



**27th  
Annual Report  
2011-2012**

**MCS LIMITED**

## BOARD OF DIRECTORS

Parshuram V Bhuwad  
Whole Time Director (Appointed On 02/04/2012)

Bajrang Agarwal  
Whole Time Director (Resigned On 02/04/2012)

Hemant Kumar  
Director

Ajay Dalal  
Director

Ashok Sharma  
Director (Resigned On 29/09/2011)

Hiren Vyas  
Company Secretary

## AUDITORS

Amod Agrawal & Associates  
Chartered Accountants

## BANKERS

ICICI BANK  
HDFC BANK

## REGD. OFFICE :

21/22, Ground Floor,  
Kashiram Jamnadas Building,  
5, P.D. Mello Road,  
Ghadiyal Godi Masjid East,  
Mumbai-400009  
Tel. No. : (022) 2372 6253  
Fax No. : (022) 23726256  
Email: mcspanvel@yahoo.co.in

## CONTENTS

## PAGE No.

Notice of Annual General Meeting .....	2
Directors' Report .....	5
Report on Coporate Governance .....	9
Auditors' Certificate on Coporate Governance .....	19
Auditors' Report .....	20
Balance Sheet .....	25
Profit & Loss Account .....	26
Schedules to Accounts .....	27
Notes to Accounts .....	36
Cash Flow Statment .....	43
Proxy & Attendance Form .....	45

## **NOTICE**

**Notice** is hereby given that the Twenty seventh 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. Mello Road, Ghadiyal Godi Masjid East, Mumbai-400009 on 17<sup>th</sup> September 2012 at 11.00 am to transact the following business

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2012 and the Profit and Loss Account for the year ended on that date together with the report of the Auditor and Directors thereon.
2. To appoint a Director in place of Mr. Ajay Dalal who retire by rotation at the meeting and offer himself for reappointment.
3. To appoint auditors to hold office from the conclusion of the meeting up to 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. Parshuram V Bhuwad who was appointed as whole time director at the meeting of the board of directors of the company held on 04<sup>th</sup> May 2012 with effect from 02<sup>nd</sup> April 2012 and in respect of whom the company received a notice u/s 257 of the Act, from a member as a director proposing his candidature for the office of whole time director, be and is hereby appoints as a whole time director of the company, whose tenure of office will not be liable to determination by retirement of rotation."

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

By order of the Board

**For MCS LTD**  
Hiren Vyas  
Company Secretary

**Registered Office:**  
21/22, Ground Floor  
Kashiram Jamnadas Building  
5, P.D.. Mello Road  
Ghadiyal Godi,  
Masjid East  
Mumbai-400009

**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 OF 15<sup>th</sup> SEPTEMBER, 2012.
2. The Register of Member and Register of Share Transfer shall remain closed for the period from 9<sup>th</sup> September 2012 to 15<sup>th</sup> September 2012 (both days inclusive).
3. Member holding shares in physical form are requested to notify/sent 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-400009
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. Ajay Dalal as Director of the company as stated in the notice shall be moved for adoption by members at the 27<sup>th</sup> 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 herein :

**Mr. Ajay Dalal**

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 reappointment as Director.

6. Members, who wish to obtain information on accounts for the financial year ended 31st March 2012, may send their queries to the Registered Office of the company 10 days before the 27<sup>th</sup> Annual General Meeting.
7. Members are requested to bring their attendance slip along with copy of the Annual Report to the 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.

By order of the Board

Place: Mumbai  
Date: 30<sup>TH</sup> MAY, 2012

**FOR MCS LTD**  
Hiren Vyas  
Company Secretary

Registered Office:  
21/22, Ground Floor  
Kashiram Jamnadas Building  
5, P.D.. Mello Road  
Ghadiyal Godi,  
Masjid East  
Mumbai-400009



## 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 27<sup>th</sup> Annual General Meeting.**

**Item no. 4**

Mr. Parshuram V Bhuwad was appointed as Whole time Director by the Board of Directors on 04/05/2012 considering his high aptitude and alround capability, the Board recommends the passing of the resolution for year approval

By order of the Board

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

**FOR MCS LTD**  
Hiren Vyas  
Company Secretary

Registered Office:  
21/22, Ground Floor  
Kashiram Jamnadas Building  
5, P.D. Mello Road  
Ghadiyal Godi,  
Masjid East  
Mumbai-400009

## **DIRECTORS REPORT**

To

The Members,

Your Directors hereby present their Twenty seventh Annual Report to the members with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012

### **OPERATION**

The year under review saw world wide depression, threatening to very survival of many economies, However Indian economy, because of conservative polices 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 quitting at very low levels again pushing many corporate to shelf their plans for mobilization of funds for capital market through new issues.

However, your company's turnover for the year had been substantially higher than that of the previous year. However with the increase operating cost and other inflationary cost and other reverse situation the company suffered the loss during the year

With the government having taken over and the high expectations of reform measures to boost the depressing economy and the measures announce 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 plants 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, 2012

(Rupees in Lacks)

<b>Particulars</b>	<b>For the year Ended 31.03.12</b>	<b>For the year Ended31.03.11</b>
Professional Service Charges (Net)	530.49	517.55
Other Income	7.14	7.78
Total	537.63	525.33
Profit/Loss before Depreciation and Tax	(13.16)	-
Depreciation	125.44	132.16
Profit (Loss) before Tax	(138.60)	(42.46)
Prior period Adjustment (Net)	-	(0.46)
Extra Ordinary Item	-	5.01
Profit after adjustment	(138.60)	(36.98)
Provision for Taxation	-	-
Current Tax	0.28	28.70
Fringe Benefit Tax	-	-
Taxation for earlier year	2.98	19.28
Deferred Tax Assets	36.9	9.42
Profit after Tax	(101.70)	(46.41)
Add : Balance of Profit brought forward from previous year	730.68	777.08
Balance of Profit Carried Forward	628.98	730.68

**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 31<sup>st</sup> March, 2012

**DIRECTORS:**

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956 Mr. Ajay Dalal shall retired at the 27<sup>th</sup> Annual General Meeting (AGM) and shall offer him self for reappointment. Resolution for his reappointment shall be moved at the AGM for approval of the members.

**DIRECTORS RESPONSIBILITY STATEMENTS:**

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 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 DEPOSITS:**

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

**AUDITORS:**

The statutory auditors M/s. Amod Agrawal & Associates, Chartered Accounts retire at the conclusion of the 27<sup>th</sup> 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 an 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 EARNING 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 forming part of the accounts for the year ended 31<sup>st</sup> March 2012.

### **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 acknowledgement and thank the Customers, Banks, Statutory authorities, suppliers, Shareholders for the support and co operation extend to the company. Your directors also record their appreciation for the services rendered by employees at all levels.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

For and on behalf of the Board  
For MCS LIMITED

Ajay Dalal  
Director

Parshuram V Bhuwad  
Whole time Director

Hemant Kumar  
Director



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

The year 2011-2012 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 corporate has shelved/differed 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. 530.49 lacks as increased by 12.94 lacks as compare to 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 into 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 costs 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.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

For and on behalf of the Board  
For MCS LIMITED

Ajay Dalal  
Director

Parshuram V Bhuwad  
Whole time Director

Hemant Kumar  
Director

---

## **REPORT ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILISOPHY 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 consist of total 5 (five) Directors out of which 1 (one) is Whole time Director 2(two) is independent director and other two are non executive directors. The Board does not have any Non Executive Chairman and at the Board/General meeting of the company, one of the Directors is elected to chair the meetings.

