



**26th
Annual Report
2010-2011**

MCS LIMITED

BOARD OF DIRECTORS :

ANANT NARAYAN SHANBHAG
HEMANT KUMAR
ASHOK SHARMA
SAURABH RATERIA
ANIRUDDHA MITRA
SUBHABRATA BISWAS
AJAY DALAL
ASIM BASU

Director (Resigned on 30/07/2011)
Director
Director
Director (Resigned on 30/07/2011)
Whole Time Director (Resigned on 29/10/2010)
Whole Time Director (Appointed on 29/10/2010)
Appointed as Additional Director on 29/06/2011
Company Secretary

AUDITORS :

AMOD AGRAWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

BANKERS :

ICICI BANK
HDFC 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 Sixth 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 29th September, 2011 at 11 am to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 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. Hemant Kumar who retires by rotation at the meeting and offers 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. Ajay Dalal, who was appointed as Additional Director of the Company on 29.06.2011 and whose term expires at the 26th AGM scheduled to be held on 29th September, 2011 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 a Director of the Company, whose tenure of office will be liable to determination by retirement of rotation”.

Place : Mumbai
Date : 30th July, 2011

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 27TH SEPTEMBER, 2011.
2. The Register of Members and Register of Share Transfer shall remain closed for the period from 24.09.2011 to 29.09.2011 (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 Registered Office at 21/22, Ground floor, Kashiram Jamnadas Building, 5, P. D'mello Road, Ghadiyal Godi, Masjid East, Mumbai - 400 009
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. Hemant Kumar as Director of the company as stated in the notice shall be moved for adoption by members at the 26th 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. Hemant Kumar

He is an Independent Director in the company. He specialises in Human Resources, having substantial experience in his field.

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, 2011 may send their queries to the Registered Office of the company 10 days before the 26th 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 : 30th July, 2011

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 26th Annual General Meeting.

Item No. 4

Mr. Ajay Dalal was appointed as Additional Director by the Board of Directors on 29/06/2011, considering his high aptitude and around capability, the Board recommends the passing of the resolution for year approval.

Place : Mumbai
Date : 30th July, 2011

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 Sixth Annual Report to the members with the Audited Statement of Accounts for the year ended 31st March, 2011.

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 is not very impressive. 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 31.03.11	For the year Ended 31.03.2010
Professional Service Charges (Net)	517.55	517.99
Other Income	7.78	8.55
Total	<u>525.33</u>	<u>526.54</u>
Profit/Loss before Depreciation and Tax	-	138.05
Depreciation	132.16	(133.93)
Profit (Loss) before Tax	(42.46)	4.12
Prior Period Adjustment (Net)	(0.46)	18.60
Extra Ordinary Item	5.01	15.88
Profit after adjustment	<u>36.98</u>	<u>38.60</u>
Provision for Taxation	-	-
Current Tax	28.70	(25.14)
Fringe Benefit Tax	-	-
Taxation for earlier year	(19.28)	35.85
Deferred Tax Asset	9.42	(2.26)
Profit after Tax	(46.41)	36.34
Add : Balance of Profit brought forward from Previous Year	<u>777.08</u>	<u>740.74</u>
Balance of Profit Carried Forward	<u>730.68</u>	<u>777.08</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, 2011.

DIRECTORS:

In terms of the provisions of Section 255 and 256 of The Companies Act, 1956 Mr. Hemant Kumar shall retire by rotation at the 26th 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 26th 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.

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, 2011.

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 : 30th July, 2011

AJAY DALAL
Director

SUBHOBRATA BISWAS
Whole time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT :

The year 2010-2011 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. 517.55 lacs same as 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 : 29th July, 2011

AJAY DALAL
Director

SUBHABRATA BISWAS
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 5 (five) Directors out of which 1 (one) is Whole Time Director and 4 (Four) 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. He retires at the ensuing Annual General Meeting and shall be eligible for reappointment.
- 2) Mr. Ashok Sharma
He is an Independent Director. He is an Industrialist and is on the Board of Directors of other Companies also.
- 3) Mr. A.N. Shanbhag (Resigned on 30.07.2011)
He is an Independent and Professional Director. He is an Investment Consultant and has over 44 years of experience in financial, investment matters.
- 4) Mr. Subhabrata Biswas (Resigned on 30.07.2011)
He is a Commerce Graduate and has 25 years of experience in similar and allied field in which your Company is engaged. He is associated with the company for long time and appointed as whole time Director.
- 5) Mr. Saurabha Rateria (Resigned on 30.07.2011)
He is an industrialist and has multifarious experience of business.
- 6) Mr. Ajay Dalal (Appointed on 30.07.2011)
He is a commerce graduate and has wide experience which the company wants to encash and his long association with the Company is the criteria for his appointment as Director.

