the applicable code of Conduct for the year ended 31st March, 2010.

For and on behalf of the Board of Directors

Place : Mumbai ANIRUDDHA MITRA
Date : 28th July, 2010 Whole Time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

MCS Limited

We have examined the compliance of conditions of Corporate Governance by MCS Limited for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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 compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accounts of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievances Committee.

We furtherstate 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 cinducted the affairs of the Company.

AMOD AGRAWAL & ASSOCIATES

RAJU GOYAL
Partner

COMPLIANCE CERTIFICATE

R. N. GOSWAMI & CO.
Company Secretaries

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98300 33461(M)

E-mail : mgoswami_0497@yahoo.co.in

Office : 45, Stephen House (3rd Floor), 4, B. B. D. Bagh (E), Kolkata - 700 001

FORM
(See Rule 3)

To
The Members
MCS Limited
21/22, Ground Floor,
Kashiram Jamnadas Building,
5, P. D. Mello Road
(Ghadiyal Godi), Masjid East
Mumbai - 400 009, Maharashtra

CIN NO : L99999MH1995PLC092971
Nominal Capital : Rs. 52,500,000/-
Paid up Capital : Rs. 45,903,857/-

To the Members,
MCS LIMITED

We have examined the registers, records book and papers of **MCS Limited** as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure 'A' to the certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, under the Act and the rules made thereunder.
3. The company being a Public Limited Company comments are not required.
4. The Board of Directors duly met 9 (nine) times on 30.04.2009, 04.06.2009, 30.06.2009, 20.07.2009, 29.07.2009, 18.08.2009, 12.10.2009, 11.01.2010 and on 08.02.2010 duly constituted Audit committee met 4 (four) time on 30.06.2009, 29.07.2009, 12.10.2009 and 11.01.2010 during the financial year in respect of which meeting proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

5. The company has closed its Register of Members from 23.09.2009 to 30.09.2009(both days inclusive) in compliance with the provision of section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31.03.2009 was held on 30.09.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held on 06.07.2009 during the financial year after giving due notices to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. As per information received the Company has not entered into any contract specified under Section 297 of the Act during the financial year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act during the financial year.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government during the financial years.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) The Company has delivered all the Certificates on allotment of shares during the financial year. The Company has delivered all the certificates on lodgment thereof for transfer / transmission of securities during the financial year.
 - ii) The Company has not deposited any amount of dividend in a separate bank account as no dividend was declared during the financial year.
 - iii) The Company was not required to post any dividend warrants to any member of the company as no dividend was declared during the financial year.
 - iv) The Company has not required to transfer any amount of unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed/unpaid for a period of 7 years to Investor Education and Protection Fund.
 - v) The Company has duly complied with the requirements of Section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 15) The Company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
- 16) The Company has not appointed any sole-selling agent during the financial year.
- 17) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Directors or such authorities as may be prescribed under the various provisions of the Act and the rules made thereunder.
- 18) The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

- 19) The Company has issued 7,00,000 Equity Shares of Rs.10/- each at a premium of Rs.5.82/- and 3,50,000 Equity Shares of Rs.10/- each at a premium of Rs.5.60/- respectively during the financial year and filed with the necessary return of allotment.
- 20) The Company has not bought back any shares / debentures / others securities during the financial year.
- 21) The Company has not redeemed any preference shares or debentures during the financial year.
- 22) There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23) The Company has not invited / accepted any deposits falling within the purview of Section 58A during the financial year.
- 24) The amount borrowed by the Company for Vehicle Loan from the Banks are within the borrowing limits and the same are secured by hypothecation of specified vehicles.
- 25) The Company has made investment and advanced loan to other bodies corporate falling under section 372A of the Act and obtained necessary approval of the members.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered office from one State to another during the year ended scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29) The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny in compliance with the provisions of the Act.
- 30) The Company has not altered its Articles of Association during the financial year.
- 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32) The Company has not received any money as security from its Employees during the financial year.
- 33) The Company has deposited both employee's and employer's contribution of Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For R. N. GOSWAMI & CO.
Company Secretaries

Place : Kolkata
Dated : 30.06.2010

R. N. GOSWAMI
Proprietor
F.C.S. 1918 C.P. 2267

R. N. GOSWAMI & CO.
Company Secretaries

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98300 33461(M)
E-mail : mgoswami_0497@yahoo.co.in
Office : 45, Stephen House (3rd Floor), 4, B. B. D. Bagh (E), Kolkata - 700 001

ANNEXURE 'A

Registers as maintained by the Company :

- | | |
|---|--------------|
| 1. Register of Members | u/s. 150 |
| 2. Register of Directors, Managing Directors | u/s. 303 |
| 3. Register of Contracts, Companies and Firms
in which Director are interested | u/s. 301 |
| 4. Register of Directors shareholding | u/s. 307 |
| 5. Register of Charges | u/s. 143 (1) |

ANNEXURE - 'B'

- | | | | |
|------------------|-------------------|----------------------------------|---------------------|
| 1. Form No. 23AC | Filed u/s. 220 | for 31.03.2009 | filed on 09.11.2009 |
| 2. Form No. 20B | Filed u/s. 159 | upto 30.09.2009 | filed on 23.11.2009 |
| 3. Form No. 66 | Filed u/s. 383A | dated 18.08.2009 | filed on 09.11.2009 |
| 4. Form No. 23 | Filed u/s. 81(1A) | special resolution | filed on 09.11.2009 |
| 5. Form No. 23 | Filed u/s. 372(A) | special resolution | filed on 09.11.2009 |
| 6. Form No. 5 | Filed u/s. 16, 94 | increase of authorized capital | filed on 09.11.2009 |
| 7. Form No. 2 | Filed u/s. 75 | allotment of 7 lacs shares | filed on 09.02.2010 |
| 8. Form No. 2 | Filed u/s. 75 | for allotment of 3.5 lacs shares | filed on 03.08.2009 |
| 9. Form No. 23 | Filed u/s. 81(1A) | special resolution | filed on 30.07.2009 |
| 10. Form No. 32 | Filed u/s. 303 | resignation of Mr. S. Rateria | filed on 19.05.2009 |

For R. N. GOSWAMI & CO.
Company Secretaries

Place : Kolkata
Dated : 30.06.2010

R. N. GOSWAMI
Proprietor
F. C. S. 1918, C.P.2267

AUDITOR'S REPORT

To The shareholders of MCS Ltd.