The members of he 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.

#### **1) Mr. Parshuram Bhuwad (Appointed on 02/04/2012)**

He is a graduate and has 20 years experience which the company wants to encash and his long association with the Company is the criteria for his appointment as Whole Time Director

#### **2) Mr. Bajrang Agarwal (Resigned on 02/04/2012)**

He is F.C.A. and has 16 years of experience in similar and allied field in which your Company is engaged in. He is a Whole time director of the company.

#### **3) Mr. Hemant Kumar**

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

#### **4) Mr. Ashok Sharma (Resigned on 29/09/2011)**

He is an Independent Director. He is an Industrialist and is on the Board of Directors of other Companies also.

#### **5) Mr. Ajay Dalal**

He is a commerce graduate and has 20 years experience which the company wants to encash and his long association with the Company is the criteria for his appointment as Whole Time Director

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

<b>Name of Director</b>	<b>Directorship held in other Companies</b>	<b>Memberships Of Board Committees</b>	<b>Chairman of Board Committee</b>	<b>Last AGM attended</b>	<b>No. of Board meeting Attended during the year</b>
Mr. Bajrang Agarwal	4	0	no	no	2
Mr. Hemant Kumar	1	3	1	yes	4
Mr. Ashok Sharma	5	3	1	yes	2
Mr. Ajay Dalal	1	0	0	yes	4
Mr. Parshuram V Bhuwad	0	0	0	no	0

Details of Board Meeting held during the year and Directors attendance are as follow

	20/04/2011	29/06/2011	30/07/2011	29/09/2011	11/11/2011	10/02/2012
Mr. Bajrang Agarwal	NO	NO	NO	NO	YES	YES
Mr. Ashok Sharma	YES	YES	No	NO	NO	NO
Mr. Hemant Kumar	YES	YES	YES	YES	YES	YES
Mr. Ajay Dalal	NO	NO	YES	YES	YES	YES

Details of Remuneration paid to Whole time Director is as follows ;

<b>NAME</b>	<b>AMOUNT (RS.)</b>
Mr. Bajrang Agarwal	180000
Mr. Subhabrata Biswas	100561
<b>TOTAL</b>	<b>280561</b>

- 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 benefit which are based on actuarial valuation on overall company basis.

**SCHEDULE OF SITTING FEE PAID TO DIRECTORS**

Name of Directors	No. of Board Meeting	No. of Committee meeting	Amount (Rs.)
Mr. Ashok Sharma	2	0	10000
Mr. Hemant Kumar	5	5	29000
Mr. Bajrang Agarwal	2	0	12000
Mr. Ajay Dalal	4	4	7000

**Audit Committee**
**Composition**

The composition of the Audit Committee is as under. During the financial year 2011-2012 five meetings of Audit committee were held on 20/04/2011,29/06/2011,29/09/2011 and 11/11/2011, 10/02/2012 respectively :

Name of Director	Designation	Category	No. of Meeting attended
Mr. Hemant Kumar	Member	Director	4
Mr. Ajay Dalal	Member	Director	3
Mr. Ashok Sharma	Member	Director	2

**TERMS OF REFERENCE**

The terms of reference and powers of the Audit Committee are as mentioned in clause 49 II(D) of the Listing Agreement 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' financial reporting process and disclosure of financial information.
- b) Recommend the appointment and removal of external and internal auditors, the adequacy of internal control systems.
- c) Review with management the annual financial statements before submission to the Board.
- d) Review with management, external and internal auditors, the adequacy if 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) Discuss 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 depositions, 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 2011-12 no meeting of the Remuneration Committee was held as the same was not required

## SHAREHOLDERS AND INVESTORS GRIEVANCES COMMITTEE

During the financial year 2011-12 meeting of Investor Grievance Committee was held on 28/01/2012. The details of members and their attendance in meeting are as follows:

Name of Members	Category	No. of meeting held
Mr.Ajay Dalal	Director	1
Mr. Alok Mukherjee	General Manager	1

Name & Designation of the Compliance Officer: Mr. Uday Mogaveera General Manager.

The Committee reviewed grievance received from the shareholders and the action taken thereon. The status of complaints received and redressed during the period from April 1, 2011 to March 31, 2012 are as under:

Description	Number
Number of shareholders complaint received	9
Number of shareholders complaints redressed	9
Number of shareholders complaint pending	Nil

## SHARE TRANSFER COMMITTEE

The Share Transfer Committee consist of Mr. Hemant Kumar and Ms. Valsa Sajan.

As transfers are few in numbers, the meetings 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, 2012 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 31<sup>st</sup> March, 2012 will be held on 17th September 2012. However, during the last three years, the Annual General Meeting was held on 30<sup>th</sup> September, 2009 and 31 August 2010, and 29<sup>th</sup> September, 2011 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 Practice. 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 31<sup>st</sup> March 2012 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 Standard issued by the Institute of Chartered Accountants of India.

**DISCLOSURE 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.Parshuram Bhuvad 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 31<sup>st</sup> March 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## MEANS OF COMMUNICATIONS

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 Agreements 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 governances, 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 is as Annexure to the Directors' Report.

## SHAREHOLDERS INFORMATION

### DETAILS OF TWENTY SEVENTH ANNUAL GENERAL MEETING

DATE	17 <sup>th</sup> September 2012
TIME	11 :00 A.M.
VENUE	21/22,Ground Floor,Kashiram Jamnadas Building, 5,P.D.'Mello Road, Ghadiyal Godi, Masjid East, Mumbai-400009

## FINANCIAL CALENDER

Financial Year	April 2012 to March 2013
First Quarter Results	3 <sup>rd</sup> /4 <sup>th</sup> week of July 2012
Half Yearly and second quarter Results	3 <sup>rd</sup> /4 <sup>th</sup> week of October 2012
Third Quarter Result	3 <sup>rd</sup> /4 <sup>th</sup> week of January 2013
Audited Result for the year ended March 31, 2013	May/June 2013
Book Closure period	9 <sup>th</sup> September, 2012 to 15 <sup>th</sup> September 2012

## LISTING ON STOCK EXCHANGE

The equity share of the Company is listed at the following Stock Exchange:

The Stock Exchange Limited, Mumbai  
Phiroze Jeejeebhoy Tower, Dalal Street,  
Mumbai-400001.