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	4
Mr. Hemant Kumar	1	3	1	YES	4
Mr. Ashok Sharma	5	3	1	YES	4
Mr. Aniruddha Mitra	0	0	0	YES	3
Mr. Saurabh Rateria	0	0	0	YES	3
Mr. Subhabrata Biswas	0	0	0	YES	2

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

	07.05.10	28.07.10	29.10.10	28.01.11
Mr. A.N. Shanbhag	Yes	Yes	Yes	Yes
Mr. Hemant Kumar	Yes	Yes	Yes	Yes
Mr. Ashok Sharma	Yes	Yes	Yes	Yes
Mr. Aniruddha Mitra	Yes	Yes	Yes	Yes

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

NAME	AMOUNT Rs.
Mr. Aniruddha Mitra	4,09,200
Total	4,09,200

- * 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	4	-	28,800
Mr. Ashok Sharma	4	4	28,800
Mr. Hemant Kumar	4	4	28,800
Mr. Saurabh Rateria	3	-	21,600
Total			1,08,000

AUDIT COMMITTEE
COMPOSITION

The composition of the Audit Committee is as under. During the Financial year 2010-2011 four meetings of Audit Committee were held on 07.05.10, 28.07.10, 29.10.10 & 28.01.11 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 2010-2011, No meeting of the Remuneration Committee was held as the same was not required.

SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE

During the Financial year 2010-11 meeting of Investors Grievance Committee was held on 28/01/2011 . 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, 2010 to March 31, 2011 are as under :

Description	Number
Number of shareholders complaints received	4
Number of shareholders complaints redressed	4
Number of shareholders complaints pending	Nil

SHARE TRANSFER COMMITTEE

The Share Transfer Committee consisted of Whole Time Director, Mr. Subhabrata Biswas 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, 2011 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, 2011 will be held on 29th September, 2011. 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 2011 and the Audit Report for each quarter submitted to Stock Exchange, Mumbai.

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. Subhabrata Biswas 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 2011 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 certificate given by Company Secretary as on Annexure to the Directors' Report.

SHAREHOLDERS INFORMATION

DETAILS OF TWENTY SIXTH ANNUAL GENERAL MEETING

DATE	29th September, 2011
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 2011 to March 2012
First Quarter Results	3 rd /4 th week of July 2011
Half Yearly and second quarter Results	3 rd /4 th week of October 2011
Third Quarter Results	3 rd /4 th week of January 2012
Audited Results for the year ended March 31, 2012	May/June 2012
Book Closure Period	24th September, 2011 to 29th September, 2011 (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, 2011 are as follows :

	No of Shareholders	Shares	% to Total Capital
Held in dematerialized form in CDSL	759	460196	8.82
Held in dematerialized form in NSDL	2140	4388920	84.09
Held in Physical mode	5111	370166	7.09
Total	8010	5219282	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 2010	34.45	15.4	333,987
May 2010	34.8	28	194,313
June 2010	33.95	27.85	58,985
July 2010	42.3	32	83,143
August 2010	35.7	26.55	57,541
September 2010	30.95	24	76,763
October 2010	30	24.25	59,240
November 2010	28.75	22	63,566
December 2010	26.9	19	30,806
January 2011	24.15	18.9	12,322
February 2011	20.85	16.3	10,743
March 2011	19.9	15.55	12,685

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, 2011

No of equity share held	Folio	%	Shares	%
UPTO 500	7548	94.232	660076	12.647
501-1000	223	2.784	185867	3.561
1001-2000	108	1.348	173641	3.327
2001-3000	42	0.524	104644	2.005
3001-4000	21	0.262	75185	1.441
4001-5000	21	0.262	99046	1.898
5001-10000	20	0.250	144876	2.776
10001 AND ABOVE	27	0.337	3775947	72.346
TOTAL*	8010	100.000	5219282	100.000

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2011

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.)	400	0.0077
c.	FII's	NIL	NIL
	Sub - Total	500	-
C.	Others		
a.	Private Corporate Bodies	1168897	22.39
b.	Indian Public	1960835	37.56
c.	NRI's / OCBs	2997	.0574
d.	Any other (please specify)	NIL	NIL
	Sub - Total	3132729	-
	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, 2011

Sl No	Name of Holder	No. of Shares	% of Total Capital
A	Promoter's Holding		
	1 Mr. Saurabh Rateria	1283553	20.82
	2 Ms. Sneha Rateria	800000	15.33
	3 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 Sub - Total	400	0.0077
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) Kamal Sarda	103012	1.97
2) Bhavesh Dhiresbhai Shah	74403	1.43	
Sub - Total	1227415	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

Date : 30th July, 2011

Declaration by Whole time Director (CEO) under clause 49 of the Listing Agreement

To

The Members of
MCS Limited.