1. We have audited the attached balance sheet of MCS Ltd., as at 31st March 2010, and also the profit and loss account 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. We report that :
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (i) 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 except as referred to in point no. 1 of the annexure to this report ;
 - (ii) 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 books of the company.
 - (iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of accounts of the company;
 - (iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with accounting standards referred to in sub-section 211(3C) of the Companies Act, 1956, **except for AS-21 and AS-13 (refer point no. 4(iii) in Schedule "N" notes to accounts).**
 - (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as a director u/s 274(1)(g) of the Companies Act, 1956;

vi) a) **Without qualifying our opinion, going concern status of the company is significantly dependent on its ability to meet financial obligation under the corporate guarantee of Rs. 256,550,000/- given in favour of banks on behalf of Computech International Ltd., a company in which promoters have substantial interest as the banks have recalled the loan amount from Computech International Ltd.**

(vii) In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit and loss account, together with other notes thereon subject to our comments in paragraph (vi) and in particular (a) **We draw attention to note no. 4 of schedule 'N' of the accounts on investment of Rs. 25,89,44,435/- made in a foreign company. The transactions could not be fully verified in the absence of adequate information and related documents made available to us. Consequently, the requisite disclosures and diminishing in value of investments could not be determined and disclosed. (b) as mentioned in note no. 11 of schedule 'N' the amount paid for settlement of claims has been included in Loans & Advances. In our opinion this should be charged to profit & loss account. Consequently the net profit for the year and reserves & surplus would have been lower by Rs. 24,56,314/- (c) non provision of interest on unsecured loans, as the management claims no interest is payable there on and consequent impact on financial statement could not be determined**, give the information as 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:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010;
- (b) in the case of the profit and loss account, of the profit 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.

For Amod Agrawal & Associates

Chartered Accountants

Firm Registration No. : 005780N

RAJU GOYAL

Partner

Membership No. : 073020

Place : New Delhi

Dated : 07th May, 2010

ANNEXURE TO THE AUDITOR'S REPORT

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets **except for furniture & fixture and electrical fitting and intangible assets. In respect of furniture & fixture, electrical fitting and intangible assets quantitative detail are not mentioned. No identification mark are placed on fixed assets.** The company has designed a programme for physical verification of assets to cover all the items over a period of three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the company is not effected except to the extent as mentioned in point no. 10 of Schedule 'N' to financial statement.
2. The Company does not carry any stock of raw material, finished goods, stores maintenance, spares and components. As per the practice consistently followed by the Company purchases of stationery and spare parts are charged to the revenue directly and no stock is carried by the Company. In view of the above no comments are offered on (i) procedure of physical verification (ii) discrepancies on physical verification if any.
3.
 - a) According to the information and explanations given to us, the company has, during the year, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(a), (b), (c) and (d) of the Order, are not applicable.
 - b) According to the information and explanations given to us, the company has, during the year, not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(e), (f) and (g) of the Order, are not applicable.
4. In our opinion, there is adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the sale of goods and services.
5. As per the information provided by the Company the transactions needs to be entered have been entered into the register maintained in pursuance to Section 301 of the Companies Act, 1956. In respect of the transactions entered into by the Company for purchase of goods and materials and sale of services, aggregating during the year to Rs. 5,00,000/- (Rupees five lacs) or more in value in respect of each party.

6. As informed the Company has not accepted any deposits from the public. However, during the year an amount of Rs. 66,15,000/- received from a company reportedly for the investment in the company's proposed project at Kyrgyzstan.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, the same needs to be strengthened.
8. The provisions of section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
9. (i) According to the records of the company, there was no undisputed statutory dues including Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Custom Duty, Excise-Duty, Cess and other statutory dues applicable to as at 31st March, 2010 for a period of more than six months from the date they became payable **except for service tax of Rs. 15.05 lacs. However there has been delay in depositing aforesaid statutory dues as applicable during the year.**
(ii) According to the records of the Company, there are no dues outstanding of Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty & Cess on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.
12. According to the information and explanation given to us and based on the documents and records produced 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. In our opinion and according to the information and explanation given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund, nidhi / mutual benefit fund and Societies.
14. We have been informed that the Company is not dealing or trading in shares, securities, debentures and other investments. However, in respect of the securities acquired during the normal course of the business the Company has maintained proper records for transactions and contracts and as per the information provided timely entries have been made therein. The securities have been held by the company in its own name.

15. In the absence of requisite information made available to us, the terms and conditions of the guarantee given by the Company in earlier years for the loans taken by the other Company mentioned in the register maintained under section 301 of the Companies Act,1956 of Rs. 2565.00 lacs, detailed examination could not be made with regards to its justification, therefore no comments are offered.
16. According to the information and explanations provided by the management. long term loans taken by the Company have been applied for the purpose for which loans were obtained.
17. According to the information and explanations given to us and on the basis of overall examination of the balance of the company, in our opinion, the company has not utilized short-term funds for long term investment during the period covered by our audit report.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act,1956.
19. The Company has not issued any debentures during the year.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and as per information & explanations given by the management, we have neither come across any instance of major fraud by the Company noticed or reported during the year nor we have been informed of such case by the management.

For Amod Agrawal & Associates

Chartered Accountants

Firm Registration No. : 005780N

RAJU GOYAL

Partner

Membership No. : 073020

Place : New Delhi

Dated : 07th May, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Shareholders' Fund					
1. Share Capital	A	52,203,857		41,703,857	
2. Reserve & Surplus	B	182,805,580		173,137,245	
Loan Funds					
Secured Loans	C	1,246,372		1,292,620	
Unsecured Loan	D	101,715,000		95,000,000	
Deferred Tax Liability(Net)		6,264,966		9,850,219	
TOTAL		344,235,775		320,983,940	
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	116,956,032		126,883,376	
Less : Depreciation		71,919,027		70,743,840	
Net Block		45,037,005		56,139,536	
Investments	F	259,364,605		350,340	
Current Assets, Loans & Advances					
1. Current Assets					
Sundry Debtors		12,947,203		21,012,919	
Cash and Bank Balances		7,046,930		7,049,938	
Other Current Assets		3,480,199		5,738,609	
2. Loans & Advances		27,315,519		262,868,028	
		50,789,851		296,699,494	
Less: Current Liabilities & Provisions H					
Current Liabilities		9,139,017		29,857,925	
Provisions		1,816,669		2,417,335	
		10,955,686		32,275,260	
Net Current Assets		298,778,600		264,424,234	
TOTAL		344,235,775		320,983,940	
Notes Forming part of Accounts	N				