SCRIP CODE – BSE-523221

ISIN NO. – INE737A01019

Details of share capital of the Company held in Dematerialized and Physical Form as on March 31, 2012 are as below

	<b>No. of Shareholders</b>	<b>shares</b>	<b>% of Total Capital</b>
Held in dematerialized form in CDSL	777	471702	9.04
Held in dematerialized form in NSDL	2107	4379800	83.92
Held in physical mode	5084	367780	7.04
<b>Total</b>	<b>7968</b>	<b>5219282</b>	<b>100.00</b>

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 share traded)
April-11	19.90	17.00	16480
May-11	18.10	15.15	17313
June-11	16.30	13.85	10279
July-11	15.84	11.61	99544
August-11	12.73	10.95	12206
Sept-11	13.10	10.64	85013
October-11	12.25	9.73	21738
November-11	10.61	8.17	11881
December-11	8.49	6.33	28736
January-12	10.13	7.14	24650
February-12	9.96	8.13	12765
March-12	9.74	7.56	8190

source: [www.bseindia.com](http://www.bseindia.com)



**INVESTOR SERVICES**

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

Mr.Uday Mogaveera

21/22, Ground Floor,

Kashiram Jamnadas Building

5. P.D.'Mello Road,

Ghadiyal godi, Masjid East, Mumbai-400009

Tel no. (022) 2372-6253, Fax no.: (022) 2372-6256; Email : mcspanvel@yahoo.co.in

Timing: 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, 2012**

<b>No. of equity share held</b>	<b>Folio</b>	<b>%</b>	<b>Shares</b>	<b>%</b>
UPTO 500	<b>7510</b>	94.2520	<b>659409</b>	<b>12.6341</b>
501-1000	<b>218</b>	2.7359	<b>181704</b>	<b>3.4814</b>
1001-2000	<b>113</b>	1.4182	<b>182029</b>	<b>3.4876</b>
2001-3000	<b>36</b>	0.4518	<b>90714</b>	<b>1.7381</b>
3001-4000	<b>20</b>	0.2510	<b>70338</b>	<b>1.3477</b>
4001-5000	<b>23</b>	0.2887	<b>107957</b>	<b>2.0684</b>
5001-10000	<b>22</b>	0.2761	<b>162332</b>	<b>3.1102</b>
10001-50000	<b>18</b>	0.2259	<b>431883</b>	<b>8.2748</b>
50001-100000	<b>3</b>	0.0377	<b>244264</b>	<b>4.6800</b>
100001 AND ABOVE	<b>5</b>	0.0628	<b>3088652</b>	<b>59.1777</b>
<b>TOTAL</b>	<b>7968</b>	100.000	<b>5219282</b>	<b>100.00</b>

**CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2012**

CATEGORY		NO. OF SHARE HELD	% OF SHARE HOLDING
<b>A</b>	<b>Promoter's holding</b>		
	<b>1</b>	<b>2086053</b>	<b>39.97</b>
		<b>Nil</b>	<b>Nil</b>
		<b>Nil</b>	<b>Nil</b>
	<b>2</b>		
		<b>2086053</b>	<b>39.97</b>
<b>B</b>	<b>Non promoters Holding</b>		
	<b>3</b>	<b>100</b>	<b>0.0019</b>
	<b>a.</b>	<b>400</b>	<b>0.0077</b>
	<b>b.</b>		
	<b>c.</b>	<b>NIL</b>	<b>NIL</b>
		<b>500</b>	<b>0.0096</b>
<b>C</b>	<b>Others</b>		
	<b>a</b>	<b>1126114</b>	<b>21.576</b>
	<b>b</b>	<b>2003085</b>	<b>38.3786</b>
	<b>c</b>	<b>3530</b>	<b>0.0676</b>
	<b>d</b>		
		<b>3132729</b>	<b>60.03</b>
		<b>5219282</b>	<b>100</b>
	<b>GRAND TOTAL</b>		

**THE DETAILS OF ENTITIES/PERSONS HODING MORE THAN 1% OF THE SHARES OF THE COMPANY UNDER EACH HEAD AS ON MARCH 31,2012**

S.NO.	NAME OF HOLDER	No. of Shares	% of Total Capital
A	Promoter's Holding		
1.	Mr. Saurabh Rateria	830301	15.9083
2	Ms. Sneha Rateria	800000	15.3278
3	Mr. Saurabh Rateria	453252	8..6842
4	Mrs. Saroj Rateria	2500	0.0479
	Sub total	2086053	39.9682

B	Non promoters Holding		
	Institutional investors		
	-UTI -Unit Trust of India	-	-
	-UTI - Unit scheme for charitable and Religious societies	-	-
	Registered societies, Banks	-	-
C	Others		
	Private body corporate		
	1) S.K. Info solution pvt. Ltd.	700000 305099	13.4118 5.8456
	2) Gagan Merchants pvt. ltd		
	Indian Public :		
	1) B h a v e s h Dhireshbhai shah	74403 99837	1.4255 1.9128
	2) Shaunak jagdish shah	70024 1249363	1.3416 23.9374
	3) Balram bharwani		
	Sub Total		

Name of Depositories for dematerialization of equity shares (ISIN-INE737A01019)  
National Securities Depository Limited (NSDL) Central Depository Service (India) Limited (CDSL)

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

For and on behalf of the Board  
For MCS LIMITED

Ajay Dalal  
Director

Parshuram V Bhuwad  
Whole time Director

Hemant Kumar  
Director

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

To  
The Members of MCS LTD

I, Parshuram Bhuwad, 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 31<sup>st</sup> March, 2012

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> May, 2012

Parshuram Bhuwad  
Whole time Director

---

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,

MCS LIMITED,

We have examined the compliance of conditions of Corporate Governance by MCS LIMITED for the year ended on March 31, 2012, 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 procedure and implementation 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 explanation 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 Instituted of Chartered Accountants of India we have to state that no investor grievance were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's grievances committee.

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

Place: New Delhi  
Date: 30<sup>th</sup> May, 2012

HIREN VYAS  
Company Secretary

Membership No. ACS 27779

## **AUDITOR'S REPORT**

To The shareholders of MCS Ltd

1. We have audited the attached balance sheet of MCS Ltd., as at 31st March 2012, and also the statement of profit and loss 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 (a) its ability to meet financial obligations under the corporate guarantee of Rs. 2565.50 lacs given in favour of banks on behalf of Computech International Ltd., a company in which promoters have substantial interest,(b) realization of investments of Rs. 2589.44 lacs made in a foreign company (c) realization of advances of Rs. 233.81 lacs to a foreign company and (d) repayment of unsecured loans of Rs. 970.15 lacs and interest thereon. (Also refer qualification in paragraph no 5 & 6 below).**

5. **As discussed in the Note 13(i to iv) of the financial statements, investment of Rs. 2589.44 lacs and advances of Rs.233.81 lacs 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. Pending the availability of information and related documents and confirmations ,we are unable to opine on the recoverability / adjustment of these amounts and thus its consequent impact on the company's net worth. This had also caused us to qualify our audit opinion on the financial statements relating to preceding year.**

6. **No provision of interest on unsecured loans has been made, as the management claims no interest is payable thereon. In the absence of adequate information and related documents, interest provision, if any, could not be assessed and provided for and consequent impact on financial statements could not be determined.**

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 statement of profit and loss dealt with by this report are in agreement with the books of accounts of the company;

(iv) In our opinion, the balance sheet, statement of profit & loss 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.

