

BOARD OF DIRECTORS

Deepak Gupta	<i>Managing Director</i>
Poonam Gupta	<i>Director (Operations)</i>
Ravi Gupta	<i>Director</i>
Pramil Garg	<i>Director</i>

Company Secretary

Prakriti Wason

**COMMITTEES OF THE BOARD
OF DIRECTORS**

Audit Committee

Ravi Gupta	Chairman
Pramil Garg	Member
Poonam Gupta	Member

Auditors
M/s Kailash Sushil & Associates
Chartered Accountants
1-A, (K-429/135), Adarsh Nagar Extn.,
G.T. Karnal Road, Delhi - 110033

Investors' Grievances Committee

Poonam Gupta	Member
Ravi Gupta	Member
Pramil Garg	Chairman

Registered Office :
E-79, IIInd Floor, South Ext. Part 1,
New Delhi - 110049
Phones : 32017042, 32016944
E-mail : kccdeepak@yahoo.co.in

Remuneration Committee

Poonam Gupta	Member
Pramil Garg	Member
Ravi Gupta	Chairman

Registrar & Share Transfer Agents

Alankit Assignments Limited,
2E/8, First Floor,
Jhandewalan Extension,
New Delhi - 110055.
Phones : 42541234

Share Transfer Committee

Deepak Gupta	Chairman
Pramil Garg	Member



Directors' Report

Dear Members,

Your Directors have immense pleasure in presenting their Nineteenth Annual Report on the business and operations of the company together with the Audited Financial statements and Accounts for the year ended 31st March, 2013.

INFORMATION TECHNOLOGY INDUSTRY IN INDIA

AN OVERVIEW

Despite a challenging economic environment, the enterprise software market in India is projected to reach \$3.92 billion in 2013, a 13.9 per cent growth over 2012 revenue of \$3.45 billion. Compounding the demand is the ongoing tendency for greater customer services along with the incorporation of emerging technologies like mobility, cloud and business process management..

FUTURE OF INFORMATION TECHNOLOGY

More recently, online retailing, cloud computing and e-commerce are leading to rapid growth in the IT industry. Online shopping is fast gaining popularity with the emergence of internet retailing and e-commerce.

In 2013, India is expected to be the fourth largest enterprise software market in Asia-Pacific. The country is forecast to account for 11.6 per cent of the region's total revenue of \$33.73 billion in 2013 and 1.32 per cent of the total worldwide software market of \$296 billion.

Looking ahead to 2013-14, there are challenges in some markets with regard to regulatory changes. These include restrictions in the movement of highly skilled professionals between countries. Your Company remains conscious of these changes and will be taking steps to ensure total compliance and also mitigate any risks arising from such changes.

In the next five years, priority areas of software spending will include web conferencing; teaming platforms and social software suites; enterprise content management; customer relationship management (CRM) and security.

Indian enterprises are looking for cost effective use of technology before adoption of these tools, resulting in the fast growth of these markets.

COMPANY'S OVERVIEW

Indian IT companies are increasingly looking for global delivery model. ADM services, which used to provide major chunk of revenues to the domestic IT players, are getting affected due to the falling billing rates. Hence, the companies are now venturing into new high value services such as IT Consulting, Product Development, and end-to-end turnkey solutions.

Billing rates will remain stressed in the short term; companies are expected to preserve their margins through effective cost containment. Lessons learnt during the crisis can benefit in the long run. Rupee's depreciation against the US dollar and other major currencies is expected to provide relief for Indian IT companies in the near term, offsetting the pricing and demand pressures to some extent.

Indian firms, across all other sectors, largely depend on the IT & ITeS service providers to make their business processes efficient and streamlined.

KCC believes in creating high levels of engagement and commitment. It builds a culture to ensure lasting relationships and creates value for all stakeholders. It has implemented reward and recognition programs to strengthen both values and results. At KCC every individual is considered significant and all employees are encouraged to produce extraordinary results.

KCC's gross revenue has increased quite tremendously from the previous period. The Board of Directors are very delighted to see such a turnaround as was expected. The company has shown its strength in sustaining the recessionary impact.

KCC continues to live its passion and work towards making business impact simpler, accessible and beneficial to all. We continue to be motivated and get encouraged by the relentless hard work of our people, our business associates, our shareholders, our customers and all those who unite with us in realizing our dream of transforming the Future with our solutions.

"Optimism regarding spending within Indian organizations reflects confidence in India's regional economic performance, as well as the need to adopt better technology to effectively compete in a tougher global environment,"

FINANCIAL PERFORMANCE **(Rupees in lacs)**

Particulars	Financial Year 2012-2013	Financial Year 2011-2012
Gross Revenue	110.50	75.30
Profit before Tax	179.33	31.52
Profit after Tax	141.30	24.57

OPERATIONS

During the period under review your company has registered a turnover of Rs. 110.50 lacs against Rs.75.30 lacs in year 2011- 2012. A profit before Tax of Rs. 179.33 lacs has been made during this period as against a profit of Rs. 31.52 in the previous period. Profit for the period 2012-13 is 141.30 lacs.

DIVIDEND

The Board considering prudent to conserve resources for investment in business regrets its inability to recommend any dividend for the year ended 31st March 2013.

PUBLIC FIXED DEPOSIT

The company has not accepted deposits from Public under section 58A of the Companies Act, 1956 during the year.

DIRECTORS

In accordance with the provisions of section 256 of the Companies Act, 1956 and Article of Association of the Company, Mrs. Poonam Gupta, Director of the company, retire by rotation at the ensuing Annual General Meeting and be eligible, offer herself for re-appointment. Their brief profile has been stated in the Corporate Governance Report.

DIRECTORS RESPOSIBILITY STATEMENT

In terms of the provision of section 217(2AA) of the Companies Act, 1956, your directors confirm that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with the proper explanation relating to material departure wherever necessary.
- ii) The Directors had 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 the affairs of the company at the end of financial year 2012-2013 and of the profit/ loss of the company for the year ended as on that date;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate Accounting Records in the accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the Annual Accounts on a going concern basis.



AUDITORS

M/S Kailash Sushil & Associates, Chartered Accountants, the Statutory Auditors of your company expressed their willingness to continue auditors, if re-appointed at the Annual General Meeting to hold the office until the conclusion of the next Annual General Meeting. The company has received from the Auditors a certificate to this effect that their appointment, if made, would be within the prescribed limit under section 224(1-B) of the Companies Act, 1956.

AUDITORS REPORT AND CERTIFICATION

The notes to the accounts in Auditors' Report are self explanatory.

PARTICULARS OF EMPLOYEES

In compliance with provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule 1975, statement of particulars of employees has not been given as none of employee during the financial year drew remuneration more than Rs. 5 Lacs per month or Rs. 60 Lacs per annum.

INDUSTRIAL RELATIONS

Relation with the Employees remain cordial and your Directors wish to place on record their appreciation of the co-operation and contribution made by the employees at all levels.

