

Annual Report 2011 - 2012

Excel Infoways Ltd.

BOARD OF DIRECTORS

Mr. Lakhmendra Khurana

Mrs. Ranjana Khurana

Mr. Arpit Khurana

Mr. Binoy Gupta

Mr. Ramesh Joshi

Mr. Ravi Prakash Sinha

Chairman & Managing Director

Executive Director

Executive Director

Independent & Non-Executive Director

Independent & Non-Executive Director

Independent & Non-Executive Director

COMPANY SECRETARY

Mrs. Kumud Waradkar
(w.e.f. April 18, 2012)

Ms. Bhavana Shah
(Resigned w.e.f. March 30, 2012)

AUDITORS

M/s S.G. Kabra & Co.
Wavel House, 1st Floor,
1st Dhobi Talao Lane,
Mumbai- 400002.

REGISTRARS AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai- 400078, India.
Tel No.:91-22-25946970
Fax No.:91-22-25946969
Email id: rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

REGISTERED OFFICE

31-A, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400053
Tel No.: 91-22-40309898
Fax :+91-22-26394248
Email Id: cs@excel-infoways.com

BANKERS

Citibank N.A.
ICICI Bank Limited
The Federal Bank Limited
Corporation Bank

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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of EXCEL INFOWAYS LIMITED will be held on Tuesday, August 21, 2012 at 10.00 a.m. at the Registered Office of the Company at 31-A , Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai 400053 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at March 31, 2012 and the Statement of Profit & Loss for the year ended on that date together with the Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mrs. Ranjana Khurana, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Mr. Ravi Prakash Sinha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s S. G. Kabra & Co., Chartered Accountants (Registration No. 104507W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in terms of the provisions of section 61 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, consent of the Company, be and is hereby accorded, to the utilization of ₹ 30 crore being part of the proceeds raised in the initial public offer made by the Company in July 2009, for acquisition of property other than that set out in the prospectus dated July 21, 2009, on account of unforeseen difficulty in obtaining possession of the property proposed in the said prospectus.

RESOLVED FURTHER THAT all actions taken by the Board of Directors in this connection be and are hereby ratified."

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

"RESOLVED THAT pursuant to the provisions of section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders of the Company be and is hereby accorded to the Company for commencement of businesses as specified in the sub clauses (73) (84) and (85) of clause (C) of Part III of the Memorandum of Association of the Company and as mentioned below-

(73) To acquire, build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engine, roadways, tramways, railways, branches of sidings, bridges, reservoirs, water courses, wharves, electric works and such other works and conveniences which may seem necessary to achieve the main objects of the company and to join with any other person or company in doing any of these things.

(84) To purchase, take on lease, hire, take licenses of or otherwise acquire or sell, let out, or otherwise give any exclusive or other right or interest in aerodromes, landing grounds, airports, helipads, land and sea planes bases, handers, machine shops, engineering shops, sheds for servicing, maintaining, and landing all kinds of aircrafts in any part of the world and to obtain and hold from any state, sovereign, governmental, or semi-governmental, authority any licenses, authorities or right necessary or convenient for such purposes.

(85) To equip and furnish any property for the purpose of letting it to visitors or guests, whether and single rooms, suits, chalets, caravans, movable structures, cottages or otherwise."

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

“RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification, re-enactments thereof for the time being in force) and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Lakhmendra Khurana as Managing Director of the Company for a further period of five years with effect from April 01, 2012 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary to give effect to this resolution.”

By Order of the Board
For **Excel Infoways Limited**

Sd/-
Kumud Waradkar
Company Secretary

Place : Mumbai
Date : May 28, 2012

Registered Office:

31-A, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400053

Notes:

1. **A member entitled to attend and vote at the annual general meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
3. In terms of Article 199 of the Articles of Association of the Company, read with section 256 of the Companies Act, 1956, Mrs. Ranjana Khurana and Mr. Ravi Prakash Sinha, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
4. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business under item nos. 5, 6 and 7 set out above is annexed herewith.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

9. The Company has notified closure of Register of Members and Share Transfer Books from August 13, 2012 to August 21, 2012.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Member holding shares in physical form are requested to advise any change in their address immediately to the Company / Registrars and Transfer Agents.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents.
13. Non- Resident Indian Members are requested to inform Registrars and Transfer Agents, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
14. The annual report of the Company circulated to the members of the Company, will be made available on the Company's website at www.excel-infoways.com
15. Investor Grievance Redressal :

The Company has designated an exclusive e-mail id cs@excel-infoways.com to enable Investors to register their complaints, if any.
16. Excel Infoways Limited is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, has by its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to their shareholders electronically as part of its green initiative in corporate governance.

Recognising the spirit of the circular issued by the MCA, we are sending the Annual Report comprising Notice convening the annual general meeting, financial statements, Directors' Report, Auditors' Report , etc, to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report reaches you on your preferred email address.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

UTILIZATION OF IPO FUNDS

The Company in the initial public offer of equity shares made in July 2009, raised ₹ 48 crore. The said equity shares are listed on the BSE and NSE effective August 2009. In the prospectus dated July 21, 2009 it was stated that the proceeds from the public issue would be utilized for setting up new facilities at Borivali and Kandivali at a total cost of ₹ 48 crore. As stated in the said prospectus the Company had as on June 17, 2009 deployed ₹ 18 crore from internal accruals, for purchase of the said properties. However on account of unforeseen legal disputes, the Company has been unable to get possession of the said properties as per schedule, and therefore the funds allocated for work related to interiors for the said facilities, could not be deployed. The Board of Directors have meanwhile deployed the funds aggregating ₹ 30 crore towards purchase of alternate property at Borivali and is in the process of setting up the facilities as proposed. The decision to so deploy the funds has been made in the overall interest of the Company and its shareholders.

As per the provisions of section 61 of the Companies Act, 1956 approval of the shareholders in a general meeting is required for variation of the terms of contract mentioned in the prospectus. Utilization of funds being a term of contract mentioned in the prospectus, approval of the shareholders of the Company is sought for utilization of funds as stated above.

None of the directors is concerned or interested in the resolution.

The Board of Directors recommend the passing of the resolution under item No.5

Item No. 6

COMMENCEMENT OF NEW ACTIVITIES

In view of the global recession in Information Technology (IT) and Business Processing Outsourcing (BPO), the Board of Directors of the Company consider it prudent to close down the related services in future and to diversify the business into new areas of construction, development of property and real estate etc. as mentioned in sub clauses (73), (84) and (85) of clause (C) of Part III of the Memorandum of Association of the Company, at the appropriate time and depending on the availability of resources and opportunity.

As per section 149(2A) of the Companies Act, 1956, approval of shareholders by way of special resolution is required for the commencement of new activities forming part of the other objects of the Memorandum of Association of the Company.

None of the directors is concerned or interested in the resolution.

The Board of Directors recommend the passing of the resolution under item No 6.

Item No. 7

RE-APPOINTMENT OF MANAGING DIRECTOR

The Board of Directors in its meeting held on February 13, 2012, re-appointed Mr. Lakhmendra Khurana as Managing Director of the Company for further period of five (5) years with effect from April 01, 2012 on the terms and conditions including remuneration as determined by the remuneration committee meeting held on February 13, 2012 subject to the approval of the members in the ensuing annual general meeting.

The qualification, experience and other directorships of Mr. Lakhmendra Khurana are mentioned below:

Mr. Lakhmendra Khurana holds a Bachelor of Arts (B.A.) degree from Meerut University. He has experience of 34 years. He is also a director of M/s. Excel Infra N Realty Pvt. Ltd., M/s. Ranjana Construction Pvt. Ltd., M/s. Tista Impex Pvt. Ltd., M/s. Raj HR Solutation Pvt. Ltd. and M/s. Ritz Shopping Mall Pvt. Ltd. He holds 69,91,930 equity shares of the Company as on May 28, 2012.

It is proposed to seek members' approval for the appointment of and remuneration payable to Mr. Lakhmendra Khurana as Managing Director in terms of the applicable provisions of the Companies Act 1956.

Salary, Perquisites and Allowances:

- Salary not exceeding ₹ 1,00,000 p.m.
- Increment as per Company's policy, but not exceeding 20% of the annual salary.

- Perquisites and allowances up to 100% of annual salary i.e. ₹ 12,00,000/- per annum which shall include accommodation (furnished or otherwise); house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/ or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and/ or allowances.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of the Income-Tax Act, 1961 or any rules thereunder or any statutory modifications(s) or re-enactment thereof; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

- The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income – tax law, gratuity payable and encashment of leave at the end of the tenure, shall not be included for the purpose of computation of the overall ceiling of remuneration.

A. Reimbursement of expenses:

Reimbursement of expenses incurred for travelling, board and lodging including for his spouse, children and attendant(s) during business trips; provision of car for use on Company's business; telephone expenses at residence shall be reimbursed and not considered as perquisite.

Mrs. Ranjana Khurana and Mr. Arpit Khurana, Executive Directors of the Company are interested in the proposed resolution.

Save and except the above, none of the other directors of the Company is in any way, concerned or interested in the Resolution.

The Board of Directors recommend the passing of the resolution under item No. 7

By Order of the Board
For **Excel Infoways Limited**

Sd/-
Kumud Waradkar
Company Secretary

Place : Mumbai
Date : May 28, 2012

Registered Office:

31-A, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400053

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 10th Annual Report along with the audited accounts of the Company for the year ended **March 31, 2012**.

FINANCIAL HIGHLIGHTS

(₹ In Lacs)

	For the year ended 31-3-2012	For the year ended 31-3-2011
Income from Operation and other income	1,622.78	2,040.92
Profit before Depreciation	411.42	1,525.79
Less: Depreciation	89.15	90.07
Profit before Tax	322.27	1,435.71
Provision for Tax	65.63	317.61
Deferred Tax	(13.13)	(10.56)
MAT credit Entitlement	55.83	(281.65)
Profit after Tax but before Prior period adjustments	213.94	1,410.31
Less: Prior period adjustments	8.75	0.13
Profit after Tax and Prior period adjustments	205.19	1410.18
Add: Balance B/f. From last year	6,164.72	4,754.55
Amount available for appropriation	6,369.91	6,164.72
Less: Dividend	-	-
Less: Dividend Tax	-	-
Balance carried to Balance Sheet	6,369.91	6,164.72

OPERATIONS

Due to global recession and worsening U.S. and U.K. economic conditions, it would be difficult for IT industry to expand and grow. In such a critical situation to maintain our performance was difficult. Despite the challenging environment the Company performed well.