(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 statement of profit and loss, 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 statement of profit and loss, of the loss for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For AMOD AGRAWAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 005780N

Place : New Delhi  
Dated : 30.05.2012

Raju Goyal  
Partner  
M.No. : 073020

## **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.
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 31<sup>st</sup> March, 2012, 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. The company has incurred cash losses in the current year, however it has not incurred cash losses in the immediately preceding financial year. **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

Place : New Delhi  
Dated : 30.05.2012

Raju Goyal  
Partner  
M.No. : 073020

## BALANCE SHEET AS AT MARCH 31, 2012

**MCS LIMITED**
**(Rs. In Lacs)**

Balance Sheet as at	Note	As At 31.03.2012	As At 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	522.04	522.04
Reserves and surplus	4	1,679.94	1,781.65
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	5	7.52	2.78
Deferred tax liabilities (net)	6	3.22	43.37
Long-term provisions	7	14.71	16.75
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	8	970.15	970.15
Trade payables	9	22.17	25.24
Other current liabilities	10	107.98	133.36
Short-term provisions	11	6.93	4.43
		<b>3,334.66</b>	<b>3,499.77</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	12	173.81	264.96
Intangible assets	12	-	48.43
Non Current Investment	13	2,593.30	2,593.64
Long-term loans and advances	14	233.81	233.81
Trade Receivables		-	-
Other non-current assets	15	44.51	66.19
<b>CURRENT ASSETS</b>			
Current investments	13	16.97	-
Trade receivables	16	152.86	128.32
Cash and Cash Equivalents	17	15.53	84.30
Short-term loans and advances	18	100.85	79.06
Other current assets	19	3.00	1.06
		<b>3,334.66</b>	<b>3,499.77</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
2			

**AS PER OUR REPORT OF EVEN DATE**
**MCS LIMITED**
**For AMOD AGRAWAL & ASSOCIATES**
**Chartered Accountants  
FRN - 005780N  
(RAJU GOYAL)**
**Partner**
**Hiren Vyas  
Company  
Secretary**
**Ajay Dalal  
Director**
**Parshuram Bhuvad  
Whole time Director**
**Place: NEW DELHI**
**Dated : 30/05/2012**
**Hemant Kumar  
Director**

## PROFIT AND LOSS A/C FOR THE YEAR ENDED MARCH 31, 2012

<b>MCS LIMITED</b>		<b>(Rs. In Lacs)</b>	
Statement of Profit and Loss	Note	For the Year Ended	
		March 31, 2012	March 31, 2011
<b>Revenue from operations</b>			
Gross Receipts from Professional Services		581.21	576.98
Less : Service Tax		50.72	59.42
Net Receipts from Professional Services		530.49	517.56
Other income	20	7.14	7.78
<b>Total Revenue</b>		<b>537.63</b>	<b>525.34</b>
<b>Expenses</b>			
Operating Expenses	21	219.89	104.68
Employee Benefit Expenses	22	164.47	163.73
Financial Cost	23	2.57	3.47
Depreciation and Amortisation Expense	12	125.44	132.16
Other Expenses	24	163.85	158.26
<b>Total expenses</b>		<b>676.23</b>	<b>562.30</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(138.60)</b>	<b>(36.96)</b>
<b>Extraordinary Items</b>		-	-
<b>Profit/(Loss) Before Tax</b>		<b>(138.60)</b>	<b>(36.96)</b>
Tax expense:			
Current tax		0.28	28.70
Deferred tax		(40.16)	(19.27)
Earlier Year Income Tax		2.98	-
<b>Profit for the Year</b>		<b>(101.70)</b>	<b>(46.39)</b>
<b>EARNINGS PER EQUITY SHARE (Before exceptional items)</b>			
Equity shares of par value ` 10 /- each			
Basic		(1.95)	(0.89)
Diluted		(1.95)	(0.89)
<b>EARNINGS PER EQUITY SHARE (After exceptional items)</b>			
Basic		(1.95)	(0.89)
Diluted		(1.95)	(0.89)
Number of shares used in computing earnings per share			
Basic		52,19,282	52,19,282
Diluted		52,19,282	52,19,282

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

2

**AS PER OUR REPORT OF EVEN DATE**

**For AMOD AGRAWAL & ASSOCIATES  
Chartered Accountants  
FRN - 005780N**

**(RAJU GOYAL)  
Partner**

**Hiren Vyas  
Company  
Secretary**

**Ajay Dalal  
Director**

**Parshuram Bhuwad  
Whole time Director**

**Place: NEW DELHI**

**Dated : 30/05/2012**

**Hemat Kumar  
Director**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**
**3 SHARE CAPITAL**
**(Rs. In Lacs)**

Particulars	As at	
	March 31,2012	March 31,2011
<b>Authorized Shares*</b> 1,02,50,000 Equity shares of ` 10/- each	1,025.00	1,025.00
	<b>1,025.00</b>	<b>1,025.00</b>
<b>Issued, Subscribed Shares</b> 52,23,697 (Previous Year 52,23,697) Equity shares of Rs. 10/- each	522.37	522.37
<b>Fully Paid Up Shares</b> 52,19,282 (Previous year 52,19,282 ) Equity shares of Rs.10/- each fully paid Add : Forfeited Shares (4,415 (previous year 4,415) shares @ Rs. 2.50 paid up	521.93	521.93
	0.11	0.11
	<b>522.04</b>	<b>522.04</b>

\* The Authorized share capital of the Company as per books of accounts is Rs. 1025 lacs , however, as

**A) Reconciliation of the number of Equity shares outstanding**

Particulars	As at	
	March 31,2012	March 31,2011
Number of shares at the beginning	52,23,697	52,23,697
Add: Shares issued during the year	-	-
<b>Number of shares at the end</b>	<b>52,23,697</b>	<b>52,23,697</b>

**B) Terms / Rights attached to Equity Shares**

- i The company has only one class of equity share having a par value of Rs. 10 per share. Each equity
- ii In the event of liquidation of the company, the holders of equity shares will be entitled to receive
- iii As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal

**C) Detail of Shareholders holding more than 5% shares in the Company**

		March 31, 2012		March 31, 2011	
		No. of Shares	% Holding in class	No. of Shares	% Holding in class
Saurabh Rateria	Promoter	1283553	24.59	1283553	24.59
Sneha Rateria	Promoter	800000	15.33	800000	15.33
S.K. Infosolutions Pvt Ltd.	Corporate body	700000	13.41	700000	13.41
Gagan Merchants Pvt. Ltd.	Corporate body	305099	5.85	350000	6.71

<b>4 RESERVES AND SURPLUS</b>		<b>(Rs. In Lacs)</b>	
Particulars		As at	As at
		March 31, 2012	March 31, 2011
Capital reserve - Opening balance		398.00	398.00
Add: Transferred from Profit and Loss account		398.00	<b>398.00</b>
Securities premium reserve - Opening balance		294.15	294.15
		<b>294.15</b>	<b>294.15</b>
General reserve - Opening balance		358.82	358.82
Add: Transferred from Profit and Loss account		-	-
		<b>358.82</b>	<b>358.82</b>
Surplus/(Deficit) in the Statement of Profit & Loss- Opening Balance		730.68	777.09
Add: Net profit/(loss) after tax transferred from Statement of Profit and Loss		-101.70	-46.41
<b>Amount available for appropriation</b>		<b>628.97</b>	<b>730.68</b>
Appropriations:		-	-
Balance in Statement of Profit and Loss		<b>628.97</b>	<b>730.68</b>
<b>TOTAL</b>		<b>1679.94</b>	<b>1781.65</b>