I, Subhabrata Biswas, 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, 2011.

Place : Mumbai

Date : 30th July, 2011

For and on behalf of the Board of Directors

SUBHABRATA BISWAS

Whole Time Director

COMPLIANCE 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, 2011, 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 conducted the affairs of the Company.

Place : Kolkata

Date : 30th July, 2011

ASIM BASU

Company Secretary

Membership No : ACS 2662

AUDITOR'S REPORT

To The shareholders of MCS Ltd.

1. We have audited the attached balance sheet of MCS Ltd., as at 31st March 2011, 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. Without qualifying our opinion, going concern status of the company is significantly dependent on its ability to meet financial obligations 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. (Also refer qualification in paragraph no 5 & 6 below).
5. As discussed in the Note 4 (i to iv) of Schedule N to the financial statements, investment of Rs. 25,89,44,435/- and advances of Rs. 2,33,81,435/- made in a foreign company, could not be fully verified in the absence of adequate information and related documents made available to us. Consequently, the requisite disclosures and provision for diminution in value of investments and advances have not been made.
6. No provision of interest on unsecured loans has been made, as the management claims no interest is payable thereon and consequent impact on financial statements could not be determined. The balances outstanding are subject to confirmation.
7. 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 the 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) to 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) In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the provisions that would have been required had the information and related documents referred to in paragraphs 5 and 6 been made available, the said balance sheet and profit and loss account, together with other notes thereon, 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 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Amod Agrawal & Associates
Chartered Accountants
Firm Registration No. : 005780N

RAJU GOYAL
Partner

Membership No. : 073020

Place : New Delhi
Dated : 29th June, 2011

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. As informed no physical verification was carried out during the year. 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. 8 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. However, during the year no transaction exceeding value of Rs. Five lakhs have been entered .

6. As informed the Company has not accepted any deposits from the public.
7. In our opinion, the Company's internal audit system does not commensurate with the size and nature of its business, and 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 outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable .
 - 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 proceeding financial year. However, the accumulated losses at the end of the financial year will not be less than 50% of its net worth, had the provision for diminution in value of investments to the tune of Rs.25,89,44,435/ and provision for doubtful debts of Rs. 2,33,81,438/- been made in the financial statements.
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 : 29th June, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at 31.03.2011		As at 31.03.2010	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
Shareholders' Fund					
1. Share Capital	A	52,203,857		52,203,857	
2. Reserve & Surplus	B	178,164,610		182,805,580	
Loan Funds					
Secured Loans	C	595,308		1,246,372	
Unsecured Loan	D	97,015,000		101,715,000	
Deferred Tax Liability(Net)		4,337,309		6,264,966	
TOTAL		332,316,084		344,235,775	
II. APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	115,228,246		116,959,032	
Less : Depreciation		83,889,550		71,919,027	
Net Block		31,338,695		45,037,005	
Investments	F	259,364,435		259,364,605	
Current Assets, Loans & Advances					
1. Current Assets					
Sundry Debtors		12,831,931		12,947,203	
Cash and Bank Balances		9,527,604		7,046,930	
Other Current Assets		3,595,348		3,480,199	
2. Loans & Advances		33,320,653		27,315,519	
		<u>59,275,535</u>		<u>50,789,851</u>	
Less: Current Liabilities & Provisions H					
Current Liabilities		15,543,960		9,139,017	
Provisions		2,118,622		1,816,669	
		<u>17,662,582</u>		<u>10,955,686</u>	
Net Current Assets		41,612,953		39,834,165	
TOTAL		332,316,084		344,235,775	
Notes Forming part of Accounts	N				