As per our report of even date
For AMOD AGRAWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. : 005780N

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 7th May, 2010

A N SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
Directors

ANIRUDDHA MITRA
Whole Time Directors

PROFIT AND LOSS A/C FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME			
Professional Services (Gross)		57,133,766	59,848,538
Service Tax		<u>5,335,247</u>	<u>6,398,625</u>
Professional Services Net		51,798,519	53,449,912
Other Income	I	<u>855,367</u>	<u>637,699</u>
TOTAL		<u>52,653,886</u>	<u>54,087,611</u>
EXPENDITURE			
Payments & Benefits to Employees	J	17,204,596	14,413,085
Operating Expenditure	K	7,321,917	35,521,231
Administrative & Other Expenditure	L	14,066,335	24,116,122
Financial Expenses	M	256,146	772,448
Depreciation		<u>13,392,508</u>	<u>20,616,086</u>
TOTAL		<u>52,241,501</u>	<u>95,438,976</u>
Profit /(Loss) before Taxation, Prior Period Adjustments & Extra Ordinary Items		412,385	(41,351,364)
Prior Period Adjustment (Net)		(1,859,594)	427,281
Extra Ordinary Items-Profit on Sale of Assets		1,588,008	68,113,877
Profit before tax		3,859,987	26,335,231
Provision for Current Tax		2,514,395	3,072,985
Provision for Fringe Benefit Tax		-	577,066
Taxation of Earlier Years(Net)		1,296,510	-
Deferred Tax liability/(Assets)		(3,585,253)	(5,204,271)
Net Profit for the year		3,634,335	27,889,452
Balance brought forward		74,074,285	46,184,833
Profit available for appropriation		77,708,620	74,074,285
Proposed Dividend on Equity Shares			
Provision for Tax on Proposed Dividend on Equity Shares			
Profit carried forward to Balance Sheet		77,708,620	74,074,285
Earnings per Share (Face Value Rs. 10 per share)			
Basic Before Extra Ordinary Items (in Rs.)		0.43	(9.65)
Basic After Extra Ordinary Items (in Rs.)		0.77	6.69
Diluted Before Extra Ordinary Items (in Rs.)		0.43	(9.65)
Diluted After Extra Ordinary Items (in Rs.)		0.77	6.69
Notes Forming part of Accounts	N		

As per our report of even date
For AMOD AGRAWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. : 005780N

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 7th May, 2010

A N SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
Directors

ANIRUDDHA MITRA
Whole Time Directors

**SCHEDULE 'A'
SHARE CAPITAL**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
AUTHORISED CAPITAL		
10,250,000 (Previous Year 10,000,000) Equity Shares of Rs.10/- each	102,500,000	100,000,000
ISSUED & SUBSCRIBED		
5,223,697 (Previous year 4,173,697) Equity Shares of Rs. 10/- each	52,236,970	41,736,970
PAID UP		
5,219,282 (Previous year 4,169,282) Equity Shares of Rs.10/- each fully paid	52,192,820	41,692,820
ADD : FORFEITED SHARES (4415 Equity shares paid @ 2.50 per share)	11,037	11,037
	<u>52,203,857</u>	<u>41,703,857</u>

**SCHEDULE 'B'
RESERVES & SURPLUS**

	As at 31.03.2009 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	As at 31.03.2010 Rs.
Share Premium	23,380,825	6,034,000	-	29,414,825
Capital Reserve	39,800,420	-	-	39,800,420
General Reserve	35,881,714	-	-	35,881,714
Surplus in Profit & Loss Account	74,074,286	3,634,335	-	77,708,621
TOTAL	173,137,245	9,668,335	-	182,805,580

**SCHEDULE 'C'
SECURED LOANS**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1. TERM LOAN		
Long Term Vehicle loan from		
	1,116,222	1,032,760
	130,150	259,860
TOTAL	1,246,372	1,292,620
Long Term Loan repayable within next 12 months Rs. 838273/- (Previous Year Rs. 665815/-)		

**SCHEDULE 'D'
UNSECURED LOANS**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
TOTAL	101,715,000	95,000,000



**SCHEDULE 'E'
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	COST		SALES/		ADJUSTMENT/		FOR THE		TOTAL		AS AT	
	AS AT	ADDITION	ADJUST-	TOTAL	WRITTEN	PERIOD ENDED	UPTO	UPTO	AS AT	AS AT	AS AT	AS AT
01.04.2009	THE YEAR	MENT	31.03.2009	BACK	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2009
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
BUILDINGS *	14,847,331	-	653,209	7,154,205	444,255	941,042	7,650,992	6,543,130	7,693,126			
PLANT & MACHINERY	875,000	-	-	678,439	-	90,475	768,914	106,086	196,561			
COMPUTER EQUIPMENTS	35,967,906	1,790,079	10,422,292	27,335,693	10,165,329	4,235,830	17,630,924	9,704,769	12,407,483			
FURNITURE & FIXTURE	4,703,616	-	264,162	4,439,454	250,834	268,073	2,214,955	2,224,499	2,505,900			
OFFICE EQUIPMENTS	1,878,164	-	552,301	1,325,863	294,804	63,479	660,729	665,134	986,110			
AIRCONDITION EQUIPMENTS	2,259,429	146,650	-	2,406,079	615,970	113,115	729,085	1,676,994	1,643,459			
VEHICLES	20,439,263	1,265,240	1,033,689	20,670,814	927,149	1,961,395	8,261,191	12,409,623	13,212,318			
ELECTRICAL EQUIPMENTS*	2,696,497	-	203,660	2,492,837	134,950	154,574	928,410	1,564,427	1,787,711			
SUB TOTAL	3,201,969	13,129,313	73,739,862	43,234,538	7,827,983	38,845,200	34,894,662	40,432,668				
INTANGIBLE ASSETS												
SOFTWARES	43,216,170	-	43,216,170	27,509,302	5,564,525	33,073,827	10,142,343	15,706,868				
SUB TOTAL	43,216,170	-	43,216,170	43,216,170	-	5,564,525	33,073,827	10,142,343	15,706,868			
GRAND TOTAL	126,883,375.60	3,201,969	13,129,313	116,956,031.60	12,217,321	13,392,508	71,919,027	45,037,005	56,139,536			
PREVIOUS YEAR	239,074,902	1,509,923	113,701,449	126,883,376	58,493,386	20,616,086	70,743,840	56,139,536	130,453,762			

NOTES :

- * Buildings includes :
 - i) Rs. 7,918,698/- building on Lease land not belonging to the Company.
 - ii) Rs. 12,99,355/- Improvement on lease hold building.
 - iii) Rs. 16,80,292/- Co-operative Societies flats.
- ** Electrical Equipments includes :
 - i) Rs. 6,93,590/- on Lease land not belonging to the Company.