<b>5 LONG TERM BORROWINGS</b>		<b>(Rs. In Lacs)</b>	
Particulars		As at	As at
		March 31, 2012	March 31, 2011
Vehicle Loan		7.52	2.78
		<b>7.52</b>	<b>2.78</b>

- i Vehicle loan from scheduled bank is secured by way of hypothecation of the respective vehicles.
- ii The vehicle loan from bank bear Interest Rate @ 11-13 % and repayable in 36-60 months.
- iii Vehicle loan Installments falling due within next 12 months Rs. 6.82 lacs (Previous year Rs. 3.15 lacs)

<b>6 DEFERRED TAXES</b>		<b>(Rs. In Lacs)</b>	
Particulars		As at	As at
		March 31, 2012	March 31, 2011
<b>Deferred liabilities</b>			
Timing difference on account of depreciation (Difference as per books & as per Income Tax Act)		58.54	189.55
<b>Total</b>		<b>58.54</b>	<b>189.55</b>
<b>Deferred Assets</b>			
On account of Disallowance u/s 43B		21.36	25.50
Provisions		26.77	23.69
<b>Total</b>		<b>48.13</b>	<b>49.19</b>
Net deferred Liabilities/(Assets)		10.41	140.36
Net deferred Tax Liabilities/(Assets)		3.22	43.37
Net deferred Tax Liabilities/(Assets) for the year		-40.15	-19.28

**7 LONG TERM PROVISIONS (Rs. In Lacs)**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Provision for Gratuity	14.71	16.75
<b>TOTAL</b>	<b>14.71</b>	<b>16.75</b>

**8 SHORT TERM BORROWINGS (Rs. In Lacs)**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Unsecured Loans from Body Corporate*	970.15	970.15
<b>TOTAL</b>	<b>970.15</b>	<b>970.15</b>

In the absence of any agreement, unsecured loans from body corporates is considered as payable on demad and thus shown as short term borrowings. No provision for interest is made in the books of accounts, as the management claims no interest is payable thereon. The company is in default in repayment of principal amount of Rs. 970.15 lacs (previous year Rs. 970.15 lacs) and interest thereon, if any. The balances outstanding are subject to confirmation.

**9 TRADE PAYABLES (Rs. In Lacs)**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Total outstanding dues of other than Micro & Small Enterprises	22.17	25.24
<b>TOTAL</b>	<b>22.17</b>	<b>25.24</b>

**10 OTHER CURRENT LIABILITIES (Rs. In Lacs)**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Unpaid Dividend (1)	2.99	2.99
Expenses Payable	13.03	16.72
Statutory Dues	2.40	5.81
Other Payables	69.17	87.87
Advance from Customers	13.58	16.81
Current Maturity of Vehicle Loan (Secured)	6.82	3.16
<b>TOTAL</b>	<b>107.98</b>	<b>133.36</b>

(1) to be transferred to Investor Protection fund as and when due

**11 SHORT TERM PROVISIONS (Rs. In Lacs)**

Particulars	As at	As at
	March 31, 2012	March 31, 2011
Provision for Leave Encashment	2.62	3.39
Provision for Gratuity	4.02	0.41
Provision for Wealth Tax	0.28	0.63
<b>TOTAL</b>	<b>6.93</b>	<b>4.43</b>



PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N			N E T B L O C K		
	COST	ADDITION	SALES/	COST	TOTAL	FOR THE	TOTAL	AS AT	AS AT
	AS AT	DURING	ADJUST-	AS AT	UPTO	PERIOD ENDED	UPTO	31.03.2012	31.03.2011
01.04.2011	THE YEAR	MENT	31.03.2012	31.03.2011	31.03.2012	31.03.2012	31.03.2012	31.03.2012	31.03.2011
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
BUILDINGS*	132.34	-	-	132.34	83.44	9.14	92.58	39.76	48.91
COMPUTER EQUIPMENTS	276.27	0.45	-	276.72	220.46	44.19	264.65	12.07	55.81
FURNITURE & FIXTURE	44.39	-	-	44.39	24.75	2.60	27.35	17.04	19.64
OFFICE EQUIPMENTS	13.54	-	-	13.54	7.25	0.65	7.90	5.63	6.29
AIRCONDITION EQUIPMENT	24.06	-	-	24.06	8.43	1.14	9.57	14.49	15.63
VEHICLES	204.60	18.21	69.79	153.02	100.01	17.74	80.76	72.27	104.59
ELECTRICAL EQUIPMENTS*	24.93	-	-	24.93	10.83	1.55	12.38	12.55	14.10
<b>SUB TOTAL</b>	<b>720.12</b>	<b>18.66</b>	<b>69.79</b>	<b>669.00</b>	<b>455.16</b>	<b>77.01</b>	<b>495.19</b>	<b>173.81</b>	<b>264.96</b>
<b>INTANGIBLE ASSETS</b>									
SOFTWARES	432.16	-	-	432.16	383.73	48.43	432.16	-	48.43
<b>SUB TOTAL</b>	<b>432.16</b>	<b>-</b>	<b>-</b>	<b>432.16</b>	<b>383.73</b>	<b>48.43</b>	<b>432.16</b>	<b>-</b>	<b>48.43</b>
<b>GRAND TOTAL</b>	<b>1,152.28</b>	<b>18.66</b>	<b>69.79</b>	<b>1,101.16</b>	<b>838.90</b>	<b>125.44</b>	<b>927.35</b>	<b>173.81</b>	<b>313.39</b>
PREVIOUS YEAR	1,169.56	6.75	24.03	0.01	719.19	132.16	0.01	0.00	450.37

**NOTES :**

\* Buildings includes :

i) The Building includes Rs. 79.19 lacs 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

\*\* Electrical Equipments includes :

i) The Electrical equipment includes Rs. 6.94 lacs 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.

Ajay Dalal  
Director

Hemant Kumar  
Director

Parshuram Bhuwad  
Whole time Director

**13 INVESTMENTS**
**(Rs. In Lacs)**

Particulars	As at	
	March 31, 2012	March 31, 2011
<b>Short Term Investment (At Cost) *</b>		
<b>A. Other than Trade - Quoted</b>		
<b><u>Equity Shares</u></b>		
1242 (Previous year Nil) shares of Rs. 10 each fully paid up in Allahabad Bank	2.46	0.00
40 (Previous year Nil) shares of Rs. 2 each fully paid up in DLF Limited	0.08	0.00
169 (Previous year Nil) shares of Rs. 10 each fully paid up in GAIL India Limited	0.63	0.00
150 (Previous year Nil) shares of Rs. 10 each fully paid up in Maruti Suzuki India Limited	1.80	0.00
2032 (Previous year Nil) shares of Rs. 10 each fully paid up in ONGC Limited	5.64	0.00
2410 (Previous year Nil) shares of Rs. 10 each fully paid up in PTC India Limited	1.47	0.00
900 (Previous year Nil) shares of Rs. 10 each fully paid up in Steel Authority of India Limited	1.36	0.00
1400 (Previous year Nil) shares of Rs. 10 each fully paid up in Oreintal Bank of Commerce	3.53	0.00
<b>TOTAL (A)</b>	<b>16.97</b>	<b>0.00</b>
<b>Long Term Investment (At Cost)</b>		
<b>B. Other than Trade - Unquoted</b>		
<b>Units of Mutual Fund</b>		
33 (Previous year 44) units of ICICI Prudential Mutual Fund of Rs. 5000 each fully paid up	1.86	2.20
<b><u>Fixed Deposits</u></b>		
Fixed Deposits Sardar Sarovar Nigam Limited	2.00	2.00
<b><u>In Foreign Company **</u></b>		
41,00,000 (previous share 41,00,000) share of Rs. 12.63 each fully paid up in Ferro Alloys CJSC (Refer points I to iii below)	2589.44	2589.44
<b>TOTAL (B)</b>	<b>2593.30</b>	<b>2593.64</b>
<b>GRAND TOTAL (A+B)</b>	<b>2610.27</b>	<b>2593.64</b>



\* Investment in quoted equity shares is held towards settlement of investors claims , hence treated as Short Term Investment.