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

A N SHANBHAG
SAURABH RATERIA
ASHOK SHARMA
Directors

SUBHARATA BISWAS
Whole Time Directors

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 29th June, 2011

PROFIT AND LOSS A/C FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
INCOME			
Professional Services (Gross)		57,697,569	57,133,766
Service Tax		5,942,850	5,335,247
Professional Services Net		51,754,720	51,798,519
Other Income	I	777,767	855,367
TOTAL		52,532,487	52,653,886
EXPENDITURE			
Payments & Benefits to Employees	J	16,480,476	17,204,596
Operating Expenditure	K	10,468,226	7,321,917
Administrative & Other Expenditure	L	16,266,611	14,066,335
Financial Expenses	M	346,768	256,146
Depreciation		13,215,917	13,392,508
TOTAL		56,777,998	52,241,501
Profit /(Loss) before Taxation, Prior Period Adjustments & Extra Ordinary Items		(4,245,511)	412,385
Prior Period Adjustment (Net)		(46,124)	(1,859,594)
Extra Ordinary Items-Profit on Sale of Assets		500,915	1,588,008
Profit before tax		(3,698,472)	3,859,987
Provision for Current Tax		2,870,156	2,514,395
Taxation of Earlier Years(Net)		-	1,296,510
Deferred Tax liability/(Assets)		(1,927,657)	(3,585,253)
Net Profit for the year		(4,640,971)	3,634,335
Balance brought forward		77,708,620	74,074,285
Profit available for appropriation		73,067,649	77,708,620
Proposed Dividend on Equity Shares			
Provision for Tax on Proposed Dividend on Equity Shares			
Profit carried forward to Balance Sheet		73,067,649	77,708,620
Earnings per Share (Face Value Rs. 10 per share)			
Basic Before Extra Ordinary Items (in Rs.)		(0.98)	0.43
Basic After Extra Ordinary Items (in Rs.)		(0.89)	0.77
Diluted Before Extra Ordinary Items (in Rs.)		(0.98)	0.43
Diluted After Extra Ordinary Items (in Rs.)		(0.89)	0.77
Notes Forming part of Accounts	N		

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

A N SHANBHAG
SAURABH RATERIA
ASHOK SHARMA
Directors

SUBHARATA BISWAS
Whole Time Directors

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 29th June, 2011

SCHEDULE 'A'
SHARE CAPITAL

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
AUTHORISED CAPITAL		
10,250,000 (Previous Year 10,000,000)	<u>102,500,000</u>	<u>102,500,000</u>
Equity Shares of Rs.10/- each ISSUED & SUBSCRIBED		
5,223,697 (Previous year 4,173,697)		
Equity Shares of Rs. 10/- each PAID UP	<u>52,236,970</u>	<u>52,236,970</u>
5,219,282 (Previous year 4,169,282)	52,192,820	52,192,820
Equity Shares of Rs.10/- each fully paid ADD : FORFEITED SHARES (4415 Equity shares paid @ 2.50 per share)	11,037	11,037
	<u>52,203,857</u>	<u>52,203,857</u>

SCHEDULE 'B'
RESERVES & SURPLUS

	As at 31.03.2010 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	As at 31.03.2011 Rs.
Share Premium	29,414,825	-	-	29,414,825
Capital Reserve	39,800,420	-	-	39,800,420
General Reserve	35,881,714	-	-	35,881,714
Surplus in Profit & Loss Account	77,708,622	(4,640,971)	-	77,067,651
TOTAL	<u>182,805,581</u>	<u>(4,640,971)</u>	<u>-</u>	<u>178,164,610</u>

SCHEDULE 'C'
SECURED LOANS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1. TERM LOAN		
Long Term Vehicle loan from		
a) HDFC Bank	593,059	1,116,222
b) ICICI Bank	2,249	130,150
(Secured by hypothecation of specified vehicles.)		
TOTAL	<u>595,308</u>	<u>1,246,372</u>
Long Term Loan repayable within next 12 months Rs. /- (Previous Year Rs. 838273/-)		

SCHEDULE 'D'
UNSECURED LOANS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
From Body Corporates	97,015,000	101,715,000
TOTAL	<u>97,015,000</u>	<u>101,715,000</u>



**SCHEDULE 'E'
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST		SALES/		ADJUSTMENT/		FOR THE		TOTAL	
	AS AT	DURING	ADJUST-	COST	TOTAL	WRITTEN	PERIOD ENDED	UPTO	AS AT	AS AT
01.04.2010	THE YEAR	MENT	31.03.2011	31.03.2010	BACK	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2010
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
BUILDINGS *	14,194,122	-	960,000	13,234,122	7,650,992	237,499	930,103	8,343,596	4,800,326	6,543,130
PLANT & MACHINERY	875,000	-	875,000	-	768,914	784,034	15,120	-	-	106,086
COMPUTER EQUIPMENTS	27,335,693	290,840	-	27,626,533	17,630,924	-	4,414,971	22,045,895	5,580,638	9,704,769
FURNITURE & FIXTURE	4,439,454	-	-	4,439,454	2,214,955	-	260,239	2,475,194	1,964,260	2,224,499
OFFICE EQUIPMENTS	1,325,863	27,663	-	1,353,526	660,729	-	64,070	724,799	628,727	665,134
AIRCONDITION EQUIPMENTS	2,406,079	-	-	2,406,079	729,085	-	114,088	843,173	1,562,906	1,676,994
VEHICLES	20,670,814	356,262	567,551	20,459,525	8,261,191	223,860.87	1,963,497	10,000,827	10,458,698	12,408,623
ELECTRICAL EQUIPMENTS*	2,492,837	-	-	2,492,837	928,410	-	154,576	1,082,986	1,409,851	1,564,427
SUB TOTAL	73,739,862	674,765	2,402,551	72,012,076	38,845,200	1,245,394	7,916,665	45,516,470	26,495,605	34,894,662
INTANGIBLE ASSETS										
SOFTWARES	43,216,170	-	-	43,216,170	33,073,827	-	5,299,253	38,373,080	4,843,090	10,142,343
SUB TOTAL	43,216,170	-	-	43,216,170	33,073,827	-	5,299,253	38,373,080	4,843,090	10,142,343
GRAND TOTAL	116,956,032	674,765	2,402,551	115,228,245,60	71,919,027	1,245,394	13,215,918	83,889,550	31,338,695	45,037,005
PREVIOUS YEAR	126,883,376	3,201,969	13,129,313	116,956,032	70,743,840	12,217,321	13,392,508	71,919,027	45,037,005	56,139,536