DISCLOSURES

Particulars under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 on Conservation of Energy and Technology absorption are not applicable to your company.

During the year under review the Company has neither earned any foreign exchange nor used any foreign exchange.

CORPORATE GOVERNANCE

A Report on Corporate Governance as required under Clause 49 of the Listing Agreement, as applicable, form the part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis as required under clause 49 of the Listing Agreement, as applicable, form the part of this report.

COMPOSITION OF AUDIT COMMITTEE

Disclosure pursuant to the provisions of section 292A of the Companies Act, 1956, the Audit Committee of the company consists of:

Mr. Ravi Gupta	-	Chairman & Non Executive Director
Mr. Pramil Kumar Garg	-	Non Executive Director & Member
Mrs. Poonam Gupta	-	Executive Director & Member

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the co-operation received from bankers, Central and State Government Departments, Local Authorities and Customer for their continued guidance and support and also to the Shareholders, Statutory Auditors and Employees of the company for their commitment and support which has contributed to the growth and success of the company.

By order of the Board
for **KCC Software Limited**

Sd/-
(Deepak Gupta)
Managing Director

Place : New Delhi
Date : 09.08.2013

Report on Corporate Governance

GOVERNANCE PHILOSOPHY

Corporate governance is about maintaining an appropriate balance of accountability between three key players: the corporation's owners, the directors whom the owners elect, and the managers whom the directors select. Accountability requires not only good transparency, but also an effective means to take action for poor performance or bad decisions.

Corporate governance is about commitment to values and ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance.

This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

I BOARD OF DIRECTORS

(A) COMPOSITION OF BOARD OF DIRECTORS

In compliance with clause 49 (1) (A) of the Listing Agreement, the Board comprises of optimum combination of both Executive and Non Executive Directors i.e two Executive and two Non executive directors of whom one is an independent Director. The Chairman of the Board is an Executive Director and in compliance with the said clause more than half of the Board comprises of Independent Directors. All the members of the Board are highly experienced professionals drawn from the field of business and finance.

Name of the Director	Category	Designation	Number of Directorship held in other Companies	Number of Chairmanships in Committees of the Board of other Companies
Mr. Deepak Gupta	Executive Director	Managing Director & Chairman	-	-
Mrs. Poonam Gupta	Executive Director	Director (Operations)	-	-
Mr. Ravi Gupta	NED & Independent Director	Director	-	-
Mr. Pramil Kumar Garg	NED & Independent Director	Director	-	-

(B) NON- EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES

The Company does not pay any other remuneration to them besides sitting fees. Appropriate records are maintained in respect of the payment made to them.

(C) BOARD MEETINGS

- During the financial year 2012-2013, the Board met four times in the following dates in compliance with section 285 of the Companies Act, 1956 and Clause 49 of the Listing Agreement:
 1. 14th May, 2012
 2. 9th August, 2012
 3. 8th November, 2012
 4. 8th February, 2013

ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING AND LAST ANNUAL GENERAL MEETING

Name of the Director	Number of Board Meetings Attended	Presence at the 18th AGM on 28th, September, 2012 at E-79, South Extension Part-1, New Delhi- 110049
Deepak Gupta	4	Yes
Ravi Gupta	4	Yes
Poonam Gupta	4	Yes
Pramil Garg	4	Yes

- In accordance with Clause 49 of the Listing Agreement, the requisite information was placed before the Board and was also made a part of the minutes of the meeting of the Board.
- All the pecuniary relationship or transaction of the Non Executive Directors vis-a-vis the Company, if any, have been disclosed in the Financial Statements of the company for the year ended 31st March, 2013.

(D) BOARD PROCESS

It has always been a dry run on the part of the company's management that all the major decisions pertaining to the business are been handled through Board Meetings and with the approvals of the Members of the Board.

All important decisions including quarterly results of the company, financial restructuring, capital expenditure proposals, collaboration, material investment proposals in promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations etc are regularly placed before the Board.

(E) CODE OF CONDUCT

A revised model of Code of Conduct has been approved and adopted by the board, to maintain highest standards of Corporate Governance.

Pursuant to Clause 49 of the Listing Agreement, the Board Members and Senior Management Executives of the company have confirmed compliance with the Code of Conduct for the period ended 31st March, 2013. The CEO of the Company asserts the compliances of the Code of Conduct of the Company.

SEBI (Prohibition of Insider Trading) Amendment Regulation 2011 has been confirmed. The compliances of the Code of Conduct for prevention of Insider Trading are strictly adhered to; CEO of the Company has also pronounced the compliance of the Board Members and Senior Management Executives.

(F) CEO & CFO CERTIFICATION

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO).

I, Deepak Gupta, Acting as C.E.O. & MD of the company, hereby certify and affirm that as on & upto the date of this certificate, there has been due compliance of Accounting Standards and other related functions as laid down by the company, under Clause 49 V of the Listing Agreement, honest and ethically.

We heading & discharging the finance function hereby certify to the Board that:

- I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - these statements do not contain any materially untrue statements or might fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control system of the company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which were aware and the steps I have taken or proposed to take to rectify these deficiencies.

- (d) I have indicated to the Auditors and the Audit committee:
- (i) Significant change in internal controls over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- This certificate is given by the undersigned & full reliance can be placed for what has been stated above.

Sd/-
DEEPAK GUPTA
(CFO & MD)
KCC SOFTWARE LIMITED

II DIRECTORS' COMMITTEES

In compliance with clause 49 of the Listing Agreement, the Board has constituted the following committees:

- Audit committees
- Shareholder Investor Grievance Committees
- Remuneration Committees

AUDIT COMMITTEE

(A) COMPOSITION OF AUDIT COMMITTEE

The Committee comprises of two Non Executive Directors of whom both of them are Independent Directors. The Chairman of the Committee is an independent Director. All the members are well versed with Accounting and Financial Knowledge.

Name of the Member	Category	Designation
Mr. Ravi Gupta	Non Executive & Independent Director	Chairman
Mrs. Poonam Gupta	Executive Director	Member
Mr. Pramil Garg	Non Executive & Independent Director	Member

(B) AUDIT COMMITTEE MEETINGS

During the financial year 2012-2013, the Committee met four times on the following dates:

1. 14th May, 2012
2. 9th August, 2012
3. 8th November, 2012
4. 8th February, 2013

ATTENDANCE OF EACH MEMBER AT THE AUDIT COMMITTEE MEETING HELD DURING THE YEAR 2012-2013

Name of the Member	Number of Meetings Attended
Mr. Ravi Gupta	4
Mrs. Poonam Gupta	4
Mr. Pramil Kumar Garg	4

The Chairman, Mr. Ravi Gupta having the requisite qualification as required under Clause 49 (II) of the Listing Agreement attended the last AGM to answer the queries of shareholders.