Aggregated Market value of Company's quoted Investments ( Rs. 16.33 lacs (P.Y. - Rs. Nil). No Provision has been made for diminishing in value of quoted investments, as the amount is insignificant and diminishing in value is temporary in nature.

\*\* Ferro Alloys CJSC incorporated in Kyrgyz Republic. Face value of each share is converted in equivalent rupees. Shares are allotted @ 50 soms each including premium of 40 som

- i 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.
- ii The company has so far invested sums aggregating to Rs. 28,23,25,873/-. Out of which, shares for Rs. 2589.44 lacs , equivalent to USD 5613363 has been allotted to company. The balance amount of Rs. 233.81 lacs is shown as advance to M/s Ferro Alloys C JSC, Kyrgyzstan.
- iii 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 as on date of allotment) to the company.
- iv No Provision has been made for diminishing in value of investments in a foreign company, as due to Political instability and disturbances prevailing in that country , the requisite information could not gathered from M/s Ferro Alloys CJSC Kyrgyzstan. Had the provision been made, this would have significant impact on the net worth of the company.

#### 14 LONG TERM LOANS & ADVANCES

(Rs. In Lacs)

Particulars		As at	As at
		March	March 31, 2011
Advance for Kygstan Project (Refer ii) of note 13)- Unsecured considered doubtful		233.81	233.81
<b>TOTAL</b>		<b>233.81</b>	<b>233.81</b>

#### 15 OTHER NON CURRENT ASSETS

(Rs. In Lacs)

Particulars		As at	As at
		March	March 31, 2011
Deposit with Banks		8.19	10.92
Advances to body corporate		20.92	20.32
Accrued Interest		0.63	-
Security Deposits ( Pledged against Bank Gurantee)		14.77	34.95
<b>TOTAL</b>		<b>44.51</b>	<b>66.19</b>

**16 TRADE RECEIVABLES**
**(Rs. In Lacs)**

Particulars	As at	
	March 31, 2012	March 31, 2011
Receivables outstanding for a period exceeding six months from the date they are due from payment Unsecured		
Considered good	68.64	109.32
Provision for Doubtful debts	26.77	39.14
<b>TOTAL (A)</b>	<b>41.87</b>	<b>70.18</b>
Other Receivables Unsecured		
Considered good	110.99	58.14
<b>TOTAL (B)</b>	<b>110.99</b>	<b>58.14</b>
<b>TOTAL</b>	<b>152.86</b>	<b>128.32</b>

**17 CASH & CASH EQUIVALENTS**
**(Rs. In Lacs)**

Particulars	As at	
	March 31, 2012	March 31, 2011
Cash in Hand	1.18	5.90
Balance with bank :		
In Current A/c	11.45	40.29
In Unpaid Dividend A/c *	2.90	2.99
<b>TOTAL (A)</b>	<b>15.53</b>	<b>49.18</b>
Other Bank Balance		
Deposit with Maturity more than 3 month but less than 12 months	-	35.12
Deposit with Maturity more than 12 months	8.19	10.92
	8.19	46.04
Less : Amount Disclosed under Non Current Assets	8.19	10.92
<b>TOTAL (B)</b>	<b>-</b>	<b>35.12</b>
<b>TOTAL</b>	<b>15.53</b>	<b>84.30</b>

\* Rs. 0.09 lacs on account of Bank Charges debited by Bank has not been replenished by the Company. These balance are not available for the use by the Company as they represents corresponding unpaid dividend liabilities.

**18 SHORT-TERM LOANS AND ADVANCES**
**(Rs. In Lacs)**

Particulars	As at	
	March 31, 2012	March 31, 2011
<b>Unsecured, considered good</b>		
Advance to Suppliers	0.35	-
Advances recoverable in cash or in kind or for value to be received		-
Advance Income tax/Tax deducted at source (Net of provision of Income tax)	86.89	71.47
Loans and advances to employees	6.00	7.59
Service Tax Receivable (net of Payable)	7.61	-
<b>Total</b>	<b>100.85</b>	<b>79.06</b>

**19 OTHER CURRENT ASSETS**
**(Rs. In Lacs)**

Particulars	As at	
	March 31, 2012	March 31, 2011
Balance with Post Office	0.27	0.06
Prepaid Expenses	2.74	1.00
<b>TOTAL</b>	<b>3.00</b>	<b>1.06</b>

**20 OTHER INCOME**
**(Rs. In Lacs)**

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Interest - Income Tax Refund	1.97	-
Interest received from banks	3.31	3.14
Dividend	0.73	0.40
Miscellaneous Income	1.12	4.24
<b>TOTAL</b>	<b>7.14</b>	<b>7.78</b>

**21 OPERATING EXPENSES**
**(Rs. In Lacs)**

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Claims paid	138.81	40.69
Processing & Data Entry Charges	4.81	4.69
Courier and Forwarding	3.18	2.61
Postage & Stamp Duty	19.46	20.58
Emailing Charges	12.33	-
Stationery & Printing	18.16	16.41
Computer Consumables	0.92	0.31
Computer Maintenance	2.75	5.16
Electricity, Water & Fuel	11.00	14.23
Others	8.48	-
	219.89	104.68

**22 EMPLOYEE BENEFITS EXPENSES**
**(Rs. In Lacs)**

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Salary & Allowances	153.02	151.95
Contribution to Provident and other funds	8.54	8.89
Staff Welfare	2.91	2.89
<b>TOTAL</b>	<b>164.47</b>	<b>163.73</b>

**23 FINANCE COST**
**(Rs. In Lacs)**

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Bank Charges	0.71	0.62
Interest Other	0.32	1.81
Interest on Term / Vehicle loan	1.54	1.04
<b>TOTAL</b>	<b>2.57</b>	<b>3.47</b>