NOTES :

- * Buildings includes :
- ii) Rs. 7,918,698/- building on Lease land not belonging to the Company.
- ii) Rs. 12,99,955/- 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 01.04.2010		Purchases		Sales		As at 31.03.2011	
	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number	Rs.	Number
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		0	0
In Foreign Company										
Ferro Alloys CJSC ***	12.63	4,100,000	258,944,435						4,100,000	258,944,435
Total Investments		4,100,048	259,364,605	0	0	4	170		4,100,044	259,364,435

* 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.

Aggregated Market Value of Company's Unquoted Investments other than Investment in Foreign Company.

420,000
<u>420,000</u>

SCHEDULE 'G'
CURRENT ASSETS, LOANS & ADVANCES

	As at		As at	
	31.03.2011		31.03.2010	
	Rs.	Rs.	Rs.	Rs.
A. CURRENT ASSETS				
(Unsecured considered good unless otherwise stated)				
i) Sundry Debtors				
Debits outstanding for more than Six Month				
Considered Good	10,931,284		4,144,136	
Considered doubtful	-		2,368,781	
	<u>10,931,284</u>		<u>6,512,917</u>	
Other Debts - considered Good	5,814,217		8,803,067	
	<u>16,745,501</u>		<u>15,315,984</u>	
Less : Provision for Doubtful Debts	<u>3,913,570</u>		<u>2,368,781</u>	
		<u>12,831,931</u>		<u>12,947,203</u>
ii) Cash & Bank Balances				
Cash in hand	589,768		72,567	
Balance with Scheduled Banks in :				
a) Current Accounts	4,029,116		5,184,211	
b) Unpaid Dividend	298,778		298,952	
c) Fixed Deposits (Pledged with bank for issuing Bank Guarantees)	4,604,158		1,475,500	
d) Unutilized Franking Balance	5,783	<u>9,527,604</u>	15,700	<u>7,046,930</u>
iii) Others Current Assets				
a) Security Deposits	3,495,364		3,173,956	
b) Prepaid Expenses	99,983		78,193	
c) Interest accrued on Fixed Deposit	-	<u>3,595,348</u>	<u>228,050</u>	<u>3,480,199</u>
B. LOANS & ADVANCES				
(Unsecured considered good unless otherwise stated)				
i) Loan to Body Corporates		2,032,499		1,834,385
ii) Advance for Kygystan Project		23,381,438		14,849,855
iii) Advances recoverable in cash or in kind or for value to be received				
a) Advances (Includes Rs. Nil due from a director)		759,150		4,065,567
b) Tax Deducted at Source	19,403,356		16,213,924	
Less : Opening Balance of Prov. for Income Tax	<u>9,777,692</u>		<u>6,234,524</u>	
	<u>9,625,664</u>		<u>9,979,400</u>	
Less : Prov. for Tax made during the Year	<u>2,807,462</u>	6,818,202	<u>3,743,052</u>	6,236,348
c) Fringe Benefit Tax		<u>329,364</u>		<u>329,364</u>
TOTAL		<u>33,320,653</u>		<u>27,315,519</u>