During the year under review, the Company has earned total income from operations ₹ 1622.78 lacs (previous year ₹ 2040.92 lacs) translating into a fall of 20.49%. The Profit after Tax and prior period adjustments falls by 85.45% from ₹ 1410.18 lacs in previous year to ₹ 205.19 lacs in the current year.

DIVIDEND

With a view to conserve resources, the management thought it prudent not to declare dividend on equity shares of the Company.

SUBSIDIARY

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance sheet, the statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary company is disclosed in the Annual Report in compliance with the said circular. The Company will make available the annual accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company. The consolidated financial statements presented by the Company include the financial results of its subsidiary company.

In March 2011, Company invested in Excel Infra N Realty Pvt. Ltd., a group company by way of purchasing 26000 equity shares of ₹ 10/- there by making it subsidiary of the Company. But as in November 2011, Company has sold 25000 equity shares of ₹ 10/- each of the same to Mr. Lakhmendra Khurana – 10,000 shares and Mrs. Ranjana Khurana – 15000 shares, Excel Infra N Realty Ltd. is no more subsidiary of Excel Infoways Ltd.

IPO FUND UTILISATION

The Company in the initial public offer of equity shares made in July 2009, raised ₹ 48 crore. The said equity shares are listed on the BSE and NSE effective August 2009. In the prospectus dated July 21, 2009 it was stated that the proceeds from the public issue would be utilized for setting up new facilities at Borivali and Kandivali at a total cost of ₹ 48 crore. As stated in the said prospectus the Company had as on June 17, 2009 deployed ₹ 18 crore from internal accruals, for purchase of the said properties. However on account of unforeseen legal disputes, the Company has been unable to get possession of the said properties as per schedule, and therefore the funds allocated for work related to interiors for the said facilities, could not be deployed. The Board of directors have meanwhile deployed the funds aggregating ₹ 30 crore towards purchase of alternate property at Borivali and is in the process of setting up the facilities as proposed. The decision to so deploy the funds has been made in the overall interest of the Company and its shareholders.

DIRECTORS

In terms of sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mrs. Ranjana Khurana and Mr. Ravi Prakash Sinha, Directors retire by rotation and being eligible, offer themselves for reappointment.

Mr. Lakhmendra Khurana was re-appointed as Managing Director w.e.f April 01, 2012 for a further period of five (5) years, on such terms and conditions as set out in the Explanatory Statement annexed to the notice of the forthcoming Annual General Meeting subject to the approval of shareholders in the said Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors' Report:

- that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies in consultation with the statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the financial year;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. S. G. Kabra & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the Companies Act, 1956.

AUDITORS' REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

DEPOSITS

During the year under review, Company has not accepted any fixed deposits u/s 58A of the Companies Act, 1956, from the public. As such, no amount of principal or interest is outstanding as on the Balance Sheet date.

PARTICULARS OF EMPLOYEES

No employee draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

EMPLOYEE RELATIONS

The relationship of your Company with its employees remained cordial throughout the year. The Company has various policies and procedures to attract and retain its employees. Most of the employees of your Company are educated and the Company provides training on various soft skills, domain knowledge and effective communication skills. Your Company is

focused on improving the overall experience including health and mental well-being of its employees; and to that end it regularly conducts health checks. The Company also provides many benefits and incentives to its employees including to help, motivate and retain valued employees.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION

Provisions of section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in relation to conservation of energy and technology absorption are currently not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings and outgo, as required to be disclosed under section 217(1)(e) of the Companies act, 1956 read with the Companies(Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are provided in the Annexure I to this report.

CORPORATE GOVERNANCE REPORT

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report.

ACKNOWLEDGEMENT

Your directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

For and on behalf of the Board of Directors

Sd/-

Lakhmendra Khurana

Chairman and Managing Director

Sd/-

Ranjana Khurana

Executive Director

Place : Mumbai

Date : May 28, 2012

Annexure- I

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹)

a.	Total foreign exchange earned	7,07,63,822
b.	Total foreign exchange used	3,61,860

For and on behalf of the Board of Directors

Sd/-

Lakhmendra Khurana
Chairman and Managing Director

Sd/-

Ranjana Khurana
*Executive Director***Place** : Mumbai**Date** : May 28, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will' and so on. All statements that address expectations or projections about the future are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Industry structure and developments

The growth of Indian BPO sector is broad based with more services like healthcare, media. In the developed markets, weak economic conditions are forcing financial service industry think twice to enable them to control expenditure as well as compliance with rules and regulations. Our endeavour is to increase our wealth, to continue adding new values and services to our clients, stakeholders etc.

The Company is engaged in the business of providing customer care services and handling clients business relations on their behalf by maintaining relation with their consumers and also providing them service by assisting them in managing their work flow and updating their records.

The Company is equipped with an extensive fleet of IT sector related equipments, including advanced mechanism in IT Sector, latest software to conduct operations smoothly. The Company has employed software and hardware experts to render services, to look after working mechanism of the Company and to assure that the process flow of the Company is not hindered by any outside factors or the factors related to software or hardware mechanism.

The Company has been accredited with "ISO 27001:2005" Information Security Management System certificate for management and awareness of Security System.

The Company has decided to diversify activities of the Company and decided to venture into construction, real estate, development etc. Accordingly, in the financial year 2010-11, the Company has invested ₹ 3283.00 lacs and in the financial year 2011-12 the Company has invested ₹ 2871.00 lacs for the purchase of properties.

Significant developments subsequent to the last financial year

In June, 2011 the Company came out with Qualified Institutional Placement issue of 1,01,80,000 equity shares of ₹ 10/- each at the price of ₹ 25.25 per share, at premium of ₹ 15.25 per share aggregating to ₹ 25,70,45,000/-. These funds were utilized for the purchase of property for development and expansion.

In November 2011, Company has sold 25,000 equity shares of ₹ 10/- each of its subsidiary Excel Infra N Realty Pvt. Ltd. Therefore, Excel Infra N Realty Pvt. Ltd. is no more subsidiary of Excel Infoways Ltd.

Factors affecting results of our operations

Our financial conditions and results of operations are affected by the following factors:

- **Foreign currency risk**

All revenues of the Company are denominated in USD, GBP and most of our expenses are incurred and paid in Indian rupees. The exchange rates between the Indian rupee, the U.S. Dollar have changed substantially in the recent years. Our financial position and operating results may be adversely affected by fluctuations in the currency exchange rates.

- **Cost of people**

The principal component of our cost is the wages of our employees. If wages in India increase due to competitive pressures, we may experience a greater increase in our human resource cost. These being human changes in cost during the execution of the services may increase cost of services and alter profitability on contracts, which are not covered by escalation provisions.

- **Global demand and economic conditions**

The demand for our services is dependent on acceptance of our service offerings in the international markets, our ability to keep pace with technological changes and provide innovative solutions services. The business of the company is significantly dependent on the global economic condition and information technology sector activity in India/Abroad and Government policies relating to information Technology projects. Our ability to benefit from the considerable investments proposed in the IT sector in the medium and long term will be key to our results of operations.

- **Regulatory environment**

Our operations are exposed to uncertain political, legal and economic environment, government instability and complex legal systems and laws and regulations in India and abroad. Our ability to manage, evolve and improve our operational, financial and internal controls across the organization and to integrate our widespread operations and derive benefits from our operations is key to our growth strategy and results of operations.

- **Competition**

We operate in competitive business environment and may not be able to compete effectively. We compete with major IT enabled service providers as well as smaller regional IT enabled Service provider companies. Our competition varies depending on the clients and location of the clients.

- **Collection of receivables from our clients**

There are usually no delays associated with the collection of receivables from our clients which are totally foreign based. Our operations involve significant working capital requirements and prompt collection of receivables affect favourably to our liquidity and results of operations. However, there can be no assurance that any such development would not adversely affect our business.

- **The extent to which the company's business is seasonal.**

The Company's business is non seasonal.

- **Any significant dependence on a single or few suppliers or customers**

Revenues of the Company are dependent on IT enabled customers. However, the Company has excellent relations with existing clientele who continue to support to the operation of the Company which is evident from rise in income from operations, in past years.

Result of Operations

As a result of the various factors discussed above that affect our income and expenditure on specific projects, our results of operations may vary from period to period depending on the nature of projects undertaken by us, their completion schedules, the nature of expenditure involved in a particular project and the specific terms of the contract, including payment terms.

During the year under review, the Company has achieved total income from operations ₹1622.78 lacs (previous year ₹ 2040.92 lacs) translating into a fall of 20.49%. The Profit after tax and prior period adjustments falls by 85.45% from ₹ 1410.18 lacs in previous year to ₹ 205.19 lacs in the current year.

- **Analysis of Revenue**

Our revenues, referred to in our financial statements as total income comprises of income from operations and other income. The income from operations comprises of BPO / IT enabled services receipts from clients in lieu of services provided to them in the form of handling their customers and managing their work flow process in accordance with their requirements as per agreement and up-to their satisfaction and income from Infra activities.

Our income from other sources comprises of interest income from bank and other non-operating income.

- **Expenditure**

Our expenditure mainly comprises of employees cost, operation & other expenses and depreciation. Employee cost consists of payments made to the employees at all levels of the hierarchy. Operation cost comprises of expenditure incurred for maintaining computer systems including development/maintenance expenses for software and hardware systems utilized, communication cost, electricity expenses, overseas travel, exchange fluctuation loss and advertisement. Other expenses consists of expenses incurred for day to day routine Office Expenses like Printing & Stationery, Professional Fees, Insurance, Rent Rates & Taxes and Sundry Expenses.

Outlook

The Company believes it is in a dynamic market with a potential for substantial growth in future.

Internal Control Systems and their adequacy

The company has adequate internal control systems and procedures commensurate with the size and nature of business. The Company continuously upgrades its systems in line with the best availability practices. These systems are supported by periodical reviews by the management and standard policies and guidelines to ensure that financial and other records are prepared accurately.

Human resources and industrial relations

The Company has maintained excellent relations with its employees across all levels of the organization during the period under review. All efforts were made during the year under review to ensure a high employee satisfaction level with a series of measures undertaken to enhance the skill sets of the employees.