**SCHEDULE 'F'
INVESTMENTS (Long Term-other than trade)**

	Face value of each		As at 01.04.2009		Purchases		Sales		As at 31.03.2010	
	Rs.	Number	Rs.	Number	Number	Amount	Number	Amount	Number	Rs.
Unquoted										
Fixed Deposit (SSNL) *		-	200,000						-	200,000
Prudential ICICI Mutual Fund	5,000	44	220,000						44	220,000
Prudential ICICI MF-Pension	5,000	4	170						4	170
In Foreign Company										
Ferro Alloys CJSC ***	12.63			4,100,000	258,944,435				4,100,000	258,944,435
Total Investments		48	420,170	4,100,000	258,944,435	0	0	0	4,100,048	259,364,605

* Fixed deposits under lien with SSNL

** Original Face Value. The Units had been party redeemed on monthly basis.

*** "Ferro Alloys" CJSC incorporated in Kyrgyz Republic. Face Value of each share is converted in equivalent Repees. Shares are allotted @ 50 Soms each including premium of 40 SOM.

NAV of Unquoted Investments other than Foreign Company. NAV of Investment in Foreign Company is not ascertainable.

420,170
420,170

SCHEDULE 'G'
CURRENT ASSETS, LOANS & ADVANCES

	As at 31.03.2010		As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
A. CURRENT ASSETS				
(Unsecured considered good unless otherwise stated)				
i) Sundry Debtors				
Debts outstanding for more than Six Month				
Considered Good	4,144,136		8,822,463	
Considered doubtful	2,368,781		2,368,781	
	<u>6,512,917</u>		<u>11,191,244</u>	
Other Debts - considered Good	8,803,067		12,190,456	
	<u>15,315,984</u>		<u>23,381,700</u>	
Less : Provision for Doubtful Debts	<u>2,368,781</u>		<u>2,368,781</u>	
	<u>12,947,203</u>		<u>21,012,919</u>	
ii) Cash & Bank Balances				
Cash in hand	72,567		1,297,182	
Balance with Scheduled Banks in :				
a) Current Accounts	5,184,211		3,994,421	
b) Unpaid Dividend	298,952		303,200	
c) Fixed Deposits (Pledged with bank for issuing Bank Guarantees)	1,475,500		1,450,500	
d) Unutilized Franking Balance	15,700	<u>7,046,930</u>	34,635	<u>7,079,938</u>
iii) Others Current Assets				
a) Security Deposits	3,173,956		5,484,516	
b) Prepaid Expenses	78,193		121,921	
c) Interest accrued on Fixed Deposit	<u>228,050</u>	<u>3,480,199</u>	<u>132,172</u>	<u>5,738,609</u>
B. LOANS & ADVANCES				
(Unsecured considered good unless otherwise stated)				
i) Loan to Body Corporates		1,834,385		2,593,974
ii) Advance for Kygystan Project		14,849,855		254,296,413
iii) Advances recoverable in cash or in kind or for value to be received				
a) Advances (Includes Rs. Nil due from a director)		4,065,567		596,631
b) Tax Deducted at Source	16,213,924		10,965,532	
Less : Opening Balance of Prov. for Income Tax	<u>6,234,524</u>		<u>3,250,742</u>	
	<u>9,979,400</u>		<u>7,714,790</u>	
Less : Prov. for Tax made during the Year	<u>3,743,052</u>	6,236,348	<u>2,983,782</u>	4,731,009
c) Fringe Benefit Tax		329,364		650,000
TOTAL		<u>27,315,519</u>		<u>262,868,028</u>

SCHEDULE 'H'
CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
A. CURRENT LIABILITIES		
i) Advance from Customers	1,567,791	3,469,501
ii) Sundry Creditors :		
Due to Micro, Small Enterprises	-	-
Due to Others	3,715,037	4,440,457
iii) Unaccrued Income	-	84,750
iv) Other Advance	-	15,090,130
v) Other Liabilities	3,557,238	6,469,887
vi) Unpaid Dividend	<u>298,952</u>	<u>303,200</u>
B. PROVISIONS		
Fringe Benefit Tax :		
Opening Balance	577,066	723,862
Provision Made during the Year	-	577,066
Less : Paid during the Year	<u>577,066</u>	<u>-</u>
		577,066
Wealth Tax :		
Opening Balance	89,203	93,072
Provision Made during the Year	67,853	89,203
Less : Paid during the Year	<u>89,203</u>	<u>67,853</u>
		93,072
		89,203
Leave Encashment	268,626	352,547
Staff Gratuity	<u>1,480,190</u>	<u>1,398,519</u>
TOTAL	<u>1,816,669</u>	<u>2,417,335</u>

SCHEDULE 'I'
OTHER INCOME

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Interest on Fixed Deposit-Gross (Tax Deducted at Source)	119,600	117,418
Rs.NIL (Previous Year Rs.2,880/-)		
Interest - Others (Tax Deducted at Source)	376,239	118,355
Rs.26,712/- (Previous Year Rs.24,381/-)		
Dividend-Gross	31,726	31,509
Balances Written Back (Net)	83,921	274,028
Bad debt Recovered	134,845	-
Miscellaneous Income	<u>109,036</u>	<u>96,389</u>
TOTAL	<u>855,367</u>	<u>637,699</u>

**SCHEDULE 'J'
PAYMENTS AND BENEFITS TO EMPLOYEES**

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Salaries, Wages & Bonus	15,870,015	13,075,538
Contribution to Provident & Other Funds	1,007,788	1,014,074
Welfare Expenses	326,793	323,474
TOTAL	<u>17,204,596</u>	<u>14,413,086</u>

**SCHEDULE 'K'
OPERATING EXPENDITURE**

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Processing Expenses	388,914	59,000
Claims Settled	766,215	29,045,193
Computer Consumables	60,858	71,230
Computer (Plant) Maintenance Charges	449,663	492,446
Postage & Stamp Duty	2,071,823	3,004,540
Printing & Stationery	1,719,438	1,338,948
Electricity & Water Charges	1,484,138	1,340,290
Courier, Forwarding & Freight	380,868	169,584
TOTAL	<u>7,321,917</u>	<u>35,521,231</u>