SCHEDULE 'H'
CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
A. CURRENT LIABILITIES		
i) Advance from Customers	1,680,895	1,567,791
ii) Sundry Creditors :		
Due to Micro, Small Enterprises	-	-
Due to Others	11,240,847	3,715,037
Due to Director	69,983	-
iii) Unaccrued Income	-	-
iv) Other Advance	-	-
v) Other Liabilities	2,253,358	3,557,238
vi) Unpaid Dividend	298,878	298,952
B. PROVISIONS		
Fringe Benefit Tax :		
Opening Balance	-	577,066
Provision Made during the Year	-	-
Less : Paid during the Year	-	577,066
Wealth Tax :		
Opening Balance	67,853	89,203
Provision Made during the Year	62,694	67,853
Less : Paid during the Year	67,853	89,203
Leave Encashment	339,460	268,626
Staff Gratuity	1,716,468	1,480,190
TOTAL	<u>2,118,622</u>	<u>1,816,669</u>

SCHEDULE 'I'
OTHER INCOME

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Interest on Fixed Deposit-Gross (Tax Deducted at Source Rs.2,577/- (Previous Year NIL)	93,013	119,600
Interest - Others (Tax Deducted at Source) Rs.22,012/- (Previous Year NIL)	220,126	376,239
Dividend-Gross	39,870	31,726
Balances Written Back (Net)	302,396	83,921
Bad debt Recovered	4,177	134,845
Miscellaneous Income	118,185	109,036
TOTAL	<u>777,767</u>	<u>855,367</u>

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

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Salaries, Wages & Bonus	15,303,188	15,870,015
Contribution to Provident & Other Funds	888,736	1,007,788
Welfare Expenses	<u>288,553</u>	<u>326,793</u>
TOTAL	<u>16,480,476</u>	<u>17,204,596</u>

**SCHEDULE 'K'
OPERATING EXPENDITURE**

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Processing Expenses	468,597	388,914
Claims Settled	4,069,177	766,215
Computer Consumables	30,640	60,858
Computer (Plant) Maintenance Charges	516,435	449,663
Postage & Stamp Duty	2,058,506	2,071,823
Printing & Stationery	1,641,459	1,719,438
Electricity & Water Charges	1,423,431	1,484,138
Courier, Forwarding & Freight	<u>259,981</u>	<u>380,868</u>
TOTAL	<u>10,468,226</u>	<u>7,321,917</u>

SCHEDULE 'L'
ADMINISTRATIVE & OTHER EXPENSES

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Rent	2,239,500	2,103,892
Rates & Taxes	721,481	958,347
Travelling & Conveyance	1,594,552	2,749,674
Legal & Professional Charges	3,853,745	3,081,728
Security Service Charges	15,242	45,544
Telephone & Telex	809,066	897,975
Repairs & Maintenance (Building)	210,776	130,924
Repairs & Maintenance (Others)	359,661	894,415
Auditors' Remuneration (net of service tax)		
- Statutory Audit	425,000	425,000
- Tax Audit	75,000	75,000
Advertisement	59,851	-
Insurance	126,812	129,756
Vehicle Running & Maintenance	1,302,499	262,595
Bad debts /Advances Written off (Net)	2,251,809	1,406,967
Business Promotion	30,163	134,154
Miscellaneous Expenses	635,700	770,366
Loss on Sale/Discard of Assets	10,966	-
Provision for Doubtful Debts	1,544,789	-
TOTAL	16,266,611	14,066,335

SCHEDULE 'M'
FINANCIAL EXPENSES

	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Interest on Term / Vehicles Loans	103,987	184,292
Other Interest	180,680	100
Bank Charges	62,101	71,754
TOTAL	346,768	256,146

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:**
- ix) **Retirement and Other Employee Benefits:**

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.

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 Accountants 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 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.
 - ii. 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.
 - iii. 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.
 - iv. In respect of Bank Guarantees executed Rs.14,50,500/- (Previous year Rs.14,50,500/-).
 - v. 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 invested sums aggregating to Rs. 28,23,25,873/- detailed as under
- | | |
|-------------------------------|--------------------|
| 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. 2,33,81,438/- 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 for making overseas direct investment is yet to be allotted to the company.
5. The company has received Rs. 9,70,15,000/- from the following parties, as an advance/loan for making investment reportedly in Kyrgyzstan Project :
- | | |
|---|-------------------|
| a) Kabeer Textiles Pvt. Ltd. | Rs. 5,31,15,000/- |
| b) Manglam Equity Management Pvt Ltd. | Rs. 2,03,00,000/- |
| 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 with the above parties, the nature of amount received could not be decided and the balance outstanding as on 31/03/2011 has been shown as Unsecured Loans in schedule "D". No provision for interest is made in the books of accounts, as the management claims no interest is payable thereon. The balances outstanding are subject of confirmation.

6. 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.
7. 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.
8. During the current year the company has sold its office building along with furniture & fixtures, etc. situated at Ahmedabad at a total consideration of Rs. 12,00,000/- (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 & fixtures etc. were impaired and discarded at zero value.