PRIMARY OBJECTIVES AND POWERS OF THE AUDIT COMMITTEE

The Role and Powers of the Audit Committee are as per provisions of Section 292A of the Companies Act, 1956 and guidelines set out in the listing Agreement.

(C) BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The committee looks after the following matters:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable.
2. Review major issues regarding accounting principles and financial statements presentation, including any significant changes in the company's selection or application of accounting principles, the effect of the regulatory and accounting initiatives as well as off balance sheet structures on this on the financial statement of the company.
3. Recommending to the Board, to appoint, re-appoint and oversee the work of the public accounting firm employed by the organization to conduct the statutory external audit and, if required, the replacement, or removal of the Statutory Auditor and fixation of audit fees.
4. Approval of payment of statutory audit for any other services rendered by the Statutory Auditors.
5. Reviewing with the management, the annual financial statement before submission to the board for approval with particular reference to:
 - Matters are required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with Listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualification in the draft Audit Report
6. Reviewing with the management, the quarterly financial statement before submission to the approval. Such review will include scrutiny of earnings and the effects of any changes in accounting practice.
7. Reviewing with the management effectiveness of the company's the internal control systems.
8. Review with the management and the chief internal auditors, the charter, plans, activities, including the structure of the internal audit function, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
9. Obtain and review a report by the independent Auditor describing the company's internal quality-control procedure, any material issues raised by the most recent internal quality-control review, or peer review of the firm and assess the auditor's independence.
10. Discussion with the management the company's major policies with respect to risk management.
11. Reviewing the company's procedure for detecting fraud and ensure the arrangement are in place by which staff may, in confidence, raised concerns about possible improprieties in matter of financial reporting, financial control or any other matters.
12. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(D) REVIEW OF INFORMATION BY AUDIT COMMITTEE

The Audit Committee shall mandatory review the following information:

- Management Discussion and Analysis of Financial condition and results of operations.
- Management letters/ letter of internal control weaknesses issued by the internal Auditors.
- Internal Audit Reports relating to internal control weaknesses, and
- The appointment, removal and terms of remuneration of the chief Internal Auditor shall be subject to review by the Audit Committee.

(E) SHAREHOLDER & INVESTOR GRIEVANCE COMMITTEE

The scope of the Shareholders' Grievances Committee is to review and address the grievances of the Members in respect of share transfers, transmission, dematerialization and rematerialization of shares and other share related activities. During the year 13 meetings of the Committee were held.

COMPOSITION OF COMMITTEE

Mr. Pramil Kumar Garg, Non Executive Director is the Chairman of the Committee along with Mrs. Poonam Gupta and Mr. Ravi Gupta, acts as the Members of the committee:

Name of the Member	Category	Designation
Mr. Pramil Kumar Garg	Non Executive & Independent Director	Chairman & Member
Mr. Ravi Gupta	Non Executive & Independent Director	Member
Mrs. Poonam Gupta	Executive Director	Member

DETAILS OF QUERIES/ COMPLAINTS RECEIVED AND SOLVED DURING THE FINANCIAL YEAR 2012-2013

Name of Queries/ complaints	Received (No.'s)	Solved (No.'s)	Pending (No.'s)
Non- receipt of Share Certificates	Nil	Nil	Nil
Number of request for change of address	Nil	Nil	Nil
Number of request for Transfer	Nil	Nil	Nil
Issue of Duplicate Share Certificates	Nil	Nil	Nil
Non receipt of Dividend Warrants	1	1	Nil
Revalidation of Dividend Warrants	Nil	Nil	Nil
Non-receipt of Annual Report	5	5	Nil
Total	6	6	Nil

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The committee looks after the following matters:

- Redressal of shareholder and investor's complaints, etc. relating to transfer of shares, non receipt of annual report, non receipt of declared dividends, etc.
- The Number of shareholders complaints received during the year was 6 and complaints pending was nil.
- The Company addresses all complaints, suggestions and grievances expeditiously and sent/ issues resolved usually within 15 days.

(F) REMUNERATION COMMITTEE

(I) COMPOSITION OF COMMITTEE

The committee comprises of two independent directors, the

Name of Member	Category	Designation
Mr. Ravi Gupta	Non Executive & Independent	Chairman
Mrs. Poonam Gupta	Executive Director	Member
Mr. Pramil Kumar Garg	Non Executive & Independent Director	Member

No meeting was held during the year 2012-2013, regarding the revision of the remuneration of executives and employees of the Company.

(II) TERMS OF REFERENCE

The Committee looks after the following matters:

- To determine the company's policy on and approve the remuneration packages for Executive Directors and their relatives working in the Company including pension rights and compensation payment.
- To approve the remuneration payable to the managerial personnel under the companies Act, 1956, taking into account the financial position of the company, trend in the industry, the appointee's qualification, experience, past remuneration and performance.

(III) REMUNERATION COMMITTEE POLICY:

The Remuneration Policy as outlined by the committee aims at:-

- Recognizing and rewarding performance and achievements
- Motivating and including the concerned executives to put in their best.

Details of the Remuneration paid to the Directors during the year under review are given below:

Name Of the Director	Salary (Rs in lakhs)
Mr. Deepak Gupta	6.0
Mr. Ravi Gupta	NIL
Mrs. Poonam Gupta	6.0
Mr. Pramil Kumar Garg	NIL

(IV) DISCLOSURES

- (A) Disclosures of Accounting Treatment: All the financial statements made are as per the Accounting Standards, given by the Institute of Chartered Accountants of India (ICAI). The financial statements present true and fair view of underlying business transactions.
- (B) Board Disclosure- Risk Management: The Company has laid down the various procedures to inform Board members about the risk involved in the business, its assessment and also its minimization. These procedures are been periodically reviewed and ensures that management controls risk through properly defined framework
- (C) Related party transactions- The Company do not have any related Party Transaction, which may have potential conflict with the interest of the Company at large.
- (D) Details of compliance with mandatory requirement and adoption of the non-mandatory requirement of Clause 49 of the Listing Agreement: The Company has stringently complied with all the mandatory requirements of this clause & the non-mandatory requirement were followed to the extent possible.

(I) MANAGEMENT DISCUSSION AND ANALYSIS.

A report on Management discussion analysis is enclosed herewith separately.

(J) GENERAL SHAREHOLDERS INFORMATION.

(A) ANNUAL GENERAL MEETING

AGM	Year	Day & Date	Time	Venue
19th AGM	2013	30th September, 2013	10.30 A.M	M-78, Connaught Place, New Delhi- 110001

(B) DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

AGM	Year	Day & Date	Time	Venue
16th Annual General Meeting	2010	30th September , 2010	10.30 A.M	E-79, 2ND FLOOR, SOUTH EXT. 1, NEW DELHI-110049
17th Annual General Meeting	2011	30th September , 2011	10.30 A.M	E-79, 2ND FLOOR, SOUTH EXT. 1, NEW DELHI-110049
18th Annual General Meeting	2012	30th September, 2011	10.30 A.M	E-79, 2ND FLOOR, SOUTH EXT.1, NEW DELHI-110049

(C) SPECIAL RESOLUTION PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS

There has been no special resolution passed in the previous three Annual General Meetings.