SCHEDULE 'L'
ADMINISTRATIVE & OTHER EXPENSES

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Rent	2,103,892	3,072,500
Rates & Taxes	958,347	1,206,556
Travelling & Conveyance	2,749,674	3,254,644
Legal & Professional Charges	3,081,728	5,504,427
Security Service Charges	45,544	69,707
Telephone & Telex	897,975	1,129,128
Repairs & Maintenance (Building)	130,924	40,008
Repairs & Maintenance (Others)	894,415	629,731
Auditors' Remuneration (net of service tax)		
- Statutory Audit	425,000	425,000
- Tax Audit	75,000	75,000
Advertisement	-	61,959
Insurance	129,756	300,391
Vehicle Running & Maintenance	262,595	1,328,820
Bad debts /Advances Written off (Net)	1,406,967	3,488,260
Business Promotion	134,154	9,915
Miscellaneous Expenses	770,366	1,151,296
Provision for Doubtful Debts	-	2,368,781
TOTAL	14,066,335	24,116,122

SCHEDULE 'M'
FINANCIAL EXPENSES

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Interest on Term / Vehicles Loans	184,292	260,269
Other Interest	100	-
Bank Charges	71,754	512,179
TOTAL	256,146	772,448

SCHEDULE 'N'**NOTES FORMING PART OF ACCOUNTS****1. Significant Accounting Policies**

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards based on prudential accounting norms and relevant provisions of the Companies Act, 1956. The significant accounting policies followed are as under:

- i) Depreciation, on assets other than leased assets is provided on straight line method, on prorata basis, in accordance with the Schedule XIV of the Companies Act, 1956. In respect of additions to the assets other than leased assets during the year where the cost of each asset does not exceed Rs.5,000/-, are written off 100%. Improvement on Leased assets and the assets created on leasehold land are written off over the primary period of lease. Intangible assets (Goodwill and software) are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years.
- ii) Fixed Assets: Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. All costs relating to up-gradations/enhancements are generally charged off as revenue expenditure unless they bring significant benefits of lasting nature.
- iii) Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

- iv) Borrowing Costs: The borrowing cost in respect of loans taken by the Company for

augmenting its resources for carrying out its regular business activity and capital expenditure, is charged to the revenue as expense in the period in which they are incurred as the assets acquired does not take a substantial period of time to get ready for its intended use.

- v) Provision for Tax : Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized using the enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of prudence in respect of deferred tax assets, on all timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

vi) Income Recognition:

- a) The Income from operational activities (net of rebate and discounts) are accounted for on accrual basis.
- b) Income in respect of other heads of Income such as dividend, interest etc. is accounted for on accrual basis. In cases where there is uncertainty of collections, the income is accounted on receipt basis.

- vii) Investments are stated at lower of cost or realizable value in accordance with applicable accounting standards.

viii) Foreign Currency Transactions:

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

ix) Retirement and Other Employee Benefits:

Gratuity liability is defined benefit obligation and is so provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of each financial year.

Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the respective authorities.

Short term/ Long term compensated absences are provided for, based on actuarial

valuation carried by an actuary as at the end of the year.

Actuarial gains/ losses are immediately taken to Profit and Loss account and are not deferred.

x) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable of equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xi) Impairment of Assets

As stipulated in accounting standard - 28 on Impairment of Assets issued by the Institute of Chartered Accounts of India, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

xii) Claims are accounted for at the time of settlement.

NOTES TO ACCOUNTS

2. Contingent Liabilities not provided for:
- i) In respect of Income Tax under appeal Rs. Nil (Previous year Rs. 20.17 lacs).
 - ii) In respect of Service Tax of Rs. 15.05 lacs (Previous Year Rs. 15.05 lacs).
 - iii) In respect of losses on account of fraud, no provision has been made as the matter is under investigation. In the absence of adequate information and pending completion of investigations likely liability of loss could not be ascertained. However, the investors' claims to the extent admitted by the Company are accounted for in the year of settlement.
 - iv) In respect of Civil Suits filed against the Company, no provision has been made as the case is pending in the courts of law. The liability of the Company could not be ascertained.
 - v) Due to certain discrepancies in some public issues handled by the company rectification of the errors is in process and consequent liability, if any, and its effect on profitability is not ascertainable. The same will be accounted for in the year of settlement.
 - vi) In respect of Bank Guarantees executed Rs 14,50,500 /- (Previous year Rs.14,50,500/-).
 - vii) The Company has given a Corporate Guarantee of Rs.256,550,000/- (Rupees Twenty Five Crore Sixty Five Lacs Fifty Thousand Only) jointly in favour of Punjab National Bank and Dena Bank on behalf of Computech International Ltd., a Company in which promoters have substantial interest (Previous Year Rs.256,550,000/-).
3. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous years. Nil) net of advances.
4. The company has taken the approval of its members in Extra Ordinary General Meeting held on 14/03/2008, for investments up to Rs. 100 Cr. (Rupees hundred crores only) in one or more tranches, by way of Equity Capital / making loans to / providing security by way of loans to be granted to, new company (ies) to be incorporated as subsidiary (ies) of this company in a foreign country. The said approval was modified in the AGM held on 30/09/2009 by authorizing the company to invest in the company (ies) other than subsidiary also. The members also ratified the action of Board of Directors for sums advanced to M/s Ferro Alloys LLC, Kyrgyzstan, a foreign company, which is not a subsidiary of this company and also authorized to give further sums by way of loans, provide security for the loans to M/s Ferro Alloys CJSC Kyrgyzstan, within the aggregate limit of Rs. 100 crores.
5. (i) The company has so far advanced sums aggregating to Rs. 27,37,94,290/- by way of :
- | | |
|-------------------------------|--------------------|
| a) Direct Remittances | Rs. 164, 942,003/- |
| b) Foreign Currency Purchases | Rs. 94,328,815/- |
| c) Expenses / Rupee Advances | Rs. 14,523,472/- |
- out of the above, shares for Rs. 25,89,44,435/- equivalent of USD 5613363 (including for Rs 94328815/- (USD 2080400) against foreign currency purchased has been allotted to the company. The balance amount of Rs. 14,849,855/- is shown as advance to M/s Ferro Alloys CJSC Kyrgyzstan.