9. The authorized share capital of the company as per books of accounts is Rs. 10,25,00,000/-, however, as per the records of Registrar of the Companies, Maharashtra, same is appearing as Rs. 5,25,00,000/-. The difference in amount needs to be determined and corrected.
10. 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, 2011
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.

11. 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	239,000	324,000
ii)	House Rent Allowance	71,700	97,200
iii)	Contribution to Provident & other funds	-	-
iv)	Other Perquisites	44,285	67,500
v)	Directors Sitting Fees	108,000	102,000
		456,985	590,700

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

13. Deferred Tax

The break-up of net deferred tax liability as on 31.03.2011 is as under:

Particulars	Current Year as on 31.03.11 Rs.	Previous Year as on 31.03.10 Rs.
Deferred Tax Assets :		
On A/C of Expenditure u/s 43B of Income Tax Act., 1961	7,87,867	7,16,528
On A/C of Provision for doubtful debts	7,31,953	7,31,953
	<u>15,19,820</u>	<u>14,48,421</u>
Deferred Tax Liabilities :		
On A/C of timing difference of depreciation under Income Tax and Companies Act	58,57,129	77,13,447
Net Deffered Tax Liabilities/ (Assets)	43,37,309	62,64,966
Deffered Tax Liabilities / (Assets) for the year	<u>(19,27,657)</u>	<u>(35,85,253)</u>

Deferred tax assets for the year of Rs.19,27,657/- (Prev. year Rs.35,85,253/-) has been recognized in the books of accounts.

14. Employee Benefit

The following table sets out the status of the gratuity scheme plan as at 31st March, 2011.

i) Changes in Present Value of Obligations during the period 01.04.2010 to 31.03.2011

	31.03.2011	31.03.2010
Present value of obligation as at the beginning of the period	1,480,190	1,398,519
Interest Cost	121,781	111,575
Current Service Cost	175,828	182,443
Benefit Paid	0	0
Actuarial (gain)/loss on obligations	(61,331)	(212,347)
Present Value of obligation as at the end of the period	1,716,468	1,480,190

ii) Actuarial Gain/Loss recognized for the period 01.04.2010 to 31.03.2011

Actuarial gain/(Loss) for the period – obligation	61,331	212,347
Actuarial (gain)/loss for the period – Plan Assets	0	0
Total (gain)/loss for the period	(61331)	(212347)
Actuarial (gain)/loss recognized in the period	(61331)	(212347)
Unrecognized actuarial(gains)/losses at the end of period on 31.03.2011	0	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 31.03.2011	1,716,468	1,480,190
Fair Value of Plan Assets as at the end of the period on 31.03.2011	0	0
Funded Status	(1,716,468)	(1,480,190)
Net Liability Recognized in Balance Sheet on 31.03.2010	1,716,468	1,480,190

iv) Expense recognized in the statement of profit and loss for the period 01.04.2010 to 31.03.2011

Current Service Cost	175,828	182,443
Past Service Cost	0	0
Interest Cost	121,781	111,575
Expected Return on Plan Assets	0	0
Net actuarial(gain)/loss recognized in the period	(61,331)	(212,347)
Expenses Recognized in the statement of Profit & Loss	236,278	81,671

Assumptions	As on 31.03.2011	As on 31.03.2010
Discount Rate	8.25%	8.00%
Rate of increase in Compensation	5.00%	5.00%
Rate of Return on Plan Assets	-	-
Average Outstanding Service of Employees upto Retirement	15 years	16 years

Gravuity	31.03.2011	31.03.2010	31.03.2009
Defined benefit obligation	1,716,468	1,480,190	1,398,519
Plan assets	-	-	-
Defecit	1,716,468	1,480,190	1,398,519
Experience adjustment on plan liabilities Loss / (Gain)	-	-	-
Experience adjustment on plan assets	-	-	-

15. a) Derivatives outstanding as on 31st March, 2011 – NIL
b) Unhedged foreign currency exposures as on 31st March, 2011 – NIL –
16. 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
- b) Related parties with whom transactions have taken place during the period:
- i) Parties in which substantial interest of persons having substantial interest in the company : Computech International Ltd.
Surbhi Development
Projects Pvt. Ltd.
 - ii) Persons having substantial interest directly or indirectly in the voting power of the company. : Shri S K Rateria
Shri Saurabh Rateria
Ms. Sneha Rateria
 - iii) Key management personal : Shri Aniruddha Mitra
 - iv) Director & relative of a person having substantial interest : Shri Saurabh Rateria
 - 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)	NIL (1,500,000)	NIL (1,500,000)	NIL (NIL)
b)	Purchase of Fixed Assets	NIL (NIL)	NIL (1,089,489)	NIL (1,089,489)	NIL (NIL)
c)	Service provided	572,460 DR (426,874 DR)	NIL (349,586)	183,000 (204,000)	388,860 DR (572,460)
d)	On account of rent	256,500,000 (256,500,000)	NIL NIL	NIL NIL	256,500,000 (NIL)
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	117,017 DR (NIL)	92,500 (2,967,017)	279,500 (2,850,000)	69,983 CR (117,017 DR)
iii) Key management personal					
b)	Managerial Remuneration	NIL (NIL)	354,985 (488,700)	354,985 (488,700)	NIL (NIL)
iv) Directors					
a)	Sitting fees	NIL (NIL)	108,000 (102,000)	108,000 (102,000)	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.