For and on behalf of the Board of Directors

Sd/-

Lakhmendra Khurana
Chairman and Managing Director

Sd/-

Ranjana Khurana
Executive Director

Place : Mumbai

Date : May 28, 2012

REPORT ON CORPORATE GOVERNANCE

In accordance with clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange India Limited (NSE) (clause 49) the report containing the details of corporate governance systems and processes is as under:

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors and the Management of Excel Infoways Limited commit themselves to strive towards enhancement of shareholder value through sound business decisions, prudent financial management and high standard of ethics throughout the organization. The Company ensures transparency and professionalism in all decisions and transactions of the Company. The Board of Directors commit themselves to achieve excellence in Corporate Governance by confirming to guidelines on Corporate Governance.

2. BOARD OF DIRECTORS

Board Composition

The Board consists of 6 (six) directors of which 3 (three) are non-executive and independent directors. The composition of the Board is as under:

Category	Name of the Director	Designation
Promoter Director	Mr. Lakhmendra Khurana	Chairman and Managing Director
Promoter Director	Mrs. Ranjana Khurana	Executive Director
Executive Director	Mr. Arpit Khurana	Executive Director
Non-Executive and Independent Director	Mr. Binoy Gupta	Director
Non-Executive and Independent Director	Mr. Ramesh Joshi	Director
Non-Executive and Independent Director	Mr. Ravi Prakash Sinha	Director

All the independent directors of the Company furnished a declaration at the time of their appointment as also annually that they satisfy the conditions for being independent. All such declarations were / are placed before the Board.

Mrs. Ranjana Khurana is the wife of Mr. Lakhmendra Khurana and Mr. Arpit Khurana is the son of Mr. Lakhmendra Khurana. None of the other directors are related in terms of the meaning of the expression of 'relative' given under the Companies Act, 1956.

Directors' Profile

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and their shareholding in the Company are provided below:

Mr. Lakhmendra Khurana, is the Chairman and Managing Director of Excel Infoways Limited. He is one of the Promoters of the Company. He holds a Bachelor of Arts (B.A.) degree from Meerut University. He has experience of 34 years.

He is also a director of M/s. Excel Infra N Realty Pvt. Ltd., M/s. Ranjana Construction Pvt. Ltd., M/s. Tista Impex Pvt. Ltd., M/s. Raj HR Solutation Pvt. Ltd. and M/s. Ritz Shopping Mall Pvt. Ltd.

He holds 69,91,930 equity shares of the Company as on March 31, 2012.

Mrs. Ranjana Khurana, is the Executive Director and one of the Promoters of Excel Infoways Limited. She holds a Master's Degree in Arts from Meerut University. She is responsible for administration related activities of the Company. She was previously engaged in a garment export business for 11 years.

She is also a director in M/s. Excel Infra & Realty Pvt. Ltd., M/s. Ritz Shopping Mall Pvt. Ltd., and M/s. Raj HR Solutation Pvt. Ltd.

She holds 54,61,729 shares in Excel Infoways Ltd. as on March 31, 2012.

Mr. Arpit Khurana, is the Executive Director of Excel Infoways Limited. He has completed his HSC. He has experience of four years in the Company.

He is also a director in M/s. Excel Infra & Realty Pvt. Ltd., M/s. Ranjana Construction Pvt. Ltd., and M/s. Tista Impex Pvt. Ltd., He does not hold any shares of Excel Infoways Ltd.

Mr. Binoy Gupta, is a Non Executive Independent Director of Excel Infoways Limited. He has obtained Ph.D. in law from University of Mumbai. He has also done PG Diploma in Cyber Law from NALSAR University of Law, Hyderabad. He has an overall experience of more than 40 years. He started his career with Indian Revenue Services in 1968 and retired as Chief Commissioner of Income-Tax. He has written books on Income Tax and Law and various articles on subjects ranging from medical to travel.

He does not hold any shares of Excel Infoways Ltd.

Mr. Ramesh Joshi, is a Non Executive Independent Director of Excel Infoways Limited. He is LLB., from Nagpur University. He has an overall experience of about 38 years. He has worked with various regulatory authorities of India such as Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) during his work tenure. He held various important positions in RBI since 1972 such as the General Manager- Exchange Control Department and Rural Planning and Credit Department, Chief General Manager- Department of Banking Supervision, Rural Planning and Credit Department etc. He was earlier on board of many banks and financial institutions viz, State Bank of Mysore, Karnataka State Financial Corporation etc as RBI Nominee Director. He was appointed as an Executive Director in SEBI in the year 2002-03 and was in charge of Primary Markets, Mutual Funds, Foreign Institutional Investors etc.

He is also a director in M/s. Vakrangee Software Limited, M/s. Avon Corporation Limited, M/s. IND FUND Management Limited, M/s. Sahara Asset Management Company Private Limited and M/s. Vakrangee Technologies Limited

He does not hold any shares of Excel Infoways Ltd.

Mr. Ravi Sinha, is a Non Executive Independent Director of Excel Infoways Limited. He holds a Master's degree of Science from Jivaji University, Gwalior. He was employed with the Central Bureau of Investigation from 1968 to 1990 in various departments such as the Anti Corruption Branch, Economic Offences Wing, the Special Crime Branch and Central Investigation Unit (Banking). In the year 1990, he joined Air India and worked in various departments including vigilance, properties / facilities and internal audit.

He is also a director in M/s. SPH Services Pvt. Ltd.

He does not hold any shares of Excel Infoways Ltd.

3. NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD

Eight Board meetings were held during the year, as against the minimum requirement of four meetings. The Company has held at least one meeting in every three months. The details of the Board Meetings are as under:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	May 14, 2011	6	6
2	May 27, 2011	6	6
3	June 04, 2011	6	6
4	June 28, 2011	6	6
5	July 06, 2011	6	6
6	August 11, 2011*	5	5
7	November 14, 2011	6	5
8	February 13, 2012	6	6

*Ms. Bela Ash has resigned as director of the company w.e.f. August 11, 2011

*Mr. Arpit Khurana was appointed as executive director of the Company w.e.f. August 11, 2011

4. THE INFORMATION REQUIRED TO BE PLACED BEFORE THE BOARD OF DIRECTORS INCLUDES:

- General notices of interest of Directors
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- Formation / Reconstitution of Board Committees
- Terms of reference of Board Committees
- Minutes of meetings of audit committee and other committees of the board
- Declaration of independent directors at the time of appointment / annually
- Quarterly results for the Company and its operating divisions or business segments
- Significant changes in accounting policies and internal audit
- Sale of material nature of investments, subsidiaries, assets which is not in normal course of business
- Statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies
- Annual financial results of the Company, Auditors' Report and the Report of the Board of Directors
- Dividend declaration
- Annual operating plans and budgets and any updates
- Capital budgets and any updates
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Any material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Appointment of and the fixing of remuneration of the Auditors as recommended by the Audit Committee
- Audit findings and Audit Reports (through the Audit Committee)
- Proposal for major investment, mergers and acquisitions
- Status of business risk exposures, its management and related action plans
- Making loans and investment of surplus funds
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc
- Compliance Certificate certifying compliance with all Laws as applicable to the Company.
- Reconciliation of share capital audit report under SEBI (Depositories and Participants) Regulations, 1996

5. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING (AGM) AND NUMBER OF DIRECTORSHIPS AND CHAIRMANSHIPS / MEMBERSHIPS OF COMMITTEES OF EACH DIRECTOR IN OTHER COMPANIES

Name of the Director	Attendance of meeting during 2011-2012		*No. of other Directorships in other companies Board Committees in other Companies	**No. of Chairmanship(s)/ Membership(s) of
	Board Meetings	Last AGM		
Mr. Lakhmendra Khurana	8	Yes	-	-
Mrs. Ranjana Khurana	8	Yes	-	-
Mr. Arpit Khurana	2	Yes	-	-
Mr. Binoy Gupta	8	No	-	-
Mr. Ramesh Joshi	8	No	4	3
Mr. Ravi Prakash Sinha	7	Yes	-	-
Ms. Bela Ash	5	No	-	-

*The directorships held by directors as mentioned above does not include alternate directorships and directorships in foreign companies, companies registered under section 25 of the Companies Act, 1956 and private limited companies.

** In accordance with Clause 49, Memberships / Chairmanships of only Audit Committees and Shareholders' / Investors' Grievance Committees in all public limited companies have been considered (excluding Excel Infoways Limited) None of the non-executive directors has any material pecuniary relationship or transactions with the Company.

6. BOARD COMMITTEES

The Company is having four Board Committees as given below:

<p>I. Audit Committee Mr. Binoy Gupta - Non-executive Independent Director (Chairman of the Committee) Mr. Ravi Prakash Sinha - Non-executive Independent Director Mr. Ramesh Joshi - Non-executive Independent Director</p>	<p>II. Share Holders / Investor Grievances Committee Mr. Ramesh Joshi - Non-executive Independent Director (Chairman of the Committee) Mr. Ravi Prakash Sinha - Non-executive Independent Director Mr. Lakhmendra Khurana - Managing Director</p>
<p>III. Remuneration Committee Mr. Binoy Gupta - Non-executive Independent Director (Chairman of the Committee) Mr. Ravi Prakash Sinha - Non-executive Independent Director Mr. Ramesh Joshi - Non-executive Independent Director</p>	<p>IV. Selection Committee Mr. Binoy Gupta - Non-executive Independent Director (Chairman of the Committee) Mr. Ravi Prakash Sinha - Non-executive Independent Director Mr. Pawan Gupta – Outside Expert</p>

Terms of Reference and other details of Board Committees

I. Audit Committee

Composition

The Audit Committee of the Board comprises three independent directors namely Mr. Binoy Gupta, Chairman, Mr. Ravi Prakash Sinha and Mr. Ramesh Joshi. All the members of the Audit Committee possess good knowledge of corporate and project finance, accounts and Company law. The composition of the Audit Committee meets with the requirement of section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

The Company Secretary of the Company acts as Secretary to the Audit Committee. The minutes of the meetings of the Audit Committee are placed before the Board.

Objective

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and compliance with the legal and regulatory requirements. The Committee oversees the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

Terms of reference:

The terms of reference / powers of the Audit Committee are as under:

A. Powers of Audit Committee

- 1 To investigate any activity within its terms of reference
- 2 To seek information from any employee
- 3 To obtain outside legal or other professional advice
- 4 To secure attendance of outsiders with relevant expertise, if it considers necessary

B. The Role of Audit Committee includes :

- 1 Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- 2 Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- 3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- 4 Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Directors' report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of related party transactions
 - g. Qualifications in the draft audit report, if any
- 5 Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- 6 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7 Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 8 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 9 Discussion with internal auditors any significant findings and follow up there on.
- 10 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- 11 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 12 To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.
- 13 To review the functioning of the Whistle Blower mechanism
- 14 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate
- 15 Carrying out other functions as may be specifically referred to the Committee by the Board of Directors
- 16 To review the following
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Internal auditors

Meetings

Six meetings of Audit Committee were held during the year ended March 31, 2012 details of which are as under:

Name of the Committee Member	No. of meetings	
	Held	Attended
Mr. Binoy Gupta	6	6
Mr. Ravi Prakash Sinha	6	5
Mr. Ramesh Joshi	6	6

Executives of accounts department, finance department, secretarial department and representatives of the Statutory Auditors attended the Audit Committee Meetings.