- (ii) That M/s Ferro Alloys CJSC Kyrgyzstan on 26/11/2009 allotted 4100000 equity shares of 10 SOMS each at a premium of 40 SOMS amounting to 205000000 SOMS equivalent to 5613363 USD (conversion rate 1 USD = 36.52 SOMS) to the company.
- (iii) Due to political instability and disturbances prevailing in that country, the requisite information could not gathered from M/s Ferro Alloys CJSC Kyrgyzstan. In the absence of requisite informations (a) it could not be determined whether that company becomes subsidiary of MCS Ltd. or not, (b) present value of investment could not be determined and provisions if any, for diminishing in value of investments could not be made in the books of accounts. Thus the disclosures, if applicable, in terms of AS-21 and AS-13 could not be made.
- (iv) The Unique Identification number (UID) applied to Reserve Bank of India making overseas direct investment is yet to be allotted to the company.
6. The company has received Rs. 10,16,15,000/- from the following parties , as an advance/ loan for making investment reportedly in Kyrayzstan Project :
- | | |
|---|------------------|
| a) Kabeer Textiles Pvt. Ltd. | Rs.5,31,15,000/- |
| b) Manglam Equity Management Pvt. Ltd. | Rs.2,50,00,000/- |
| c) Mercator Lines Ltd. | Rs.2,25,00,000/- |
| d) Akshay Ispat & Ferro Alloys (P) Ltd. | Rs.10,00,000/- |
- In the absence of any agreement entered with the above parties, the nature of amount received could not be decided and the balance outstanding as on 31/03/2010 has been shown as Unsecured Loans in Schedule "D". No provision for interest payable is made in the books of accounts, as the management claims no interest is payable thereon. The balances outstanding are subject of confirmation.
7. The Building includes Rs. 79,18,698/- being the cost of building constructed on a land not belonging to the company, taken on lease . The land in question, was mortgaged to banks, and taken in possession by these banks in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The future of these assets is uncertain.
8. The Electrical equipment includes Rs. 6,93,590/- fittings on building constructed on a land not belonging to the company, taken on lease. The land in question, was mortgaged to banks, and taken in possession by these banks in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The future of these assets is uncertain.
9. During the year the company has allotted 10,50,000 equity shares of Rs. 10/- each on preferential basis to certain parties totaling Rs. 1,65,34,000/- (including premium of Rs.60,34,000/-

at a price computed as per SEBI guidelines. The amount received has been utilized for repayment of application money of convertible warrants of Rs. 1,59,00,000/- and the balance amount used for working capital requirement.

10. During the current year the company has sold its land & building along with furniture & fixtures, etc. situated at Mumbai at a total consideration of Rs.25,00,000/- (net of brokerage paid) . Since , the assets wise sales consideration is not known, total consideration is considered to have been received against building and the other assets like furniture & fixture etc. were impaired and discarded at zero value.
11. During the year the company has setteled claims of Rs. 24,56,314/-(approx). The amount paid has been shown as recoverable and included in Loans & Advances in the Balance Sheet as on 31.03.2010 instead of charging of Profit & Loss account.
12. The authorized share capital of the company as per books of accounts is Rs. 102,500,000/- , however, as per the records of Registrar of the Companies, Maharastra, same is appearing as Rs. 52,500,000/-. The difference in amount needs to be determined and corrected.
13. Amount due to Suppliers covered under Micro Small & Medium Enterprises Development (MSMED) Act, 2006, on the basis of information available with the company, is as follows :
(Rs/Lacs)

Description	Year Ended March 31, 2010
Principal amount outstanding at the end of the year	-
Interest paid during the year	-
Interest due and payable (on the amount which have been paid beyond the appointed date during the year)	-
Interest remaining accrued and unpaid at the end of the year	-
Interest due of the previous year	-

In the previous year, company had not received information from suppliers regarding their status under MSMED Act, 2006, hence previous year figures has not been disclosed.

14. Managerial Remuneration

Managerial remuneration under Section 198 of the Companies Act, 1956 and included under Payment and benefits to employees in Schedule 'J' is as under :
(Rs/Lacs)

S.No.	Particulars	Current Year	Previous Year
i)	Salary	324,000	324,000
ii)	House Rent Allowance	97,200	97,200
iii)	Contribution to Provident & other funds	-	-
iv)	Other Perquisites	67,500	67,500
v)	Directors Sitting Fees	102,000	75,000
		590,700	563,700

15. Segment reporting, as defined in Accounting Standard 17, is not applicable as the Company is engaged in the business of Register & Share Transfer Agents.

16. Deferred Tax

The break-up of net deferred tax liability as on 31.03.2010 is as under:

Particulars	Current Year as on 31.03.10 Rs.	Previous Year as on 31.03.09 Rs.
Deferred Tax Assets :		
On A/C of Expenditure u/s 43B of Income Tax Act., 1961	716,528	762,953
On A/C of Provision for doubtful debts	731,953	805,149
	<u>1,448,421</u>	<u>1,568,102</u>
Deferred Tax Liabilities :		
On A/C of timing difference of depreciation under Income Tax and Companies Act	<u>7,713,447</u>	<u>11,418,321</u>
Net Deferred Tax Liabilities/ (Assets)	<u>6,264,966</u>	<u>9,850,219</u>
Deffered Tax Liabilities / (Assets) for the year	<u>(3,585,253)</u>	<u>(5,204,271)</u>

17. Employee Benefit

The following table sets out the status of the gratuity scheme plan as at 31st March, 2010.

i) Changes in Present Value of Obligations during the period 01.04.2009 to 31.03.2010.