(D) POSTAL BALLOT

There has been no resolution passed through Postal Ballot during the year 1st April 2011 to 31st March 2013.

(K) FINANCIAL CALANDER

The Company follows financial year from 1st April to 31st March each year.

(L) MEANS OF COMMUNICATION

(A) DATE OF BOOK CLOSURE

The Books shall be closed from (Wednesday) 28th September, 2013 to (Friday) 30th September, 2013 (both days inclusive).

(B) DIVIDEND PAYMENT DATE

The company has not declared dividends for the financial year ending 31st March, 2013.

(C) LISTING ON STOCK EXCHANGES

The company's shares are listed on the **Delhi Stock Exchange Association Limited** and the **Ahmedabad Stock exchange**. The company has paid the Annual Listing Fees due to all stock Exchanges up to the year 2012-2013.

(D) CONNECTIVITY WITH THE DEPOSITORIES

NSDL

CDSL

ISIN NO. for NSDL/CDSL- INE983A01019

(E) MARKET PRICE DATA

There is nil trading of shares of the Company in Delhi Stock Exchange and Ahmadabad Stock exchange from 1st April 2012 to 31st March, 2013.

(F) REGISTRAR AND TRANSFER AGENT

Share transfer work in physical as well as demat mode is done by the company's Registrar and Transfer Agent :

Alankit Assignments Limited

Alankit House

2E/21, Jhandewalan Extension

New Delhi- 110055

Web: www.alankit.com



CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2013

Shareholder's Category	Percentage of Holding
Promoters', Relatives and Associates	38.339
Bodies Corporate (Domestic)	0.712
Banks & Financial Institutions	0.00
Mutual Funds	0.00
Foreign Institutional Investors	5.156
Non-Resident Indians & overseas Corporate Bodies	0.856
Resident Individuals	54.937
Any Other (Clearing House, Clearing Member, Trust, unclaimed)	0.00
Total	100.00

(G) DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has entered into Tripartite Agreement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) to facilitate dematerialization of shares.

(H) OUTSTANDING ADRs/GDRs/ WARRENTS/ ANY CONVERTIBLE INSTRUMENTS WHICH HAVE LIKELY IMPACT ON EQUITY

Not Applicable

(I) PLANT LOCATION

Not Applicable

(J) INVESTOR QUERY/ ADDRESS FOR CORRESPONDENCE

Shareholders correspondence should be addressed to our Registrar and Share Transfer agents at the Address mentioned above. Shareholders may also contact Company Secretary and Compliance Officer at the corporate office of the Company.

BRIEF RESUME OF THE DIRECTORS PROPOSED TO BE RE-APPOINTED:

• **POONAM GUPTA**

Date of Birth	26th January, 1962
Qualification	Over 25 years of rich experience in Education, IT & Software Industry.

OTHER DIRECTORSHIPS

S.No.	Name of the Company	Position
Nil		

COMMITTEE CHAIRMANSHIP/ MEMBERSHIP IN OTHER COMPANIES

S.No.	Name of the Company	Committee	Position
Nil			

Auditor's Certificate on Corporate Governance

To
The Board of Directors
KCC SOFTWARE LTD.
E-79, South Ext Part-1,
New Delhi- 110049

Re: Auditor's Certificate on Corporate Governance

We have examined the compliance of conditions of corporate governance by KCC Software Ltd. for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **KAILASH SUSHIL & ASSOCIATES**
Chartered Accountants

(Manoj Kumar Sharma)
Partner
Membership No.: 522617
Place : New Delhi
Dated : July 11, 2013

Management Discussion and Analysis Report

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Earlier, Nasscom said its vision for the Indian product landscape is to help make India the hub of the world's most successful software products through multiple initiatives of market development. Our strength resides not only in our size, but in the success of each individual member.

Despite a challenging economic environment, the enterprise software market in India is projected to reach \$3.92 billion in 2013, a 13.9 per cent growth over 2012 revenue of \$3.45 billion. Growing maturity of Indian users is an important driver for overall growth.

In 2013, India is expected to be the fourth largest enterprise software market in Asia-Pacific. The country is forecast to account for 11.6 per cent of the region's total revenue of \$33.73 billion in 2013 and 1.32 per cent of the total worldwide software market of \$296 billion.

The Industry also has the potential to transform India by harnessing information technology for inclusive growth.

II. OPPORTUNITIES AND THREATS.

SWOT ANALYSIS

Strengths:

- Acknowledged leadership, application services and Analytics Solutions (governance, risk and compliance, customer insight) and process outsourcing.
- High quality manpower resources

Weaknesses:

- Exposure to various economies
- Local resources in new markets.

Opportunities:

- Operate data processing and service bureau centers in India and Abroad.
- Offer consultancy, advisory and all related services in all areas of communication telecommunication, manufacturing and process control and automation, artificial intelligence.

Threats:

- Economic slow down
- Potential delays in decisions due to economic uncertainties

III. IT INDUSTRY OUTLOOK

Despite of the challenging economic environment we continue to live our passion and work towards making business impact simpler, accessible and beneficial to all. Today the opportunities are greater than ever before and we continue to be motivated and get encouraged by the relentless hard work of our people, our business associates, our shareholders, our customers all over the world, and all those who unite with us in realizing our dream of transforming the Future with our solutions.

KCC believes in creating high levels of engagement and commitment. It builds a culture to ensure lasting relationships and creates value for all stakeholders. It has implemented reward and recognition programs to strengthen both values and results. At KCC every individual is considered significant and all employees are encouraged to produce extraordinary results.

Indian IT industry will do "exceedingly well" in 2013-14. The IT industry body expects to meet its earlier projected estimate of 11-14 percent growth in the country's software exports in the current financial year at the lower-end.

IV. RISKS AND CONCERNS.

Risk Solved is a fully web enabled, secure system enabling insurers, brokers, third party administrators and insured clients to streamline risk management.

Benefits at a glance

- Sophisticated reporting
- Improved risk trend analysis
- Centralized supplier management
- Greater insight for strategically managing risk appetite

Resources are harder than ever to come by; but the number of risks no less. Added to the reality of budgetary constraints is the extra burden posed by reduced headcount in risk management teams, making an already difficult job that is much harder. On the top of the external drivers bearing down on the risk function, organizations are dealing with enormous and growing amounts of risk data. Making use of that data reliably and accurately is vital.

Remaining competitive and at the same time continually improving risk management processes and being able to prove that it is doing so adds to the seemingly insurmountable task of today's risk management imperative.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interests of the Company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data.