II. Shareholders' / Investors' Grievance Committee (SIGC)

The Shareholders' / Investors' Grievance Committee of the Board, comprises three directors, namely, Mr. Ramesh Joshi, Chairman, Mr. Ravi Prakash Sinha and Mr. Lakhmendra Khurana.

Terms of reference

The Shareholders'/Investors' Grievance Committee, oversees and reviews all matters connected with the securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to, non-receipt of annual report, non-receipt of declared dividend, etc. The Committee oversees performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Meetings

Two meetings of the Committee were held during the year ended March, 2012

Attendance of each member at the SIGC meetings held during the year

Name of the Committee Member	No. of meetings	
	Held	Attended
Mr. Ramesh Joshi	2	2
Mr. Ravi Prakash Sinha	2	1
Mr. Lakhmendra Khurana	2	2

Compliance Officer

Company Secretary is the Compliance Officer for complying with the requirements of Securities Laws and the Listing Agreement with the Stock Exchanges in India.

For the financial year 2011-12 the Company did not receive any complaints from the shareholders nor there were any share transfers pending.

III. Remuneration Committee
Composition

The Remuneration Committee of the Board, comprises three independent directors, namely, Mr. Binoy Gupta, Chairman, Mr. Ravi Prakash Sinha and Mr. Ramesh Joshi.

Terms of reference

To recommend to the Board, the remuneration packages of the Company's Managing/ Whole time/ Executive Directors, including all elements of remuneration package (i.e. salary, benefits, incentives, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.).

Meetings

Three meetings of the Committee were held during the year in which all member were present

Remuneration Policy

The remuneration of the Managing Director and Whole-time Director are decided by the Remuneration Committee based on the Company's performance vis-à-vis the industry performance/track record of the Managing Director and Whole-time Director and same is reported to the Board of Directors. The Company pays remuneration by way of salary to its Managing Director and Whole-time Director. Increment(s) are decided by the Remuneration Committee within the overall limits approved by the Members.

Details of the remuneration and sitting fees paid to Directors

Name of Director	Salary ₹	Sitting Fees ₹	Total ₹
Mr. Lakhmendra Khurana	12,00,000	Nil	12,00,000
Mrs. Ranjana Khurana	6,00,000	Nil	6,00,000
Mr. Arpit Khurana	3,50,000	Nil	3,50,000
Ms. Bela Ash	1,86,000	Nil	1,86,000
Mr. Binoy Gupta	Nil	80,000	80,000
Mr. Ramesh Joshi	Nil	80,000	80,000
Mr. Ravi Sinha	Nil	70,000	70,000

IV. Selection Committee
Composition

The Selection Committee of the Board, comprises two independent directors, namely, Mr. Binoy Gupta as Chairman, Mr. Ravi Prakash Sinha and Mr. Pawan Gupta, an outside expert.

Terms of reference

To recommend the appointment of relative of directors to hold office or place of profit in the company.

Meetings

One meeting of the Selection Committee was held during the year in which all members were present.

7. CODE OF CONDUCT

The Board has approved and adopted a code of conduct for all Board members and senior management of the Company. The code of conduct has been posted on the website of the Company at www.excel-infoways.com. All Board members and senior management personnel affirm compliance with the code of conduct annually. A declaration to this effect signed by Mr. Lakhmendra Khurana, Chairman and Managing director of the company is given below:

Declaration

I hereby confirm that the Company has obtained from all the members of the Board and senior management personnel, affirmation that they have complied with the Code of Conduct for directors and senior managerial personnel in respect of the financial year ended March 31, 2012.

Lakhmendra Khurana
Chairman and Managing Director

8. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings

Financial Year	Date	Time	Venue
2010-2011	September 30, 2011	10.00 a.m.	31/A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053
2009-2010	September 09, 2010	2.00 p.m.	31/A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053
2008-2009	June 12, 2009	12.30 p.m.	31/A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053

I The following special resolution(s) were passed in the previous annual general meetings:

a) Annual General Meeting held on September 30, 2011

- To approve re-appointment and payment of remuneration to Mrs. Ranjana Khurana as an Executive Director of the Company, at remuneration of ₹ 50,000/- p.m. for a period of 3 years w.e.f. January 1, 2011
- To approve appointment and payment of remuneration to Mr. Arpit Khurana as an Executive Director of the Company, at remuneration upto ₹ 1,00,000/- p.m. for a period of 3 years w.e.f. August 11, 2011
- To approve appointment of Mr. Arpit Khurana to hold an office or place of profit as Executive Director of the Company for a period of 3 years w.e.f. August 11, 2011.

b) Annual General Meeting held on September 09, 2010

- To approve keeping the register of members and related documents at a place other than the registered office of the Company
- To approve commencement of new business activities
- To approve alteration in the clause V(a) of the Memorandum of Association and clause 3(a) Article of Association of the company for increase in Auhtorised Capital from ₹ 25,00,00,000/- (₹ Twenty Five Crores) to ₹ 50,00,00,000/- (₹ Fifty Crores)
- To approve the increase in the ceiling of investment limit of investment by Foreign Institutional Investors from 24% to 49% of the paid up share capital of the Company
- To approve further issue of securities pursuant to section 81(1A) of the Companies Act, 1956

c) Annual General Meeting held on June 12, 2009

- No special resolution was passed in the annual general meeting

II Postal Ballot

During the year 2011-2012 no special resolution was passed through postal ballot.

9. CEO/CFO CERTIFICATION

The Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

10. DISCLOSURES

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large**

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes on Accounts, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries and associates.

All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

b) **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authority.

11. MEANS OF COMMUNICATIONS

a) **Quarterly results**

Quarterly results of the Company are published in 'Free Press Journal' and 'Nav Shakti' and are also displayed on the Company's website www.excel-infoways.com

b) **Website**

The Company's website www.excel-infoways.com contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user friendly and downloadable form.

c) **Annual Report**

Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report and Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.excel-infoways.com

d) **Corporate Filing and Dissemination System (CFDS)**

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE & NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the stock exchanges.

e) **Designated Exclusive email-id**

The Company has designated the following email-ids exclusively for investor servicing.

- i. For queries on Annual Report – cs@excel-infoways.com
- ii. For queries in respect of equity shares of the Company: rnt.helpdesk@linkintime.co.in.

12. GENERAL SHAREHOLDER INFORMATION COMPANY REGISTRATION DETAILS

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72900MH2003PLC138568.

- a) **Annual General Meeting Day, Date, Time & Venue** Tuesday, August 21, 2012 at 10.00 a.m. at 31/A, Laxmi Industrial Estate, New Link Road, Andheri West, Mumbai – 400053.
- Financial Year** April 01, 2012 - March 31, 2013.
- Financial Calendar (tentative)**
- June 30, 2012-** Second week of August, 2012.
- September 30, 2012-** Second week of November, 2012.
- December 31, 2012-** Second week of February, 2013.
- March 31, 2013-** Last week of May, 2013.
- Dividend Payment Date** Not Applicable
- Book closure** August 13, 2012 to August 21, 2012 (both days inclusive)

b) **Listing on Stock Exchanges**

The shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy
Towers, Dalal Street
Mumbai 400 001
Scrip Code - 533090

National Stock Exchange of India Limited (NSE)

“Exchange Plaza”
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051
Trading Symbol – EXCELINFO

c) **ISIN – INE688J01015**

d) **Payment of Listing and Custodial Fee**

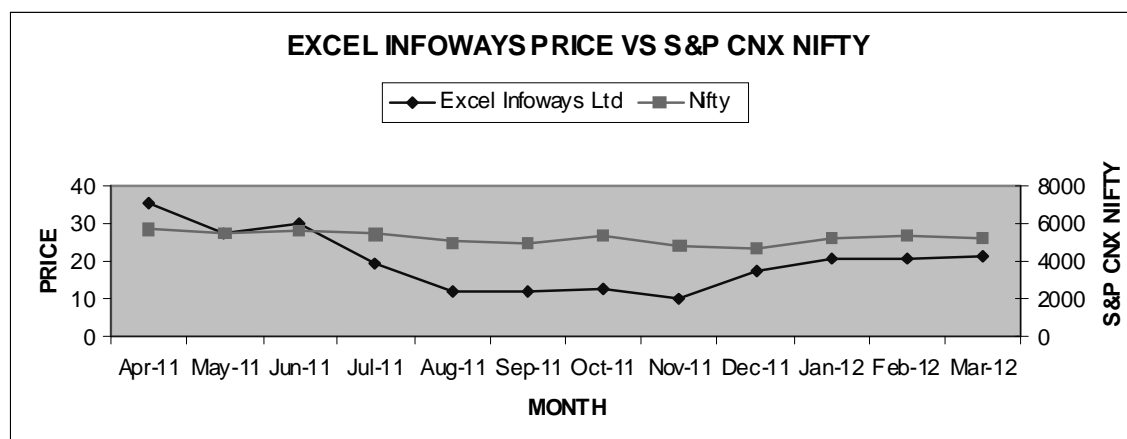
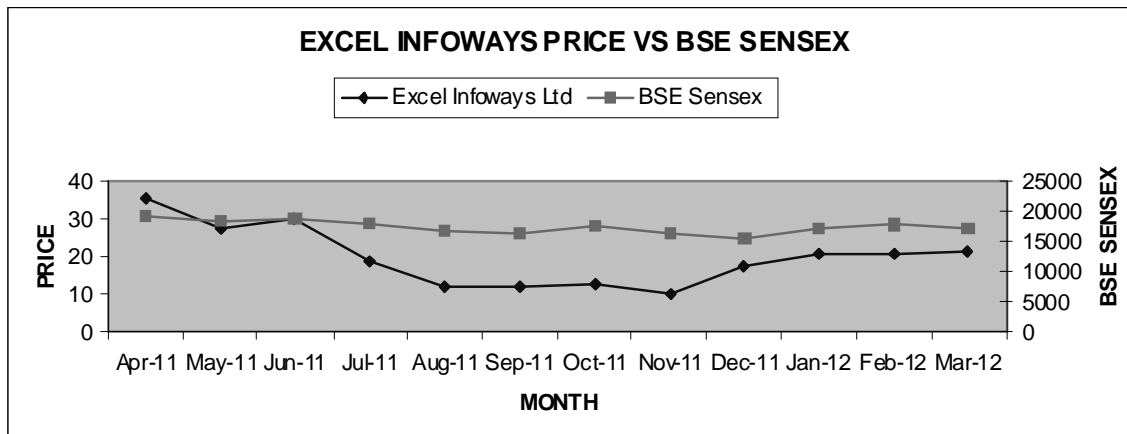
The annual Listing Fees for the year 2012-2013 has been paid to the concerned Stock Exchanges.