	31.03.2010	31.03.2009
Present value of obligation as at the beginning of the period	1,398,519	1,388,506
Interest Cost	111,575	97,195
Current Service Cost	182,443	194,670
Benefit Paid	0	(94,721)
Actuarial (gain)/loss on obligations	(212,347)	(187,131)
Present Value of obligation as at the end of the period	1,480,190	1,398,519

ii) Actuarial Gain/Loss recognized for the period 01.04.2009 to 31.03.2010

Actuarial gain/(Loss) for the period – obligation	212,347	187,131
Actuarial (gain)/loss for the period – Plan Assets	0	—
Total (gain)/loss for the period	(212,347)	(187,131)
Actuarial (gain)/loss recognized in the period	(212,347)	(187,131)
Unrecognized actuarial(gains)/losses at the end of period on 31.03.2010	0	—

iii) The amounts to be recognized in Balance Sheet and statements of Profit and Loss

Present value of Obligation as at the end of the period on 31.03.2010	1,480,190	1,398,519
Fair Value of Plan Assets as at the end of the period on 31.03.2010	0	—
Funded Status	(1,480,190)	(1,398,519)
Net Liability Recognized in Balance Sheet on 31.03.2010	1,480,190	1,398,519

iv) Expense recognized in the statement of profit and loss for the period 01.04.2009 to 31.03.2010

Current Service Cost	182,443	194,670
Past Service Cost	0	—
Interest Cost	111,575	97,195
Expected Return on Plan Assets	0	—
Net actuarial(gain)/loss recognized in the period	(212,347)	(187,131)
Expenses Recognized in the statement of Profit & Loss	81,671	104,734

Assumptions	As on 31.03.2010	As on 31.03.2009
Discount Rate	8.00%	7.00%
Rate of increase in Compensation	5.00%	4.50%
Rate of Return on Plan Assets	-----	-----
Average Outstanding Service of Employees upto Retirement	16 years	18 years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous two years are as follows :

Grauity	31.03.2010	31.03.2009	31.03.2008
Defined benefit obligation	1,480,190	1,398,519	1,388,506
Plan assets	-	-	-
Defecit	1,480,190	1,398,519	1,388,506
Experience adjustment on plan liabilities Loss / (Gain)	-	-	-
Experience adjustment on plan assets	-	-	-

18. (a) Derivatives outstanding as on 31st March, 2010 - NIL
(b) Unhedged foreign currency exposures as on 31st March, 2010 - Nil
19. Related Party Disclosures :-
- (a) Related parties with whom no transactions have taken place during the period but control exist :
- i) AXC Computers Pvt. Ltd.
 - ii) Compubell Infotech Ltd.
 - iii) Vedanth.com Worldwide Ltd.
- (b) Related parties with whom transactions have taken place during the period :
- i) Parties in which substantial interest : Computech International Ltd.
of persons having substantial interest : Surbhi Development Projects
in the company : Pvt. Ltd.
 - ii) Persons having substantial interest : Shri S K Rateria
directly or indirectly in the voting : Shri Saurabh Rateria
power of the company : Ms. Sneha Rateria
 - iii) Key Management personal : Shri Aniruddha Mitra
 - iv) Director & relative of a person : Shri Saurabh Rateria
having substantial interest
 - v) Directors : Shri Hemant Kumar
Shri Ashok Sharma
Shri A N Shanbhag

c) Transactions with related parties :

Sr. No.	Particulars	Opening Balance (Rs.)	Transactions during the year		Closing Balance (Rs.)
			Debits (Rs.)	Credits (Rs.)	
i) Parties in which substantial interest of persons having substantial interest in the company					
a)	Loan taken	NIL (NIL)	1,500,000 (NIL)	1,500,000 (NIL)	NIL (NIL)
b)	Purchase of Fixed Assets	NIL (NIL)	1,089,489 (17,900)	1,089,489 (17,900)	NIL (NIL)
c)	Service provided	NIL (759 DR)	NIL (NIL)	NIL (759)	NIL (NIL)
d)	On account of rent	426874 DR (359257 DR)	349,586 (1,853,427)	204000 (1,380,000)	572,460 DR (426874 DR)
e)	Corporate Guarantee	256,500,000 (256,500,000)	NIL NIL	NIL NIL	256,500,000 (256,500,000)
f)	Security Deposit	1,000,000 (1,000,000)	NIL NIL	NIL NIL	1,000,000 (1,000,000)
ii) Persons having substantial interest					
a)	Current Account	NIL (NIL)	2,567,017 (NIL)	2,850,000 (NIL)	117017 DR (NIL)
iii) Key management personal					
b)	Managerial Remuneration	NIL (NIL)	488,700 (488,700)	488,700 (488,700)	NIL (NIL)
iv) Directors					
a)	Sitting fees	NIL (NIL)	102,000 (62,000)	102,000 (62,000)	NIL (NIL)

- Previous year figures are given in brackets.
 - No amount has been written off or provided for in respect of transactions with the related parties.
20. Earning Per Share (EPS) computed in accordance with AS-20 on 'Earning per Share'.

Description	Current Year Rs.	Previous Year Rs.
i) Net Profit / (Loss) for the year	3,634,335	27,889,452
Less : Extraordinary Items	1,588,008	70,783,353
Net Profit / (Loss) for calculation of EPS	2,046,327	(42,893,901)
ii) Weighted average number of equity shares in calculating EPS	4,705,309	4,169,282
Number of Equity shares at the beginning of the year	4,169,282	4,169,282
Number of Equity shares issued on 20/07/2009 (outstanding for 254 days)	700,000	
Number of Equity shares issued on 08/02/2010 (outstanding for 51 days)	350,000	
Number of Equity shares at the end of the year (Paid up value Rs. 10/-)	5,219,282	4,169,282
iii) Basic EPS before extraordinary items (Rs.)	0.43	(10.29)
Basic EPS after extraordinary items (Rs.)	0.77	6.69
Diluted EPS before extraordinary items (Rs.)	0.43	(10.29)
Diluted EPS after extraordinary items (Rs.)	0.77	6.69

21. The company has entered into various lease agreements for leased premises, which expires at various dates over the next five years. The further lease payments under operating leases are as follows :

Particulars	Current Period Rs.	Previous Year Rs.
Total Lease Payment for the Year	2,103,892	3,028,112
Minimum Lease Payments		
Not Later than One Year	2,324,884	3,118,092
Later than One Year But not Later than five Years	9,299,536	12,472,368
Later than five Years	-	-

22. Other additional information pursuant to paragraph 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956, have been furnished to the extent applicable.
- i. Foreign currency outgo Nil (Previous year Nil). (Does not includes advances and expenditure incurred for Kyrgystan Project.)
 - ii Foreign Currency earning Nil (Previous Year Nil.)
23. Figures have been rounded off to the nearest rupee.
24. Previous year figures' have been regrouped and/or rearranged wherever considered necessary.