**24 OTHER EXPENSES**
**(Rs. In Lacs)**

Particulars	Year Ended	
	March 31, 2012	March 31, 2011
Office Rent	21.38	22.39
Rates & Taxes	1.01	7.21
Prior Period Adjustments	(4.71)	(0.46)
Travelling Expenses	18.09	15.95
Legal & Professional Charges	29.43	38.54
Security & Services Expenses	0.04	0.14
Telephone , Telex & Fax	9.44	8.08
Repairs & Maintenance Building	2.54	2.11
Repairs & Maintenance Others	3.52	3.60
Audit Fees	5.00	5.00
Auditor's Remuneration in Other Capacity	1.25	-
Advertisement	0.55	0.60
Insurance Expenses	1.11	1.27
Vehicle Running Expenses	16.80	13.02
Advances / Bad Debts Written off (Net)	30.20	22.52
Business Promotion	0.01	0.30
Fees & Renewals	6.09	-
General Office Expenses	7.92	6.36
Conveyance Expenses	4.19	-
Director Sitting Fees	0.58	1.08
Provision for Doubtful Debts / (Provision written back)	(12.37)	15.45
Loss on sale of Investment	0.07	-
Loss on Sale of Assets	21.72	(4.90)
<b>TOTAL</b>	<b>163.85</b>	<b>158.26</b>

## **NOTES TO ACCOUNTS**

### **1 Nature of Operation**

The MCS Limited, hereafter referred to as a Company, is engaged in Registrar and Share Transfer agent activities.

### **2 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**

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) Impairment of Fixed Assets**

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

**vi) Income Recognition:**

The Income from operational activities (net of rebate and discounts) are accounted for on accrual basis.

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**

Investments are stated at lower of cost or realizable value in accordance with applicable accounting

**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 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.**

**25 Contingent Liabilities not provided for:**

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.

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.

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.

In respect of Bank Guarantees executed Rs 5.55 lacs (Previous year Rs.14.50 lacs).

The Company has given a Corporate Guarantee of Rs.2565.50 lacs (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.2565.50 lacs).

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

**27 Managerial Remuneration**

Managerial remuneration under Section 198 of the Companies Act, 1956 and included under Payment and benefits to employees in note 22 is as under:

Particulars	(Amount Rs. In Lacs)	
	Current year	Previous year
Salary	2.69	2.39
House Rent Allowance	0.36	0.72
Contribution to Provident & other funds	0.11	--
Other perquisites	1.07	0.44
Directors Sitting Fees	0.58	1.08
<b>Total</b>	<b>4.81</b>	<b>4.63</b>

**28 Employee Benefit**

The following table sets out the status of the gratuity scheme plan as at 31<sup>st</sup> March, 2012.

i. Changes in Present Value of Obligations during the period 01.04.2011 to 31.03.2012

	31.03.2012	31.03.2011
Present value of obligation as at the beginning of the period	17.16	14.80
Interest Cost	1.42	1.22
Current Service Cost	1.76	1.76
Benefit Paid	0.00	0.00
Actuarial (gain)/loss on obligations	-1.61	-0.61
<b>Present Value of obligation as at the end of the period</b>	<b>18.73</b>	<b>17.16</b>

ii. Actuarial Gain/Loss recognized for the period 01.04.2011 to 31.03.2012

	31.03.2012	31.03.2011
Actuarial gain/(Loss) for the period – obligation	1.61	0.61
Actuarial gain/(loss) for the period – Plan Assets	---	---
Total (gain)/loss for the period	-1.61	-0.61
Actuarial (gain)/loss recognized in the period	-1.61	-0.61
<b>Unrecognized actuarial(gains)/losses at the end of period on 31.03.2012</b>		

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

	31.03.2012	31.03.2011
Present value of Obligation as at the end of the period on 31.03.2012	18.73	17.16
Fair Value of Plan Assets as at the end of the period on 31.03.2012	---	---
Funded Status	-18.73	-17.16
Net Liability Recognized in Balance Sheet on 31.03.2012	18.73	17.16

iv) Expense recognized in the statement of profit and loss for the period 01.04.2011

	31.03.2012	31.03.2011
Current Service Cost	1.76	1.76
Past Service Cost	---	---
Interest Cost	1.42	1.22
Expected Return on Plan Assets	---	---
Net actuarial(gain)/loss recognized in the period	-1.61	-0.61
Expenses Recognized in the statement of Profit & Loss	1.57	2.36

Assumptions	As on	As on
	31.03.2012	31.03.2011
Discount Rate	8.25%	8.25%
Rate of increase in Compensation	5.00%	5.00%
Rate of Return on Plan Assets	---	---
Average Outstanding Service of Employees upto Retirement	15 Years	15 Years

The estimates of future salary increases, considered in actuarial valuation, take account

The Detail of Fund and Plan Asset position as at March 31,2012 are as follows :

Grauity	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined benefit obligation	18.73	17.16	14.80	13.99
Plan assets	--	--	--	--
Defecit	18.73	17.16	14.80	13.99
Experience adjustment on plan liabilities Loss / (Gain)	-1.61	--	--	--
Experience adjustment on plan assets	--	--	--	--



**29 Related Party Disclosures**
**a) Related parties with whom no transactions have taken place during the period but control exist:**

AXC Computers Pvt. Ltd. Compubell Infotech Ltd. Vedanth.com Worldwide Surbhi Development Projects Pvt. Ltd.
--

**b) Related parties with whom transactions have taken place during the period**

Parties in which substantial interest of persons having substantial interest in the company	Computech International Ltd.
Persons having substantial interest directly or indirectly in the voting power of the company.	Shri Saurabh Rateria Ms. Sneha Rateria
Key management personal	Shri Subharata Biswas (Resigned on 27.07.2011) Shri Bajrang Aggarwal (Appointed w.e.f 29.09.2011)
Director & relative of a person having substantial interest	Shri Saurabh Rateria (Resigned on 30.07.2011)
Directors	Shri Hemant Kumar Shri Ashok Sharma (Resigned on 29.09.2011) Shri A N Shanbhag (Resigned on 30.07.2011) Shri Ajay Dalal (Appointed w.e.f. 28.06.2011)

**c) Transactions with related parties**

Particulars	Opening Balance	Transaction during the year		Closing Balance
		Debits (Rs.)	Credits (Rs.)	
<b>i) Parties in which substantial Interest of Persons having substantial interest in the company.</b>				
( Amount Rs. In Lacs)				
Service Provided / On account of Rent	3.89 Dr.	0.10	3.99*	Nil
	(5.72 Dr.)	(Nil)	1.83	3.89 Dr.
Corporate Gurantee	2565.00	Nil	Nil	2565.00
	-2565.00	(Nil)	(Nil)	-2565.00
Security Deposits	10.00	Nil	10.00**	Nil
	-10.00	(Nil)	(Nil)	-10.00
<b>ii) Persons having substantial Interest</b>				
Current account	.70 Cr.	0.70	Nil	Nil
	-1.17	-0.92	-2.80	-.70 Cr.
<b>iii) Key Management Personnel</b>				
Managerial Remuneration	Nil	4.81	4.81	Nil
	(Nil)	-3.55	-3.55	(Nil)

**iv) Directors**

<b>Sitting Fees</b>	Nil	0.58	0.58	Nil
	(Nil)	-1.08	-1.08	(Nil)

-- Previous year figures are given in bracket

\* Balance amount of Rs. 2.97 lacs , Receivable from Computech International Limited, has been written off during the year .

\*\* Rs. 10 lacs security deposit, Receivable from Computech International Limited, on account of rent has been written off during the year.