The Company has also paid the Annual Custodial fees to both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

e) **Market Price Data – High / Low during each month in the year 2011-2012**

MONTH	Market Price Per Share (₹)			
	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Highest	Lowest	Highest	Lowest
April, 2011	43.95	31.75	44.45	32.10
May, 2011	35.50	25.25	35.45	25.10
June, 2011	32.25	23.45	32.30	22.60
July, 2011	32.40	18.90	32.35	19.05
August, 2011	19.80	11.80	19.55	11.35
September, 2011	14.20	10.85	14.10	11.00
October, 2011	14.10	10.55	15.60	11.10
November, 2011	13.15	9.40	13.20	9.60
December, 2011	17.30	8.80	17.40	8.30
January, 2012	21.15	15.55	21.50	15.55
February, 2012	23.60	17.85	23.80	17.40
March, 2012	22.95	17.00	23.00	17.75

f) Company Share Price Compared with BSE SENSEX & NSE S&P CNX NIFTY



g) Registrars and Share Transfer Agents

The Company has appointed Link Intime India Private Limited of Mumbai as the Registrars and Share Transfer Agents.

For any assistance regarding share transfers, transmissions, change of address, duplicate/missing share certificate and other relevant matters, please write to the Registrars and Share Transfer Agents, at the address given below:

Link Intime India Private Limited.

C-13, Pannalal Silk Mills Compound
 LBS Marg, Bhandup (West)
 Mumbai – 400078

h) Share Transfer System

The equity shares of the Company are primarily dealt with in electronic form in the depository system with no involvement of the Company. There are negligible or no transfers made in physical form. As regards transfer of shares held in physical form the transfer documents can be lodged with Registrars and Transfer Agents at the above mentioned address.

i) **Distribution of Shareholding as on March 31, 2012**

No. of shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1- 500	12181	84.0127	1830220	5.8382
501- 1000	1200	8.2764	986510	3.1469
1001- 2000	545	3.7589	852369	2.7190
2001- 3000	191	1.3173	493990	1.5758
3001- 4000	87	0.6000	312042	0.9954
4001- 5000	60	0.4138	281607	0.8983
5001-10000	101	0.6966	731882	2.3346
Over 10000	134	0.9242	25860159	82.4918
Total	14499	100.0000	31348779	100.0000

j) **Shareholding Pattern (Category of Shareholders) as on March 31, 2012**

Category code	Category of shareholder	Total no. of shares	As a percentage (A+B+C)
(A)	Shareholding of Promoter and Promoter Group¹		
(1)	Indian	12363659	39.44
(2)	Foreign	0	0
	Total Shareholding of Promoter and Promoter Group	12363659	39.44
(B)	Public shareholding²		
(1)	Institutions	0	0
(2)	Non-institutions	18985120	60.56
	Total Public Shareholding	18985120	60.56
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
(1)	Promoter and Promoter Group	0	0
(2)	Public	0	0
	Total	0	0
	TOTAL (A+B+C)	31348779	100

¹ For definitions of "Promoter" and "Promoter Group", refer to Clause 40A Listing Agreement.

² For determining public shareholding for the purpose of Clause 40A of Listing Agreement.

k) **Dematerialisation of Shares and Liquidity as on March 31, 2012**

Category	No. of Shares held	No of Shareholders	% of Total Shareholding
Shares held in Demat Form	31271977	14496	99.75
Shares held in Physical Form	76802	3	0.25
TOTAL	31348779	14499	100

13. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, M/s. S. G. Kabra & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report.

14. ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with all mandatory requirements and has adopted following non-mandatory requirements of Clause 49.

a) Remuneration Committee

The Company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director and Whole-time Directors based on their performance and defined assessment criteria.

b) Whistle Blower Policy

The Board of Directors' of the Company are committed to maintain the highest standard of honesty, openness and accountability and recognize that each and every person in the Company has an important role to play in achieving the organizational goals. It is the policy of the Company to encourage employees, when they have reason to suspect questionable accounting/audit practices or the reporting of fraudulent financial information to shareholders, the Government or the financial markets, and/or serious misconduct otherwise, to report the concerns to the Company's Management. We further affirm that no employee has been denied access to the Audit Committee

c) Training of Board Members

The Board members are also provided with the necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Board and Committee members are apprised of business and performance updates, business strategy and risks involved.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Excel Infoways Limited

We have examined the compliance of conditions of Corporate Governance by Excel Infoways Limited, for the financial year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement entered into by Excel Infoways Limited with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We 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 S. G. Kabra & Co.
Chartered Accountants
(Registration No. 104507W)**

**Sd/-
Malvika Mitra
PARTNER
(M. No. 44105)**

Place : Mumbai
Dated : May 28, 2012

AUDITORS' REPORT

TO THE MEMBERS OF EXCEL INFOWAYS LIMITED

1. We have audited the attached Balance Sheet of **EXCEL INFOWAYS LIMITED** as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, to our comments in the annexure referred to in paragraph 3 above, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of the books of the Company;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement referred to in this report are in agreement with the books of account submitted to us;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act 1956;
 - e) As per the information and explanations given to us and based on representations made by all directors of the Company to the Board of Directors of the Company none of the directors is disqualified as on March 31, 2012 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies followed and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) In case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. G. KABRA & CO.**
Chartered Accountants
Registration No. 104507W

Place : Mumbai
Date : May 28, 2012

Malvika P. Mitra
Partner
M. No. 44105

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

1. a) The Company is maintaining proper records showing full particulars including quantitative details of situation of Fixed Assets.
- b) The Fixed Assets have been physically verified by the management at reasonable interval and we are informed that no material discrepancies have been noticed on such verification.
- c) During the year, there is no disposal of substantial portion of Fixed Assets of the Company.
2. The nature of business of the company is such that there is no inventory, hence Clause (ii) of the aforesaid Order is not applicable.
3. a) The Company has not granted any loans secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
- b) The Company has not taken any loan secured or unsecured from any party, companies or firms covered under the register maintained u/s 301 of the Companies Act, 1956 during the year.
- c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions of the loans taken by the Company, is not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and for sale of service. During the course of our audit, we have not observed any major weakness in Internal controls.
5. a) According to the information and explanations given to us, in our opinion, the transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) To the best of our knowledge & belief and according to the information and explanations given to us, in our opinion, there were no transactions made in pursuance of contracts or agreements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rupees Five Lacs in respect of any party during the year.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records for the services rendered by the Company u/s 209(1)(d) of the Companies Act.
9. a) According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the Company is regularly depositing the undisputed statutory dues, as applicable. There were no arrears of undisputed statutory dues as at March 31, 2012, which were outstanding for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and as per books and records of the Company, there are no disputed dues which have remained unpaid as on March 31, 2012 on account of any pending dispute.
10. The Company has neither accumulated losses at the year end nor has incurred any cash losses during the year under review and in the immediately preceding financial year.
11. As per records verified by us, the Company has not defaulted in repayment of dues to financial institutions or bank or debenture holders.
12. As per records verified by us, the Company has not granted any 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 Fund / Society. Therefore the provision of clause 4(xiii) of the order are not applicable to the Company.
14. The Company has maintained proper records of the transaction and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments held by the Company in its own name.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks/financial institutions during the year.
16. In our opinion, the term loans have been applied for the purpose for which these were raised.
17. In our opinion and according to the information and explanations given to us and also on an overall examination of Balance Sheet of the Company, the funds raised during the year on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Companies Act.
19. The Company has not issued any debentures and hence clause 4 (xix) of the order is not applicable.
20. During the year, the Company has raised ₹ 25,70,45,000/- from issue of 1,01,80,000 equity shares of ₹ 10/- each at a premium of ₹ 15.25 per share through Qualified Institutional Placement.
21. As per books examined by us and based on the information and explanations given to us, no fraud on or by the Company has been reported during the year.

For **S. G. KABRA & CO.**
Chartered Accountants
Registration No. 104507W

Place : Mumbai
Date : May 28, 2012

Malvika P. Mitra
Partner
M. No. 44105

BALANCE SHEET AS AT MARCH 31, 2012
Amount (₹ 000)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	313,487.79	211,687.79
(b) Reserves and surplus	2	1,230,020.18	1,054,256.38
		<u>1,543,507.97</u>	<u>1,265,944.17</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	924.61	1,615.06
(b) Deferred tax liabilities (net)	4	4,521.27	5,833.85
		<u>5,445.88</u>	<u>7,448.91</u>
3 Current liabilities			
(a) Other current liabilities	5	2,610.11	3,121.81
(b) Short-term provisions	6	4,401.18	31,761.00
		<u>7,011.29</u>	<u>34,882.81</u>
TOTAL		<u>1,555,965.14</u>	<u>1,308,275.89</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	7	85,569.62	94,806.38
(b) Non-current investments	8	951,723.95	664,848.95
(c) Long-term loans and advances	9	417,230.55	448,352.58
(d) Other non-current assets	10	10,622.40	14,685.49
		<u>1,465,146.52</u>	<u>1,222,693.40</u>
2 Current assets			
(a) Trade receivables	11	6,249.62	71,188.00
(b) Cash and cash equivalents	12	8,157.78	6,713.28
(c) Short-term loans and advances	13	67,900.00	-
(d) Other current assets	14	8,511.22	7,681.21
		<u>90,818.62</u>	<u>85,582.49</u>
TOTAL		<u>1,555,965.14</u>	<u>1,308,275.89</u>

Notes forming part to the Financial Statement
1 to 31

As per our Report of even date.

For S. G. KABRA & CO.