As per our report of even date
For AMOD AGRAWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. : 005780N

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 7th May, 2010

A N SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
Directors

ANIRUDDHA MITRA
Whole Time Directors

(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	YEAR ENDED 31.03.2010 Rs.	YEAR ENDED 31.03.2009 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	412,385	(41,351,362)
Adjustment for :		
Depreciation	13,392,508	20,616,086
Interest expenses	184,392	260,269
Baddebts Advances Written off (Net)	1,406,967	3,488,260
Prior Period Adjustments (Net)	1,859,594	(427,281)
Provision for Doubtful Debts	-	2,368,781
Interest Income	(119,600)	(235,773)
Dividend received	(31,726)	(31,509)
Operating profit before working capital changes	<u>17,104,520</u>	<u>(15,312,530)</u>
Adjustment for :		
Trade & other receivables	(12,969,428)	(147,949,617)
Trade payables #	(20,716,910)	(94,118,175)
Cash generated from operations	<u>(16,581,818)</u>	<u>(257,380,322)</u>
Interest paid (184,392)	(260,269)	
Direct taxes paid (Net)	(5,914,661)	(5,382,162)
Net Cash from / (used in) operating activities	<u>(22,680,870)</u>	<u>(263,022,753)</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,201,969)	(1,509,923)
Proceeds from Sale of fixed assets	2,500,000	123,122,358
Purchase of investments	-	(100,000)
Sale of investments	-	30,170
Interest /Profit on sale of Investment	119,600	235,773
Compensation Received	-	40,000,000
Dividend received	31,726	31,509
Net Cash from / (used in) investing activities	<u>(550,643)</u>	<u>161,809,887</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings #	6,798,462	1,510,294
Repayment of Long term Borrowings	(129,710)	(1,951,206)
Payment of Dividend & Tax thereon	(4,248)	(4,485)
Proceeds from Share Capital	16,534,000	-
Net cash from / (used in) financing activities	<u>23,198,505</u>	<u>93,044,309</u>
Net increase in cash and cash equivalents	(33,008)	(8,168,557)
Cash and cash Equivalents as at 01/04/2009 (Opening Balance)	7,079,938	15,248,495
Cash and cash Equivalents as at 31/03/2010* (Closing Balance)	<u>7,046,930</u>	<u>7,079,938</u>

Previous Year figures have been regrouped and / or rearranged wherever considered necessary.

* Includes Rs. 298952/- balances in Unpaid dividend a/c, not available for use by the company as represent corresponding unpaid dividend liabilities

As per our report of even date
For AMOD AGRAWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. : 005780N

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 7th May, 2010

A N SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
Directors

ANIRUDDHA MITRA
Whole Time Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	<input type="text" value="92971"/>	State Code	<input type="text" value="11"/>
Balance Sheet Date	<input type="text" value="31"/>	<input type="text" value="03"/>	<input type="text" value="2010"/>
II. Capital raised during the year (Amount in Rs. Thousands)			
	Public Issue		Right Issue
	<input type="text" value="NIL"/>		<input type="text" value="NIL"/>
	Bonus Issue		Private Placement
	<input type="text" value="NIL"/>		<input type="text" value="10,500"/>
III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)			
	Total Liabilities		Total Assets
	<input type="text" value="355,191"/>		<input type="text" value="355,191"/>
Sources of Funds	Paid-up Capital		Reserve & Surplus
	<input type="text" value="52,204"/>		<input type="text" value="182,806"/>
	Secured Loans		Unsecured Loans
	<input type="text" value="1,246"/>		<input type="text" value="101,715"/>
	Deferred Tax		
	<input type="text" value="6,265"/>		
Application of Funds	Net Fixed Assets		Investments
	<input type="text" value="45,037"/>		<input type="text" value="420"/>
	Net Current Assets		Misc. Expenditure
	<input type="text" value="298,779"/>		<input type="text" value="NIL"/>
	Accumulated Losses		
	<input type="text" value="NIL"/>		
IV Performance of Company (Amount in Rs. Thousands)			
	Turnover		Total Expenditure
	<input type="text" value="52,654"/>		<input type="text" value="52,242"/>
	+/- Profit/Loss before Tax		+/- Profit/Loss after Tax
	<input type="text" value="412"/>		<input type="text" value="3,634"/>
	Earning per share in Rs.		Dividend Rate %
	<input type="text" value="0.77"/>		<input type="text" value=""/>
V. Generic Name of three Principal Products/Services of Company (as per monetary terms)			
	Item Code No. :		
	<input type="text" value=""/>		
	Product description :REGISTRAR & SHARE TRANSFER AGENTS		

As per our report of even date
For AMOD AGRAWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. : 005780N

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 7th May, 2010

A N SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
Directors

ANIRUDDHA MITRA
Whole Time Directors

(Company Secretary)

MCS Limited

Registered Office : 21/22, Ground Floor, Kashiram Jamnadas Building
5, P. D'Mello Road, Ghadiyal Godi, Masjid East, Mumbai-400 009.

PROXY FORM DP ID No. _____

Client ID No./Folio No. _____

I/Weof.....
being a Member/Members of MCS LIMITED hereby appoint Mr./Mrs./Ms.....
of.....

as my/our Proxy vote for me/us, and on my/our behalf at the Twenty Fifth Annual General Meeting of the company, to be held at MCS Limited, 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P. D'Mello Road, Ghadiyal Godi, Masjid East, Mumbai-400 009 on 31st August 2010 at 11 A.M. and at any adjournment thereof.

Signed this.....day of.....2010

Signature

Affix 1/-
Rupee
Revenue
Stamp

- Note :**
1. The Proxy to be valid should be duly stamped with a revenue stamp of Re. 1 and executed by the member.
 2. Proxy Forms must reach to the Company's Registered Office not less than 48 hours before the meeting.

MCS Limited

Registered Office : 21/22, Ground Floor, Kashiram Jamnadas Building
5, P. D'Mello Road, Ghadiyal Godi, Masjid East, Mumbai-400 009.

ATTENDANCE SLIP

To be handed over at the entrance of Meeting Hall

DP ID No. _____

Client ID No./Folio No. _____

Name of the attending Member (In Block Letters)

Name of Proxy (In Block Letters)

No. of Shares held.....

I hereby record my presence at the TWENTY FIFTH Annual General Meeting of the Company held at MCS Limited, 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P. D'Mello Road, Ghadiyal Godi, Masjid East, Mumbai-400 009 on 31st August, 2010 at 11 A.M.

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

BOOK POST

If Undelivered please return to :
MCS LIMITED
77/2A, Hazra Road
Kolkata - 700 029



**25th
Annual Report
2009-2010**

MCS LIMITED