The Company has a strong reporting system, which evaluates and forewarns the management on issues related to compliance. The performance of the Company is regularly viewed by the Board of Directors to ensure that it is in keeping with the overall corporate policy and in line with pre-set objectives.

The Company updates its internal control systems from time to time, enabling it to monitor employee adherence to internal procedures and external regulatory guidelines.

The internal audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the internal control system, appraises periodically about activities and audit findings to the Audit Committee.

The Audit Committee was constituted to the Board of Directors and it consists of independent directors. The committee also holds discussions with statutory auditors, internal auditors and the Management on matters pertaining to internal controls, auditing and financial reporting.

VI. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYEED.

The relations with the employees remained cordial during the year.

CAUTIONARY NOTE

The statements in the Directors' and Management Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.



Independent Auditors' Report

To the Members of

KCC SOFTWARE LIMITED.

Report On the Financial Statement

We have audited the accompanying financial statements of KCC SOFTWARE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **KAILASH SUSHIL & ASSOCIATES**
Chartered Accountants
FRN No. 003952N

MANOJ KUMAR SHARMA
M. No. 522617
1A(K-429/135), G T KARNAL ROAD,
ADARSH NAGAR EXTN,
NEW DELHI-110033, DELHI

Place : **Delhi**
Dated : **19.08.2013**



ANNEXURE OF THE AUDITORS REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of KCC SOFTWARE LIMITED. on the accounts of the company for the year ended 31st March, 2013.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) The Company is not having any inventory hence question of physical verification, comments on procedures of physical verification of inventories & examination of the records of inventory does not arise.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service Tax, to the extent applicable and any other statutory dues have not been regularly deposited with the

appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable except service tax of Rs.231242

- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
 16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
 17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
 18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
 19. The Company has no outstanding debentures during the period under audit.
 20. The Company has not raised any money by public issue during the year.
 21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **KAILASH SUSHIL & ASSOCIATES**
Chartered Accountants
FRN No. 003952N

MANOJ KUMAR SHARMA
M. No. 522617
1A(K-429/135), G T KARNAL ROAD,
ADARSH NAGAR EXTN,
NEW DELHI-110033, DELHI

Place : **Delhi**
Dated : **19.08.2013**

Balance Sheet

AS ON 31ST MARCH, 2013

Particulars	Note No.	Amount (in Rs.) 31.03.2013	Amount (in Rs.) 31.03.2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a Share Capital	1	58180000.00	58180000.00
b Reserve and Surplus	2	84660075.16	70530035.71
2 Share Application Money Pending Allotment		0.00	0.00
3 Non-Current Liabilities			
a Long Term Borrowings	3	129346.94	5097515.43
b Deffered tax Liabilities (net)	4	999258.00	825965.00
c Other Long Term Liabilities	5	4755000.00	4005000.00
d Long term provisions		0.00	0.00
4 Current Liabilities			
a Short term borrowings		0.00	0.00
b Trade Payables	6	14356778.24	15531450.24
c Other Current Liabilities	7	0.00	61717862.50
d Short term provisions	8	1333298.75	1614621.00
Total		164413757.09	217502449.88
II ASSETS			
1 Non Current Assets			
a Fixed Assets	9		
(i) Tangible Assets		68780147.94	62015977.00
(ii) Intangible Assets		0.00	0.00
(iii) Capital work in progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
b Deffered Tax Assets (net)		0.00	0.00
c Long term Loans and Advances	10	63717747.00	5537500.00
d Other Non-Current Assets	11	282600.00	282600.00
2 Current Assets			
a Inventories		0.00	0.00
b Trade Receivables	12	22530210.22	21377328.22
c Cash and Cash Equivalents	13	5570346.32	125809614.05
d Other Current Assets	14	3532705.61	2479430.61
Total	0.00	164413757.09	0.00 217502449.88

This is the Balance Sheet refer to in our report of even date for **Kailash Sushil & Associates**
Chartered Accountants
FRN No. 003952N

The above notes form an integral part of Balance Sheet

For & on behalf of the Board

(Manoj Kumar Sharma)
Partner
Membership No. 522617
Place : Delhi
Date : 19.08.2013

Poonam Gupta
Director

Deepak Gupta
Director

Prakriti Wason
Company Secretary

Profit & Loss Account

FOR THE YEAR ENDING 31ST MARCH, 2013

Particulars	Note No.	Amount (in Rs.) 31.03.2013	Amount (in Rs.) 31.03.2012
I Revenue from Operations	15	11050000.00	7530000.00
II Other Income	16	19905062.22	12232275.00
III Total Revenue (I+II)		30955062.22	19762275.00
IV Expenses:			
Cost of Materials consumed		0.00	0.00
Changes in Inventories:			
Work-in-Progress		0.00	0.00
Finished Goods		0.00	0.00
Employees benefit Expenses	17	1527116.00	1024657.00
Finance Costs	18	817401.93	10555866.81
Depreciation and amortization expenses		1506341.28	1278043.00
Other Expenses	19	9170887.56	3751576.48
Total Expenses		13021746.77	16610143.29
V Profit before exceptional and extraordinary items and tax (III-IV)		17933315.45	3152131.71
VI Exceptional Items		0.00	0.00
VII Profit before extraordinary Items and Tax (V-VI)		17933315.45	3152131.71
VIII Extraordinary Items		0.00	0.00
IX Profit Before Tax (VII - VIII)		17933315.45	3152131.71
X Tax Expenses			
(i) Current Tax	3629983.00	600640.00	
(ii) Deferred Tax	173293.00	104018.00	
(iii) Earlier Year Tax	0.00	-9762.00	
(iv) Fringe Benefit Tax	0.00	3803276.00	694896.00
XI Profit for the period from continuing operations (IX-X)		14130039.45	2457235.71
XII Profit from Discontinuing operations		0.00	0.00
XIII Tax expenses of discontinuing operation		0.00	0.00
XIV Profit from Discontinuing Operations (after Tax (XII - XIII))		0.00	0.00
XV Profit(loss) for the period (XI + XIV)		14130039.45	2457235.71
XVI Earning Per Equity Share			
(i) Basic		2.43	0.42
(ii) Diluted		2.43	0.42

This is the Balance Sheet refer to in our report of even date for **Kailash Sushil & Associates** Chartered Accountants FRN No. 003952N

The above notes form an integral part of Profit & Loss Account

For & on behalf of the Board

(Manoj Kumar Sharma)
Partner
Membership No. 522617
Place : Delhi
Date : 19.08.2013