Chartered Accountants
(Registration No. 104507W)

For and on behalf of the Board of Directors
Lakhmendra Khurana
Chairman and Managing Director

Ranjana Khurana
Executive Director

Malvika Mitra
Partner
Membership No. 44105

Kumud Waradkar
Company Secretary

Place : Mumbai
Date : May 28, 2012

Place : Mumbai
Date : May 28, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012 Amount (₹ 000)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
1 Revenue from operations (gross)	15	155,779.34	203,614.13
Less: Service Tax	15	858.31	87.74
Revenue from operations (net)	15	154,921.03	203,526.39
2 Other income	16	7,356.75	565.44
3 Total revenue (1+2)		162,277.78	204,091.83
4 Expenses			
(a) Purchases of stock-in-trade	17	74,853.06	-
(b) Employee benefits expense	18	20,215.30	20,457.37
(c) Finance costs	19	166.81	1825.72
(d) Depreciation and amortisation expense	7	8,915.08	9,007.45
(e) Other expenses	20	26,776.02	29243.13
Total expenses		130,926.27	60,533.67
5 Profit before tax (3 - 4)		31,351.51	143,558.16
6 Tax expense:			
(a) Current tax expense		6,562.61	31,761.01
(b) MAT credit Entitlement		5,582.67	(28,165.13)
Net current tax expense		12,145.28	3,595.88
(c) Deferred tax		1,312.57	1,055.57
		10,832.71	2,540.31
7 Profit for the year (5 - 6)		20,518.80	141,017.85
8 Earnings per share (of ₹ 10/- each):			
(a) Basic		0.70	6.66
(b) Diluted		0.65	6.66
Notes forming part to the Financial Statement	1 to 31		

As per our Report of even date.

For S. G. KABRA & CO.

Chartered Accountants

(Registration No. 104507W)

For and on behalf of the Board of Directors**Lakhmendra Khurana**

Chairman and Managing Director

Ranjana Khurana

Executive Director

Malvika Mitra**Partner****Membership No. 44105**

Place : Mumbai

Date : May 28, 2012

Kumud Waradkar

Company Secretary

Place : Mumbai

Date : May 28, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Amount (₹ 000)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	31,351.51		143,558.16	
<i>Adjustments for:</i>				
Depreciation and amortisation	8,915.08		9,007.45	
Amortisation of share issue expenses and discount on shares	8,699.17		7,762.70	
(Profit) / loss on sale / write off of assets	-0.32		182.67	
Finance costs	166.81		249.19	
Interest income	-71.44	49,060.81	-73.91	160,686.27
<hr/>				
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	64,938.37		-64,883.31	
Short-term loans and advances	-67,900.00		-	
Long-term loans and advances	25,539.35		-84,561.00	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-		-	
Other current liabilities	-511.70	22,066.02	-258.47	-149,702.79
<hr/>				
Cash generated from operations		71,126.83		10,983.48
Net income tax (paid) / refunds		33,922.43		6,107.35
<hr/>				
Net cash flow from / (used in) operating activities (A)		37,204.40		4,876.13
<hr/>				
B. Cash flow from investing activities				
Purchase of Fixed Assets including Work in Process	-295.00		64,383.65	
Proceeds from sale of fixed assets	617.00		410.00	
Purchase of long-term investments				
- Subsidiaries	-		-260.00	
- Others	-287,125.00		-59,100.00	
Proceeds from sale of long-term investments				
- Subsidiaries	250.00		-	
Interest received				
- Others	71.44	-286,481.56	73.91	5,507.56
<hr/>				
Net income tax (paid) / refunds		-		-
<hr/>				
Net cash flow from / (used in) investing activities (B)		-286,481.56		5,507.56
<hr/>				

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Amount (₹ 000)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	257,045.00		-	
Repayment of long-term borrowings	-690.45		-	
Dividend Paid	-		-21,168.78	
Dividend Tax Paid	-		-3,597.62	
Repayment of Loan	-		-1,124.41	
Share issue Expenses	-5,466.10		-	
Finance cost	-166.81	250,721.64	-249.19	-26,140.01
Net cash flow from / (used in) financing activities (C)		250,721.64		-26,140.01
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,444.49		-15,756.31
Cash and cash equivalents at the beginning of the year		6,713.29		22,469.61
Cash and cash equivalents at the end of the year		8,157.78		6,713.29

As per our Report of even date.

For S. G. KABRA & CO.Chartered Accountants
(Registration No. 104507W)**Malvika Mitra****Partner****Membership No. 44105**

Place : Mumbai

Date : May 28, 2012

For and on behalf of the Board of Directors**Lakhmendra Khurana**

Chairman and Managing Director

Ranjana Khurana

Executive Director

Kumud Waradkar

Company Secretary

Place : Mumbai

Date : May 28, 2012

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

Excel Infoways Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company is engaged in the IT enabled BPO Services and development of infrastructure facility.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and guidelines issued by SEBI. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies
a. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates prescribed under the Schedule XIV to the Companies Act, 1956. The Company has used the following rates to provide depreciation on its fixed assets.

Rates (SLM)

Buildings	-	1.63%
Plant and equipment	-	10.34%
Furniture and fixtures	-	6.33%
Vehicles	-	9.50%
Office Equipments	-	16.21%

e. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of asset exceeds the recoverable amount. An impairment loss is charged to the profit and loss account in the year in which asset is identified as impaired.

SIGNIFICANT ACCOUNTING POLICIES

f. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

g. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Investments in subsidiaries are classified as long-term investments and are stated at cost.

i. Employee benefits

As per the practice consistently followed, leave encashment is accounted for as and when paid. In view of the management, most of the employees have already utilized balance of leave in their account therefore there is no material amount of leave encashment payable at the year end. Since, none of the employees have put in specified period of service; no provision for gratuity is made.

The Company makes provident fund contribution to defined contribution plans. These comprise defined contribution to Employees Provident Fund and are reported as expenses during the period under which the qualifying employee performs the service.

j. Revenue Recognition

Revenues from Business Process Outsourcing (BPO) / Information Technology Enabled Services are recognized as the related services are rendered and recorded at relevant exchange rate prevailing on the date of transaction. Revenue from Infrastructure activities are recognized when the related work completed.

k. Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

l. Foreign Currency Transactions

Income and Expenses in foreign currencies are converted at exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange difference gain/(loss) is recognized in the profit and loss account. Premium or discount on forward exchange contracts are amortized and recognized in the profit and loss account.

m. Borrowing Cost

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Revenue.

n. Service Tax

Service Tax is recognized on the basis of both, payments made in respect of service taken from professional and others and service rendered by the company for BPO related service, where applicable.

SIGNIFICANT ACCOUNTING POLICIES

o. Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders 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 period 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.

q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability.

s. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**Note 1**

1. Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of shares	₹ ('000)	Number of shares	₹ ('000)
(a) Authorised share capital Equity shares of ₹ 10/- each with voting rights	50,000,000	500,000.00	50,000,000	500,000.00
(b) Issued, subscribed and paid up share capital Equity shares of ₹ 10/- each with voting rights	31,348,779	313,487.79	21,168,779	211,687.79
Total	31,348,779	313,487.79	21,168,779	211,687.79

1.1 Details of shares held by each shareholder holding more than 5% shares:

Sr. No.	Name of the shareholder	Number of shares	% of Share Held	Number of shares	% of Share Held
		As at March 31, 2012		As at March 31, 2011	
1	LAKHMENDRA KHURANA	6,991,930	22.30	8,306,000	39.24
2	RANJANA KHURANA	5,359,729	17.10	6,510,000	30.75
3	ARCADIA SHARE & STOCK BROKERS PVT. LTD	1,633,532	5.21	Nil	Nil

1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011 No. of Shares
Equity Shares at the beginning of the year	21,168,779	21,168,779
Add : Shares issued on QIP	10,180,000	-
Equity Shares at the end of the year	31,348,779	21,168,779

1.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.

Note 2 - Reserves and surplus

Particulars	₹ ('000)	
	As at March 31, 2012	As at March 31, 2011
(a) Securities premium account		
Opening balance	437,783.93	437,783.93
Add : Premium on shares issued during the year	155,245.00	-
Closing balance	593,028.93	437,783.93
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	616,472.45	475,454.60
Add: Profit / (Loss) for the year	20,518.80	141,017.85
Closing balance	636,991.25	616,472.45
	1,230,020.18	1,054,256.38

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 3 - Long-term borrowings		
Secured Loan		
Term loans		
From banks		
Secured (Term loan is taken for vehicle and secured by way of hypothecation of that specific vehicle.)	924.61	1,615.06
	924.61	1,615.06
Note 4 – Deferred Tax Liabilities (Net)		
Deferred tax Liability		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	4,521.27	5,833.85
	4,521.27	5,833.85
Note 5 - Other current liabilities		
(a) Unpaid dividends	177.96	180.32
(b) Application money received for allotment of securities and due for refund and interest accrued thereon.	12.16	12.16
(c) Other payables		
Creditors For Expenses	2,279.27	2,784.24
TDS Payable	140.72	145.09
	2,610.11	3,121.81
Note 6 - Short-term provisions		
Provision for tax	4,401.18	31,761.00
	4,401.18	31,761.00

Note 7 – Fixed Assets

₹ ('000)

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 01, 2011	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 01, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Buildings										
Own use	50,161.04	-	-	50,161.04	2,362.17	817.62	-	3,179.79	46,981.25	47,798.87
(c) Plant and Equipment										
Owned	3,895.76	-	-	3,895.76	1,941.90	402.82	-	2,344.72	1,551.04	1,953.86
(d) Furniture and Fixtures										
Owned	49,242.34	-	-	49,242.34	12,233.92	3,117.04	-	15,350.96	33,891.39	37,008.43
(e) Vehicles										
Owned	5,301.38	-	1,134.69	4,166.68	1,602.01	410.90	518.01	1,494.90	2,671.78	3,699.36
(f) Office equipment										
Owned	25,542.46	295.00	-	25,837.46	21,196.59	4,166.70	-	25,363.29	474.17	4345.87
Total	134,142.98	295.00	1,134.69	133,303.29	39,336.60	8,915.08	518.01	47,733.67	85,569.62	94,806.39
Previous year	113,718.17	21,611.35	1,186.54	134,142.98	30,923.01	9,007.45	593.87	39,336.60	94,806.38	82,795.15

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**Note 8 – Non Current Investments**

₹ ('000)