**30 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE**

<b>Particulars</b>	<b>Year ended March 31</b>	
	<b>2012</b>	<b>2011</b>
Number of shares considered as basic weighted average shares outstanding	5219282	5219282
Add: Effect of dilutive issues of shares/stock options		-
Number of shares considered as weighted average shares	52,19,282	52,19,282

Earning Per Share

(Rs. In  
Lacs)

<b>Particulars</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Net Profit as per statement of Profit & Loss attributable to (Before Extraordinary items)	(101.70)	(46.39)
Earning per Share (Rs) (Face value Rs. 10 Per Share)		-
Basic	(1.95)	(0.89)
Diluted	(1.95)	(0.89)
Net Profit as per statement of Profit & Loss attributable to Equity Shareholders (Before Extraordinary items)	(101.70)	(46.39)
Earning per Share (Rs) (Face value Rs. 10 Per Share)		-
Basic	(1.95)	(0.89)
Diluted	(1.95)	(0.89)
C) Weighted average number of equity Shares (in nos)	52,19,282	52,19,282

**31 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 :**

(Rs. In  
Lacs)

<b>Particulars</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Total Lease Payments for the year	21.38	22.39
<b>Minimum Lease Payments :</b>		
Not later than one year	20.36	22.39
Later than one year but not later than five years	81.44	89.58
later than five years	--	--

**32 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).
- ii) Foreign Currency earnings Nil ( Previous Year Nil.)

**33 PREVIOUS YEAR**

Till the year ended 31st March'2011,the company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31st March'2012,The revised Schedule VI Notified under the Companyies Act 1956, has become applicable to the company . The company has reclassified previous year figures to confirm to this year's classification.

**AS PER OUR REPORT OF EVEN DATE  
For AMOD AGRAWAL & ASSOCIATES  
Chartered Accountants  
FRN - 005780N**

**(RAJU GOYAL)  
Partner**

**Hiren Vyas  
Company Secretary**

**Ajay Dalal  
Director**

**Parshuram Bhuwad  
Whole time Director**

**Place: NEW DELHI**

**Dated : 30/05/2012**

**Hemant Kumar  
Director**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2012**

**MCS LIMITED**
**(Rs in Lacs)**

Cash Flow Statement for the Year Ended 31st March, 2012	Year ended March 31	
	2,012	2,011
<b>A. Cash Flows from Operating Activities</b>		
Net Profit before tax	(138.60)	-36.97
<b>Adjustments to reconcile profit before tax to cash provided by Operating Activities</b>		
Depreciation and amortisation Expense	125.44	132.16
Interest paid	1.86	2.85
Interest received	(3.31)	-3.14
Interest on Income Tax Refund Received	(1.97)	-
Loss on Sale of Fixed Assets	21.72	-5.02
Loss on Sale of Investments	0.07	-
Bad Debts W/Off	30.20	22.52
Dividend Received	(0.73)	-0.40
Provisions for Doubtful Debts	(12.37)	15.45
<b>Operating Profit Before Working Capital Changes</b>	<b>22.31</b>	<b>127.45</b>
Movement in Working Capital		
Trade & Other Receivables	(29.00)	-104.56
Trade Payables	(25.61)	68.61
<b>Cash Generated from Operations</b>	<b>(32.30)</b>	<b>91.50</b>
Income Taxes Paid(Net of Refund Received)	(16.43)	-34.57
<b>Net cash generated from Operating Activities</b>	<b>(48.73)</b>	<b>56.93</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets	(18.65)	-6.75
Sale of Fixed Assets	11.07	16.47
Purchase of Investments	-23.81	-
Sale/ Claim of Investments	7.93	-
Dividend Received	-0.73	0.40
Interest Paid	-1.86	-2.85
Interest Received	3.31	3.14
<b>Net Cash Provided by / (Used in) Investing Activities</b>	<b>(22.74)</b>	<b>10.41</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Long Term Borrowings	4.74	-
Repayment of Long Term Borrowings	(2.04)	-53.51
<b>Net cash used in Financing Activities</b>	<b>2.70</b>	<b>-53.51</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(68.77)</b>	<b>13.83</b>
<b>Cash and cash equivalents at the beginning of the Year</b>	<b>84.30</b>	<b>70.47</b>
<b>Cash and cash equivalents at the end of the Year</b>	<b>15.53</b>	<b>84.30</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	1.18	5.90
Balance with scheduled banks:		
- on deposit account	19.64	86.33
- unpaid dividend accounts*	2.90	2.99
Cash and Bank balance	23.72	95.22
Less: deposits having maturity period more than 3 months	8.19	10.92
	15.53	84.30

\* These balances are not available for use of the company as they represent corresponding dividend liabilities.

**AS PER OUR REPORT OF EVEN DATE  
For AMOD AGRAWAL & ASSOCIATES  
Chartered Accountants  
FRN - 005780N**

**(RAJU GOYAL)  
Partner**

**Hiren Vyas  
Company Secretary**

**Ajay Dalal  
Director**

**Parshuram Bhuwad  
Whole time Director**

**Place: NEW DELHI**

**Hemant Kumar  
Director**

**Dated : 30/05/2012**





**MCS LIMITED**

Regd. Office : 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P.D. Mello Road, Ghadiyal Godi Masjid East, Mumbai-400009

**PROXY FORM**

Folio No..... No. of Shares held.....  
DP ID No. .... Client ID No.....  
I/We ..... of .....  
..... being a Member/Members of MCS Limited, hereby  
appoint Mr./Ms. .... of .....  
or failing him/her Mr./Mrs. .... of .....  
as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held at 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P.D. Mello Road, Ghadiyal Godi Masjid East, Mumbai-400009 on 17<sup>th</sup> September, 2012 at 11 A.M. and at any adjournment thereof.

Signed this .....day of .....2012

Affix  
Revenue  
Stamp of  
Rs. 1/-

Signature  
of Shareholder

**NOTE:**

This Proxy form, in order to be effective should be duly stamped, completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the aforesaid Meeting.

**MCS LIMITED**

Regd. Office : 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P.D. Mello Road, Ghadiyal Godi Masjid East, Mumbai-400009

**ATTENDANCE SLIP**

**To be handed over at the entrance of the Meeting Hall**

Name and Address of Member

I, hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company held at 21/22, Ground Floor, Kashiram Jamnadas Building, 5, P.D. Mello Road, Ghadiyal Godi Masjid East, Mumbai-400009 on 17<sup>th</sup> September, 2012 at 11 A.M.

Full Name of the Shareholder (in Block Letters) .....

\*Folio No. / DP ID No. and Client ID No .....

No. of Shares held .....

Name of Proxy if the proxy attends, instead of the Shareholder .....

\*Delete whichever is not applicable

**NOTE:**

1. Member/Proxy attending the Meeting must fill the detail in this attendance slip and hand it over at the entrance.
2. Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

Signature of the attending  
Member/ Proxy:  
(To be signed at the time of  
handing over this slip)

## BOOK POST

*If undelivered please return to :*

**MCS LIMITED**

21/22, Ground Floor,  
Kashiram Jamnadas Building  
5 P D Mello Road, Ghadiyal Godi,  
Masjid East, Mumbai - 400009.