Poonam Gupta
Director

Deepak Gupta
Director

Prakriti Wason
Company Secretary

Cash Flow Statement

FOR THE YEAR ENDING 31ST MARCH, 2013

	31st March, 2013		Amount (in Rs.) 31st March, 2012	
A. Cash Flow from Operating Activities				
Net Profit before tax & extraordinary items		17,933,315.45		3,152,131.71
Add: Adjustment for		-		
Depreciation	1,506,341		1,278,043	
		<u>1,506,341</u>		<u>1,278,043</u>
Operating Profit before Working Capital Changes		19,439,657		4,430,175
Increase/ decrease in Trade & Other Receivable	(2,206,157)		75,965,860	
Increase/ Decrease in Loans & Advances	(58,180,247)		109,307,560	
Increase/ decrease in Current Liabilities	(62,423,857)	(122,810,261)	(69,094,719)	116,178,701
Cash generated from operations		(103,370,604)		120,608,876
Taxes Paid	3,629,983	3,629,983	590,878	590,878
Cash Flow before extrordinary items		(107,000,587)		120,017,998
Extraordinary items		-		-
Net Cash flow from Operating Activities		<u>(107,000,587)</u>		<u>120,017,998</u>
B. Cash Flow from Investing Activities				
Purchase of fixed Assets	(8,270,512)		(2,092,286)	
Sales of Fixed Assets	-		-	
		<u>(8,270,512)</u>		<u>(2,092,286)</u>
Net Cash used in Investing Activities		<u>(8,270,512)</u>		<u>(2,092,286)</u>
C. Cash Flow from Financing Activities		(4,968,168)		(131,925)
Net Increase in Cash & Cash equivalents (A+B+C)		(120,239,268)		117,793,787
Opening Balance of Cash & Cash equivalents		125,809,614		8,015,827
Closing Balance of Cash & Cash equivalents		5,570,346		125,809,614
		-		-

This is the Balance Sheet refer to in our report of even date for **Kailash Sushil & Associates** Chartered Accountants FRN No. 003952N

The above notes form an integral part of Cash Flow

For & on behalf of the Board

(Manoj Kumar Sharma)
Partner
Membership No. 522617
Place : Delhi
Date : 19.08.2013

Poonam Gupta
Director

Deepak Gupta
Director

Prakriti Wason
Company Secretary

Notes to Financial Statements

FOR THE YEAR ENDING 31ST MARCH, 2013

NOTE NO. 1 - SHARE CAPITAL

1. Share Capital

SHARE CAPITAL	As at 31 March 2013		As at 31 March 2012	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each	650000	6500000.00	650000	6500000.00
Issued Subscribed and paid up				
Equity Shares of Rs. 10/- each fully paid up	581800	5818000.00	581800	5818000.00
Total	581800	5818000.00	581800	5818000.00

2. Reconciliation

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	581800	5818000.00	0	0.00
Shares issued during the year	0	0.00	0	0.00
Shares bought back during the year	0	0.00	0	0.00
Shares outstanding at the end of the year	581800	5818000.00	0	0.00

3. Shareholdings

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number of Share held	% of Holding	Number of Share held	% of Holding
Deepak Gupta	1527775	26.26%	1527775	26.26%
Poonam mittal	563068	9.68%	563068	9.68%
Bank Julius Baer & Co. Ltd.	300000	5.16%	300000	5.16%

Notes (Contd.)

NOTE NO. 2 - RESERVES & SURPLUS

Reserves & Surplus	As at 31 March 2013 Amount	As at 31 March 2012 Amount
1 General Reserve		
Opening Balance	0.00	0.00
(+) Current Year Transfer	0.00	0.00
(-) Written back in Current Year	0.00	0.00
Closing Balance	<u>0.00</u>	<u>0.00</u>
2 Surplus (Profit & Loss A/c)		
Opening Balance	70530035.71	68072800.00
(+) Net Profit for the Current Year	14130039.45	2457235.71
(+) Transfer from Reserves	0.00	0.00
(-) Proposed Dividends	0.00	0.00
(-) Interim Dividends	0.00	0.00
(-) Dividend Tax	0.00	0.00
(-) Transfer to Genral Reserves	0.00	0.00
Closing Balance	<u>84660075.16</u>	<u>70530035.71</u>
Total	<u>84660075.16</u>	<u>70530035.71</u>

NOTE NO. 3 - LONG TERM BORROWINGS

Long Term Borrowings	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Secured		
1 Term Loans		
Bank of Baroda		
- Secured Against Mortgage Of Immovable Property	0.00	4871891.85
HDFC		
- Auto Loan	129346.94	225623.58
	<u>129346.94</u>	<u>225623.58</u>

NOTE NO. 4 - DEFERRED TAX LIABILITY (NET)

Deferred tax liability (net)	As at 31 March 2013 Amount	As at 31 March 2012 Amount
(a) Deffered Tax Liability		
- Depreciation net of difference in composition of actual cost of assets	825965.00	721947.00
- Expenses disallowed under section 43	0.00	0.00
(b) Deferred Tax Assets	-173293.00	-104018.00
Deferred Tax Liability (net)	999258.00	825965.00

Notes (Contd.)

NOTE NO. 5 - OTHER LONG TERM LIABILITIES

Other Long Term Liabilities	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Rent Security Deposit	4755000.00	4005000.00
	<u>4755000.00</u>	<u>4005000.00</u>

NOTE NO. 6 - TRADE PAYABLES

Trade Payables	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Sundry Creditors - Goods	14356778.24	15531450.24
	<u>14356778.24</u>	<u>15531450.24</u>

NOTE NO. 7 - OTHER CURRENT LIABILITIES

Other Current Liabilities	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Cash credit limit (secured against hyp. Of book debts & mortgage of immovable property)	0.00	46729164.42
Rent Discounting Credit(secured against mortgage of immovable property)	0.00	14988698.08
	<u>0.00</u>	<u>61717862.50</u>

NOTE NO. 8- SHORT TERM PROVISION

Short Term Provision	As at 31 March 2013 Amount	As at 31 March 2012 Amount
a Provision for employees benefits		
Salary and Reimbursements	112810.00	114000.00
Contribution To PF & ESI	46864.00	35178.00
b Others		
Expenses Payable	63146.00	9870.00
Auditors Fee Payable	186458.00	176458.00
Income Tax	421459.00	0.00
Statutory liabilities		
-TDS Payable	135830.00	187663.00
-Service tax Payable	366731.75	1091452.00
	<u>1333298.75</u>	<u>1614621.00</u>

NOTE ON. 9 - FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	Balance As at 01.04.2012	Additions/ (Disposals)	Acquired Through business combinations	Revaluation /impairment	Balance As at 31.03.2013	Balance As at 01.04.2012	Depreciation Charge for the Year	Adjustment due to revaluation	On disposal	Balance As at 31.03.2012	Balance As at 31.03.2013
a. Tangible Assets											
Land	7869991.00	0.00	0.00	0.00	7869991.00	0.00	0.00	0.00	0.00	7869991.00	7869991.00
Flat ATSEX	1512000.00	0.00	0.00	0.00	1512000.00	330650.00	24645.60	0.00	0.00	1181350.00	1156704.40
Building at SEC 44	41465728.00	1681667.50	0.00	0.00	43147395.50	0.00	0.00	0.00	0.00	41465728.00	43147395.50
Computer Equipments	6226293.00	41952.00	0.00	0.00	6268245.00	6210532.00	13861.25	0.00	0.00	15761.00	43851.75
Furniture Fixture & Equipments	14247076.00	2349416.00	0.00	0.00	16596492.00	6154625.60	891095.80	0.00	0.00	8092450.40	9550770.60
Vehicles	6586135.00	4197476.72	0.00	0.00	10783611.72	3195438.40	576738.63	0.00	0.00	3390696.60	7011434.69
Total	77907223.00	8270512.22	0.00	0.00	86177735.22	15891246.00	1506341.28	0.00	0.00	62015977.00	68780147.94
b. Intangible Assets											
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c. Capital Work in Progress											
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d. Intangible Assets under development											
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes (Contd.)