Particulars	As at March 31, 2012			As at March 31, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
A. Trade Investment						
Investment in 100% subsidiary						
One Share of ₹ 1263946/- each in Excel Info FZE U.A.E.	-	1,263.95	1,263.95	-	1,263.95	1,263.95
Other Investment						
26000 Equity Shares of ₹ 10 each In Excel Infra N Realty Pvt. Ltd.	-	-	-	-	260.00	260.00
1000 Equity Shares of ₹ 10/- each in Excel Infra N Realty Pvt. Ltd.	-	10.00	10.00	-	-	-
(A)	-	1,273.95	1,273.95	-	1,523.95	1,523.95
B. Other investments						
Investment in Property	-	950,450.00	950,450.00	-	663,325.00	663,325.00
(A+B)	-	951,723.95	951,723.95	-	664,848.95	664,848.95

Note 9 – Long Term Loans & Advances

₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
A. Loans and advances to related parties		
(Unsecured, considered good)		
Loans to 100% Subsidiary - Excel Info FZE	211,701.61	221,560.44
	211,701.61	221,560.44
B. Other advances		
(Unsecured considered good)		
MAT credit entitlement	79,404.39	84,987.07
Service Tax credit receivable	64.77	-
TDS Receivable	144.23	144.67
Advance Recoverable	125,915.55	141,660.40
	205,528.94	226,792.14
(A+B)	417,230.55	448,352.58
Note 10 – Other Non- Current Assets		
Unamortized expenses		
Share issue expenses	10,622.40	14,685.49
	10,622.40	14,685.49

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 11 – Trade Receivables		
(Unsecured, considered good)		
Other Trade receivables	6,249.62	71,188.00
	6,249.62	71,188.00
Note 12 – Cash & Cash Equivalents		
(a) Cash on hand	214.14	217.29
(b) Balances with banks		
(i) In current accounts	7,174.95	5,796.02
(ii) In EEFC accounts	103.83	87.07
(iii) In deposit accounts #	474.74	420.42
(iv) In earmarked accounts	-	-
- Unpaid dividend accounts	177.96	180.32
- Share application money received for allotment of securities and due for refund	12.16	12.16
	8,157.78	6,713.28
# Fixed Deposit with bank include deposit of ₹ 474.74 thousands (Previous Year ₹ 420.42 thousands) with maturity more than 12 months.		
Note 13 - Short-term loans and advances		
(Unsecured, considered good)		
Others (Company)	67,900.00	-
	67,900.00	-
Note 14 - Other current assets		
Unamortized expenses		
(i) Share issue expenses	8,435.96	7,342.74
(ii) Deferred Revenue expenses	75.26	338.47
	8,511.22	7,681.21
Note 15 - Revenue from operations		
Information Technology/ BPO related Service	79,955.26	203,614.13
Other Sales (Sales from Infra Activities)	75,824.08	-
	155,779.34	203,614.13
Less:		
Service Tax	858.31	87.74
	154,921.03	203,526.39

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	₹ ('000)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 16 - Other Income		
(a) Interest income	71.44	49.06
(b) Net gain on foreign currency transactions and translation	6,536.85	-
(c) Other non-operating income	748.46	516.38
	<u>7,356.75</u>	<u>565.44</u>
16.1 Interest income comprises:		
Interest from Fixed Deposit with Banks	58.11	46.28
Interest from other deposits	13.33	2.78
	<u>71.44</u>	<u>49.06</u>
16.2 Other non-operating income comprises:		
Profit on sale of fixed assets	0.32	-
Miscellaneous income.	748.15	516.38
	<u>748.46</u>	<u>516.38</u>
Note 17 - Purchases of stock - in - trade		
Other Purchases (Purchase for Infra activities)	74,853.06	-
	<u>74,853.06</u>	<u>-</u>
Note 18 - Employee benefits expense		
Salaries and wages	19,638.01	19,868.10
Contributions to provident and other funds	185.72	59.96
Staff welfare expenses	391.57	529.31
	<u>20,215.30</u>	<u>20,457.37</u>
18.1 -	The Company makes Provident Fund to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of Provident Fund, the contributions specified under the law are paid to the Provident Fund set up to the respective Regional Provident Fund Commissioner.	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Note 19 – Finance Cost

Particulars	₹ ('000)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Interest expense on:		
(i) Borrowings		
Interest on Kotak Mahindra bank - Car loan	166.81	249.20
(ii) Others		
Interest On late payment of TDS	-	1.31
(b) Net loss on foreign currency transactions	-	1,575.21
	166.81	1,825.72

Note 20 – Other Expenses

Power & Fuel Charges	1,388.43	1,659.89
Rent	8,328.95	3,733.38
Repairs and maintenance - Buildings	107.96	129.72
Repairs and maintenance - Machinery	71.76	43.32
Insurance	58.65	93.09
Rates and taxes	21.96	26.80
Communication	1,484.40	2,144.62
Traveling and conveyance	154.09	1,261.90
Printing and stationery	398.69	535.23
Business promotion	971.62	3,390.56
Donations and contributions	536.10	2,317.10
Legal and professional	1,380.96	655.90
Payments to auditors	280.90	275.75
Director sitting fee	230.00	110.00
Loss on fixed assets sold	-	182.67
Prior period items (refer note 20.1 below)	875.23	12.66
Miscellaneous expenses (refer note 20.2 below)	10,486.32	12,670.56
	26,776.02	29,243.13

20.1 – Prior Period Items comprises short provision of Income tax of earlier years ₹ 875.23 thousands (Previous year ₹ 12.66 thousands).

20.2 – Miscellaneous Expenses includes Misc. Expenditure W/off ₹ 8700 thousands (Previous Year ₹ 7762.70 thousands).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Notes -21 - Particulars of subsidiaries and associate

Name of the company	Country of Incorporation	Percentage of Voting Power as at 31.03.2012	Percentage of Voting Power as at 31.03.2011
Subsidiary Excel Info FZE	RAS AL KHAIMAH- UAE	100	100
Associate Excel Infra N Realty Pvt. Ltd.	India	2	52

a) Associates/Subsidiaries

1. Ranjana Construction Pvt. Ltd.
2. Tista Impex Pvt. Ltd.
3. Ritz Shopping Mall Pvt. Ltd.
4. Excel Infra N Realty Pvt. Ltd (formerly known as Paramsatya Construction Pvt. Ltd.)
5. Raj HR Solutation Pvt. Ltd.
6. Lakhmendra Khurana & Sons (H.U.F.)
7. Excel Info FZE (UAE)

b) Key Management Personnel

- | | |
|-----------------------|--------------------------------------|
| 1. Lakhmendra Khurana | Chairman and Managing Director |
| 2. Ranjana Khurana | Executive Director |
| 3. Arpit Khurana | Executive Director |
| 4. Ravi Prakash Sinha | Independent & Non-Executive Director |
| 5. Binoy Gupta | Independent & Non-Executive Director |
| 6. Ramesh Joshi | Independent & Non-Executive Director |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
c) Transaction with related parties
₹ ('000)

Name of Party	Relationship	Nature of Transaction	31.03.2012		31.03.2011	
			Transactions during the period	Balance at the end of the year	Transactions during the period	Balance at the end of the year
Excel Info FZE	Subsidiary	Advances	9,858.83	212,965.56	86,298.84	222,824.39
Lakhmendra Khurana	Managing Director	Unsecured Loan taken	NIL	NIL	516.35	NIL
		Rent Paid	120.00	NIL	120.00	NIL
		Remuneration	1,200.00	NIL	1,200.00	99.80
		Sale of 10,000 shares of Excel Infra N Realty Pvt. Ltd	100.00	NIL	-	-
Ranjana Khurana	Executive Director	Remuneration	600.00	NIL	600.00	49.80
		Sale of 15,000 shares of Excel Infra N Realty Pvt. Ltd	150.00	NIL	-	-
Bela Ash	Executive Director	Sitting fees	NIL	NIL	27.50	NIL
		Remuneration	186.00	NIL	432.50	35.80
Isha Khurana	Relative	Salary	NIL	NIL	40.00	NIL
Arpit Khurana	Relative	Salary	350.00	NIL	330.00	NIL
		Sale of Car	617.00	NIL	NIL	NIL
Ranjana Construction Pvt. Ltd	Asso.Concern	Capital Works in Progress	17,475.00	NIL	12,975.00	14,975.00
Neena Sinha	Relative	Salary	NIL	NIL	167.20	NIL
Manish Sinha	Relative	Salary	NIL	NIL	162.20	NIL

21.1 Acquisitions / Disinvestments

On 18.11.2011, the company has sold 25000 shares of Excel Infra N Realty Pvt. Ltd and hence M/s Excel Infra N Realty Pvt. Ltd is no more subsidiary of Excel Infoways Ltd.

22. Segment reporting
22.1 Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit.

22.2 Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

22.3 Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

22.4 Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

22.5 Year ended March 31, 2012

₹ ('000)

Particulars	Business Segment		Total
	IT/ BPO enables Service	Infra Activity	
Revenue	79,096.95	75,824.08	154,921.03
	(203,526.40)	-	(203,526.40)
Segment Result	23,190.55	971.02	24,161.57
	(143,808.67)	-	(143,808.67)
Other unallocable Income	-	-	7,356.75
Other unallocable expenditure	-	-	166.81
	-	-	(250.51)
Profit Before Tax	-	-	31,351.51
	-	-	(143,558.16)
Tax expenses (Net)	-	-	10,832.71
	-	-	(2,540.31)
Profit After Tax for the year	-	-	20,518.80
	-	-	(141,017.85)
Segment Assets	155,965.14	-	155,965.14
	(1,308,275.89)	-	(1,308,275.89)
Segment Liabilities	155,965.14	-	155,965.14
	(1,308,275.89)	-	(1,308,275.89)

The figure in bracket are figure pertaining to financial year 2010-11.

23. Earning Per Share

Particulars	2011-12	2010-11
Net Profit after Tax as per statement of Profit & Loss attributable to Equity Shareholders (₹ in '000)	20518.80	141017.85
Weighted Average number of equity shares used as denominator for calculating EPS	29313779	21168779
Basic & Diluted Earning per share	0.70/0.65	6.66
Face Value per equity share	10.00	10.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	₹ ('000)	
	31.03.2012	31.03.2011
24. Managerial Remuneration:		
Remuneration to Managing Director/Executive Director	2336.00	2232.00
25. Payment to Auditors		
Statutory Audit Fees	224.72	220.60
Tax Audit Fees	56.18	55.15
	280.90	275.75
26. Income in Foreign Currency		
Received from BPO/ITES	136939.35	202350.36
Repayment of Loan from Subsidiary	9858.83	Nil
	146798.18	202350.36
27. Expenditure in Foreign Currency		
Telecom Expenses	361.86	691.91
Business Promotion Expenses	Nil	2300.00
	361.86	2991.91
28. Contingent Liability		
Guarantee to Custom Department	474.74	313.00
29. Certain balance in loans & advances & Debtors accounts are subjected to confirmation/reconciliation.		
30. In the opinion of Board of Directors of the Company current assets, loans & advances are of approximately the value stated, if realized in ordinary course of business.		
31. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act 1956. Previous period figures have been recasted / restated to confirm to the classification of the current period.		