Description		Current Year Rs.	Previous Year Rs.
i)	Net Profit / (Loss) for the year	4,640,971	3,634,335
	Less : Extraordinary Items	500,915	1,588,008
	Net Profit / (Loss) for calculation of EPS	(5,141,886)	2,046,327
ii)	Weighted average number of equity shares in calculating EPS	4,705,309	4,705,309
	Number of Equity shares at the beginning of the year	5,219,282	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	5,219,282
iii)	Basic EPS before extraordinary items (Rs.)	(0.98)	0.43
	Basic EPS after extraordinary items (Rs.)	(0.89)	0.77
	Diluted EPS before extraordinary items (Rs.)	(0.98)	0.43
	Diluted EPS after extraordinary items (Rs.)	(0.89)	0.77

Particulars	Current Period Rs.	Previous Year Rs.
Total Lease Payment for the Year	2,239,500	2,103,892
Minimum Lease Payments		
Not Later than One Year	2,239,500	2,324,884
Later than One Year But not Later than five Years	8,958,000	9,299,536
Later than five Years	-	-

19. 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 earnings Nil (Previous Year Nil.)
20. Figures have been rounded off to the nearest rupee.
21. 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

A N SHANBHAG
ASHOK SHARMA
SAURABH RATERIA
Directors

SUBHARATA BISWAS
Whole Time Directors

Raju Goyal
Partner (M. No. 073020)
Place : New Delhi
Date : 29.06.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

Rs.	YEAR ENDED 31.03.2011 Rs.	YEAR ENDED 31.03.2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	(4,245,511)	412,385
Adjustment for :		
Depreciation	13,215,917	13,392,508
Interest expenses	284,667	184,392
Baddebts Advances Written off (Net)	2,251,809	1,406,967
Prior Period Adjustments (Net)	46,124	1,859,594
Provision for Doubtful Debts	1,544,789	-
Interest Income	(93,013)	(119,600)
Dividend received	(39,870)	(31,726)
Operating profit before working capital changes	<u>12,964,911</u>	<u>17,104,520</u>
Adjustment for :		
Trade & other receivables	(9,357,575)	(12,969,428)
Trade payables #	6,860,918	(20,716,910)
Cash generated from operations	<u>10,468,253</u>	<u>(16,581,818)</u>
Interest paid	(284,667)	(184,392)
Direct taxes paid (Net)	(3,457,169)	(5,914,661)
Net Cash from / (used in) operating activities	<u>6,726,418</u>	<u>(22,680,870)</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(674,765)	(3,201,969)
Proceeds from Sale of fixed assets	1,647,107	2,500,000
Purchase of investments	-	-
Sale of investments	170	-
Interest /Profit on sale of Investment	93,013	119,600
Compensation Received	-	-
Dividend received	39,870	31,726
Net Cash from / (used in) investing activities	<u>1,105,395</u>	<u>(550,643)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings #	-	6,798,462
Repayment of Long term Borrowings	(5,351,064)	(129,710)
Payment of Dividend & Tax thereon	(74)	(4,248)
Proceeds from Share Capital	-	16,534,000
Net cash from / (used in) financing activities	<u>(5,351,138)</u>	<u>23,198,505</u>
Net increase in cash and cash equivalents	2,480,675	(33,008)
Cash and cash Equivalents as at 01/04/2010 (Opening Balance)	7,046,930	7,079,938
Cash and cash Equivalents as at 31/03/2011* (Closing Balance)	<u>9,527,604</u>	<u>7,046,930</u>

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

* Includes Rs. 298878/- 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 : 30.06.2011

A N SHANBHAG
ASHOK SHARMA
SAURABH RATERIA
Directors

SUBHARATA BISWAS
Whole Time Directors

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/We of.....
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 Sixth 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 29th September, 2011 at 11 A.M. and at any adjournment thereof.

Signed this.....day of.....2011

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 SIXTH 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 29th September, 2011 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