NOTE NO. 10 - LONG TERM LOANS AND ADVANCES

Long Term Loans and Advances	As at 31 March 2013 Amount	As at 31 March 2012 Amount
a Security Deposits		
Secured Considered Good	2407500.00	167500.00
b Others Loans & Advances		
Secured Considered Good	0.00	0.00
Unsecured Considered Good	14070169.00	5370000.00
Other Loans & advances	47240078.00	0.00
Doubtful	0.00	0.00
Less : Provision for doubtful advances	0.00	0.00
	<u>61310247.00</u>	<u>5370000.00</u>
	<u>63717747.00</u>	<u>5537500.00</u>

NOTE NO. 11 - OTHER NON-CURRENT ASSETS

Other Non-Current Assets	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Earnest money	282600.00	282600.00
	<u>282600.00</u>	<u>282600.00</u>

NOTE NO. 12 - TRADE RECEIVABLES

Trade Receivables	As at 31 March 2013 Amount	As at 31 March 2012 Amount
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, Considered good	0.00	0.00
Unsecured, Considered good	474917.96	2711766.00
Unsecured, Considered doubtful	0.00	0.00
Less Provision for doubtful debts	0.00	0.00
	<u>474917.96</u>	<u>2711766.00</u>
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered good	0.00	0.00
Unsecured, Considered good	22055292.26	18665562.22
Unsecured, Considered doubtful	0.00	0.00
Less Provision for doubtful debts	0.00	0.00
	<u>22055292.26</u>	<u>18665562.22</u>
	<u>22530210.22</u>	<u>21377328.22</u>

Notes (Contd.)

NOTE NO. 13 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31 March 2013 Amount	As at 31 March 2012 Amount
a Balance with banks		
Bank of baroda current a/c(construction)	0.00	2443.00
Bank of baroda current a/c	0.00	937.00
Central Bank Of india C/A	0.00	1246.64
Kotak Mahindra Sweep account	29144.88	0.00
Kotak C/A 01912180000270	2250478.48	95078174.93
b Bank Deposit with more than 12 months maturity		
FDR with bank of Baroda	50000.00	50000.00
FDRs with other Banks	224528.60	224528.60
HDFC bank	47444.90	2601596.86
	<u>47444.90</u>	<u>47444.90</u>
c Interest Accrued on FDR	699.00	0.00
d Cheques, Drafts on hand	0.00	0.00
e Cash on hand	2968050.46	30404838.98
	<u>5570346.32</u>	<u>125809614.05</u>

NOTE NO. 14 - OTHER CURRENT ASSETS

Other Current Assets	As at 31 March 2013 Amount	As at 31 March 2012 Amount
a Income Tax Refundable	2379430.61	1752339.61
b Advance Tax & TDS	0.00	627091.00
c Staff Advance	1018359.00	0.00
d Prepaid Expenses	22667.00	0.00
e Advance Rent	0.00	100000.00
f Prepaid car insurance	112249.00	0.00
	<u>3532705.61</u>	<u>2479430.61</u>

Notes (Contd.)

NOTE NO. 15 - REVENUE FROM OPERATIONS

Revenue from Operations	For the year ended 31.03.2013 Amount	For the year ended 31.03.2012 Amount
Sale of Books	0.00	7530000.00
Professional Charges Received	11050000.00	0.00
	<u>11050000.00</u>	<u>7530000.00</u>

NOTE NO. 16 - OTHER INCOME

Other Income	For the year ended 31.03.2013 Amount	For the year ended 31.03.2012 Amount
Rent Received	16367980.00	11385775.00
Refund of Court Fees	157176.00	0.00
Maintenance Charges Recd	47275.00	846500.00
Interest Income	3332631.22	0.00
	<u>19905062.22</u>	<u>12232275.00</u>

NOTE NO. 17 - EMPLOYEE BENEFIT EXPENSES

Employee Benefit Expenses	For the year ended 31.03.2013 Amount	For the year ended 31.03.2012 Amount
a Salaries and incentives	1495702.00	1003621.00
b Contribution to -		
i Provident Fund & Other Funds	28181.00	14316.00
c Staff Welfare	3233.00	6720.00
	<u>1527116.00</u>	<u>1024657.00</u>

NOTE NO. 18 - FINANCE COST

Finance Cost	For the year ended 31.03.2013 Amount	For the year ended 31.03.2012 Amount
Interest Expenses	786023.73	10382031.58
Interest on Auto loan	23747.36	25643.58
Bank charges	7630.84	148191.65
	<u>817401.93</u>	<u>10555866.81</u>

Notes (Contd.)

NOTE NO. 19 - OTHER EXPENSES

Other Expenses	For the year ended 31.03.2013 Amount	For the year ended 31.03.2012 Amount
2 Administrative & Other Expenses		
Audit Fee	60000.00	60000.00
House keeping expenses	26248.00	58653.00
Rent Paid	2800000.00	0.00
Director Remuneration	1200000.00	1200000.00
Printing & Stationery	105075.00	117531.00
Postage, Telephone, Telegram & Courier	510203.00	178669.44
Electricity, Water & Generator Exp. (Net Of Receipts)	421458.82	99549.00
Interest on service tax	410794.00	0.00
Bad Debt Written Off	150000.00	0.00
Accounting & other Softwares	6600.00	0.00
Travelling & Conveyance	31733.00	8989.00
Advertisement	0.00	3309.00
Insurance expenses	50270.00	91401.00
Car Running & Maintenance	309560.39	449112.27
Prior Period Expenses	52441.64	0.00
DSC fee	899.00	0.00
AMC Charges	194665.00	0.00
Brokerage Expenses	1017080.00	165450.00
Repair & Maintenance	1141610.00	16315.00
Shares trf & Connectivity Charges	115126.00	120734.00
Refund of fees	0.00	35400.00
Internet Expenses	46466.00	0.00
Legal & Professional Fee	168040.00	706700.00
AGM expenses	22500.00	18000.00
Security Charges	300834.00	385637.00
Listing & depository Fees	27290.71	11030.00
Miscellaneous Expenses	1993.00	25096.77
	9170887.56	3751576.48

For **Kailash Sushil & Associates**

Chartered Accountants

FRN No. 003952N

For & on behalf of the Board

(Manoj Kumar Sharma)

Partner

Membership No. 522617

Place : Delhi

Date : 19.08.2013

Poonam Gupta
Director

Deepak Gupta
Director

Prakriti Wason
Company Secretary

Notes to Financial Statements

FOR THE YEAR ENDING 31ST MARCH, 2013

1. Significant accounting policies

(i) Basis for preparation of Financial Statements

The financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006 as adopted consistently by the company, to the extent applicable.

The presentation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

(ii) Revenue recognition

The Company derives its revenue from the Professional Income Rental Income and Interest Income.

The revenue from its operations is recorded on accrual basis.

(iii) Expenditure

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

(iv) Fixed assets/ Depreciation & Amortization

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Costs include all expenses incurred to bring the assets to its present location and condition for its intended use.

Depreciation on other tangible fixed assets is provided at the Straight method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale, deduction, discardment as the case may be. No Depreciation has been charged on Land and Building thereto as the same is treated as non-business asset and given on rent.

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase except in case of deployment as project assets (if any)

(v) Employee benefits

(a) Short term employee benefits

Short term employee benefits are recognized in the period during which the services have been rendered. No provision for gratuity is made as no employee is eligible for gratuity benefit as on the date of Balance Sheet.

(vi) Provision for tax

Tax expense for the year comprises current and deferred is included in determining the net profit for the year.

Notes (Contd.)

Provision for current tax is based on the tax liabilities computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax expense or benefit is recognized on timing Difference between accounting and taxable income that originates in one year and are capable of reversal in one or more subsequent period. Deferred tax assets and liabilities are measured using the tax rates and laws that are enacted or substantively enacted by the balance sheet date.

The deferred tax Liability is recognized subject to principle of prudence and conservatism and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized.

(vii) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(viii) Earning per share

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and including post tax effect of any extra-ordinary item) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issue to existing shareholders.

For the purpose of calculating diluted earning per share, the net profits or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

(ix) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities are segregated.

(x) Previous year figures have been regrouped, rearranged or reclassified wherever necessary to make them comparable with current year's figures.

Claims against the company not acknowledged as debts Rs. NIL (Previous year Rs. NIL) i.e.(Contigent Liability)

For **Kailash Sushil & Associates**

Chartered Accountants

FRN No. 003952N

For & on behalf of the Board

(**Manoj Kumar Sharma**)

Partner

Membership No. 522617

Place : Delhi

Date : 19.08.2013

Poonam Gupta
Director

Deepak Gupta
Director

Prakriti Wason
Company Secretary

Notice

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of **KCC SOFTWARE LTD** will be held on Monday, 30th September, 2013 at M-78, Connaught Place, New Delhi-110001 to transact the following business.

ORDINARY BUSINESS;

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and Profit and Loss Account for the period ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Poonam Mittal, who retires by rotation and being eligible to offer himself for re-appointment
3. To re-appoint Statutory Auditors, as Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and authorize the Audit Committee of the Board/Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass the necessary Ordinary Resolution:

"RESOLVED THAT M/S Kailash Sushil & Associates, New Delhi, Chartered Accountants, the retiring Statutory Auditors of the Company be and are hereby re- appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.

By order of the Board
for **KCC Software Limited**

Sd/-
(Deepak Gupta)
Managing Director

Place : New Delhi
Date : 19.08.2013

REGISTERED OFFICE:

E-79, 2ND FLOOR SOUTH EX PART 1,
NEW DELHI- 110049

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

An instrument appointing a proxy should be duly completed, stamped and signed, and must be sent as to reach the Company's Registered office not less than 48 hours before the time scheduled for the commencement of the meeting.

2. Please bring the Admission slip duly filled-in and hand over the same at the entrance of the Meeting Hall.



3. The Register of Members and share transfer Books of the company will remain closed from (Saturday) 28th, September, 2013 to (Monday) 30th, September, 2013. (Both days inclusive).
4. Members desirous of getting information from the company at its registered office well in advance so that the same may reach at least 7 days before the date of the meeting to enable the management to keep the required information readily available at the meeting.
5. As a measure of economy, members are requested to bring their copy of the Annual Report to the meeting.
6. Members are requested to immediately furnish their Email addresses and intimate the change of their address, if any, along with pin-code numbers with the registered office of the company quoting their Folio Numbers and members holding shares in electronic form may inform the same to their Depository Participants.
7. The shares of the company are at present listed on two Stock Exchanges viz, Delhi Stock Exchange and Ahmadabad Stock Exchange. Listing Fees to all the stock Exchanges had been paid up to 31st March, 2013.

By Order of the Board of Directors
for **KCC Software Limited**

Place : New Delhi
Date : 19.08.2013

Sd/-
(Deepak Gupta)
Managing Director

REGISTERED OFFICE:
E-79, 2ND FLOOR SOUTH EX PART1,
NEW DELHI- 110049



KCC SOFTWARE LIMITED

REGD. OFFICE : E-79, IInd Floor, South Ext. Part 1, New Delhi-110049

ATTENDANCE SLIP

I hereby record my presence at **19th Annual General Meeting** held on Monday, the 30th day of September 2013 at 10.30 A.M. at M-78, Connaught Place, New Delhi-110001

Member's Folio No. :

Client ID* :

D. P. ID* :

Name of Member/Proxy Holder :

No. of Shares held :

Member's/Proxy Holders Signature :

*APPLICABLE FOR INVESTORS HOLDING SHARES IN ELECTRONIC FORM

NOTES :

- Members/Proxy-holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
- Members are requested to bring their copy of the Annual Report.
- Formal system of entry will be strictly adhered.

KCC SOFTWARE LIMITED

REGD. OFFICE : E-79, IInd Floor, South Ext. Part 1, New Delhi-110049

PROXY FORM

I/We..... in the district of
of..... being a Member/Members of
KCC SOFTWARE LIMITED, hereby appoint(s).....
of..... in the district of or failing
him..... of in the district of
..... as my/our proxy in my/or absence to attend and vote for me/us and on my/our
behalf, at **19th Annual General Meeting** of the Company, to be held on Monday, the 30th day of September
2013 at 10.30 A.M. at M-78, Connaught Place, New Delhi-110001 and at any adjournment thereof.

Signed this..... day of.....2013.

Regd. Folio No.....

Client ID*.....

D.P. ID*.....

No. of Shares.....

Signed by the said

*APPLICABLE FOR INVESTORS HOLDING SHARES IN ELECTRONIC FORM

NOTE :

THE PROXY FORM DULY FILLED, SIGNED AND EXECUTED MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT E-79, IND FLOOR, SOUTH EXT. PART 1, NEW DELHI-110049, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE ANNUAL GENERAL MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.