As per our Report of even date.

For S. G. KABRA & CO.
Chartered Accountants
(Registration No. 104507W)

For and on behalf of the Board of Directors

Lakhmendra Khurana
Chairman and Managing Director

Ranjana Khurana
Executive Director

Malvika Mitra
Partner
Membership No. 44105

Kumud Waradkar
Company Secretary

Place : Mumbai
Date : May 28, 2012

Place : Mumbai
Date : May 28, 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT**TO THE BOARD OF DIRECTORS OF EXCEL INFOWAYS LIMITED**

- 1) We have audited the attached Consolidated Balance Sheet of EXCEL INFOWAYS LIMITED and its subsidiary (collectively referred as to "the Group") as at March 31, 2012, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'consolidated financial statements'). These consolidated 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 conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified under the Companies Act, 1956 and on the basis of separate audited financial information of the Subsidiaries.
- 4) In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and 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, in the case of:
 - i) The Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - ii) The Consolidated statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - iii) The Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S. G. KABRA & CO.
Chartered Accountants
(Registration No. 104507W)

Place : Mumbai
Date : May 28, 2012

Malvika P. Mitra
Partner
M. No. 44105

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012
Amount (₹ '000)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	313,487.79	211,687.79
(b) Reserves and surplus	2	<u>1,230,325.54</u>	<u>1,052,896.22</u>
		<u>1,543,813.33</u>	<u>1,264,584.01</u>
2 Minority Interest		-	243.02
3 Non-current liabilities			
(a) Long-term borrowings	3	924.61	1,615.06
(b) Deferred tax liabilities (net)	4	<u>4,521.27</u>	<u>5,833.85</u>
		5,445.88	7,448.91
4 Current liabilities			
(a) Other current liabilities	5	3,354.71	3,133.03
(b) Short-term provisions	6	<u>4,401.18</u>	<u>31,761.53</u>
		<u>7,755.89</u>	<u>34,894.56</u>
TOTAL		<u>1,557,015.10</u>	<u>1,307,170.50</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	7	85,569.62	94,806.38
(b) Non-current investments	8	950,460.00	637,698.00
(c) Long-term loans and advances	9	418,151.80	472,634.27
(d) Other non-current assets	10	<u>10,622.40</u>	<u>14,685.49</u>
		1,464,803.81	1,219,824.14
2 Current assets			
(a) Trade receivables	11	6,249.62	71,188.00
(b) Cash and cash equivalents	12	9,550.45	8,477.15
(c) Short-term loans and advances	13	67,900.00	-
(d) Other current assets	14	<u>8,511.22</u>	<u>7,681.21</u>
		<u>92,211.29</u>	<u>87,346.36</u>
TOTAL		<u>1,557,015.10</u>	<u>1,307,170.50</u>

Notes forming part to the Financial Statement
1 to 23

As per our Report of even date.

For S. G. KABRA & CO.

Chartered Accountants
(Registration No. 104507W)

For and on behalf of the Board of Directors
Lakhmendra Khurana
Chairman and Managing Director

Ranjana Khurana
Executive Director

Malvika Mitra
Partner
Membership No. 44105

Place : Mumbai

Date : May 28, 2012

Kumud Waradkar

Company Secretary

Place : Mumbai

Date : May 28, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Amount (₹ '000)

Particulars	Note No.	As at	
		March 31, 2012	March 31, 2011
1 Revenue from operations (gross)	15	155,779.34	203,614.13
Less: Service Tax	15	858.31	87.74
Revenue from operations (net)	15	154,921.03	203,526.39
2 Other income	16	7,356.75	582.15
3 Total revenue (1+2)		162,277.78	204,108.54
4 Expenses			
(a) Purchases of stock-in-trade	17	74,853.06	-
(b) Employee benefits expense	18	20,513.14	20,755.27
(c) Finance costs	19	166.81	1,825.72
(d) Depreciation and amortisation expense	7	8,915.08	9,007.45
(e) Other expenses	20	27,086.20	29,305.64
Total expenses		131,534.29	60,894.08
5 Profit before tax (3 - 4)		30,743.49	143,214.46
6 Tax expense:			
(a) Current tax expense		6,562.61	31,761.53
(b) MAT credit Entitlement		5,582.67	(28,165.13)
Net current tax expense		12,145.28	3,596.40
(c) Deferred tax		1,312.57	1,055.57
		10,832.71	2,540.83
7 Profit for the year (5 - 6) (Before adjustment of Minority Interest)		19,910.78	140,673.63
8 Minority Interest		-	0.56
9 Profit for the year (7 - 8) (After adjustment of Minority Interest)		19,910.78	140,673.07
10 Earnings per share (of ₹ 10/- each):			
(a) Basic		0.68	6.65
(b) Diluted		0.64	6.65
Notes forming part to the Financial Statement	1 to 23		

As per our Report of even date.

For S. G. KABRA & CO.

Chartered Accountants

(Registration No. 104507W)

For and on behalf of the Board of Directors**Lakhmendra Khurana**

Chairman and Managing Director

Ranjana Khurana

Executive Director

Malvika Mitra**Partner****Membership No. 44105**

Place : Mumbai

Date : May 28, 2012

Kumud Waradkar

Company Secretary

Place : Mumbai

Date : May 28, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (₹ '000)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax	30,743.49		143,214.46	
<i>Adjustments for:</i>				
Depreciation and amortisation	8,915.08		9,007.45	
Amortisation of share issue expenses and discount on shares	8,699.17		7,762.70	
(Profit) / loss on sale / write off of assets	-0.32		182.67	
Finance costs	166.81		249.19	
Interest income	-71.44	48,452.79	-90.62	160,325.85
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	64,938.37		-64,883.31	
Short-term loans and advances	-67,900.00		-	
Long-term loans and advances	48,899.80		-85,438.15	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	-		-	
Other current liabilities	221.66	46,159.84	-258.47	-150,579.93
Cash generated from operations		94,612.63		9,745.93
Net income tax (paid) / refunds		33,922.43		6,107.35
Cash Flow Before Extra -ordinary items		60,690.20		3,638.58
Extra Ordinary items		-2,276.20		-1,322.93
Net cash flow from / (used in) operating activities (A)		62,966.41		4,961.51
B. Cash flow from investing activities				
Purchase of Fixed Assets including Work in Process	-295.00		64,383.65	
Proceeds from sale of fixed assets	617.00		410.00	
Purchase of long-term investments				
- Subsidiaries	-		-	
- Others	-313,012.00		-59,100.00	
Proceeds from sale of long-term investments				
- Subsidiaries	250.00		-	
Interest received				
- Others	71.44	-312,368.56	90.62	5,784.27
Net income tax (paid) / refunds			-	-
Net cash flow from / (used in) investing activities (B)		-312,368.56		5,784.27

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (₹ '000)

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	257,045.00		140.00	
Repayment of long-term borrowings	-690.45		-	
Decrease of Minority Interest	-243.02		-	
Decrease in Capital Reserve	-2.62		-	
Dividend Paid	-		-21,168.78	
Dividend Tax Paid	-		-3,597.62	
Repayment of Loan	-		-1,124.41	
Share issue Expenses	-5,466.10		-	
Finance cost	-166.81	250,476.00	-249.19	-26,000.01
Net cash flow from / (used in) financing activities (C)		250,476.00		-26,000.01
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,073.85		-15,254.22
Cash and cash equivalents at the beginning of the year		8,477.16		23,731.39
Cash and cash equivalents at the end of the year		9,550.45		8,477.16

As per our Report of even date.

For S. G. KABRA & CO.
Chartered Accountants
(Registration No. 104507W)

For and on behalf of the Board of Directors

Lakhmendra Khurana
Chairman and Managing Director

Ranjana Khurana
Executive Director

Malvika Mitra
Partner
Membership No. 44105

Kumud Waradkar
Company Secretary

Place : Mumbai
Date : May 28, 2012

Place : Mumbai
Date : May 28, 2012

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.

The financial statement of the foreign subsidiary has been in accordance with the respective local laws and applicable accounting standards and generally accepted accounting principles.

2. Principles of Consolidation

The consolidated financial statements relate to Excel Infoways Limited ('the Company') and its subsidiary. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary are combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements"
- b) In case of foreign subsidiary, being non-integral foreign operation, revenue items are consolidated at the actual exchange rate on the date of transaction. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- d) Since the shares of Excel Infra N Realty Pvt. Ltd. has been sold by the Company, M/s Excel Infra N Realty Pvt. Ltd is no longer subsidiary and hence minority interest for the year ended March 31, 2012 does not arise.

3. Goodwill/Capital Reserve

The difference between the cost of investment in the subsidiary and the net assets at the time of acquisition of shares in the subsidiary is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be. Goodwill/Capital Reserve represents the difference between the Company's share in the net worth of subsidiary and the cost of acquisition at each point of time of making the investment in the subsidiary. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements of such subsidiary, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital Reserve on consolidation is adjusted against Goodwill on consolidation, if any.

4. The Subsidiary considered in the consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership	Year/period ended included in Consolidation
Excel Info FZE	U.A.E.	100%	April 01, 2011 to March 31,2012

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**Note 1**

1. Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of shares	₹ ('000)	Number of shares	₹ ('000)
(a) Authorised share capital Equity shares of ₹ 10/- each with voting rights	50,000,000	500,000.00	50,000,000	500,000.00
	-	-	-	-
(b) Issued, subscribed and paid up share capital Equity shares of ₹ 10/- each with voting rights	31,348,779	313,487.79	21,168,779	211,687.79
Total	31,348,779	313,487.79	21,168,779	211,687.79

1.1 Details of shares held by each shareholder holding more than 5% shares:

Sr. No.	Name of the shareholder	Number of shares	% of Share Held	Number of shares	% of Share Held
		As at March 31, 2012		As at March 31, 2011	
1	LAKHMENDRA KHURANA	6,991,930	22.30	8,306,000	39.24
2	RANJANA KHURANA	5,359,729	17.10	6,510,000	30.75
3	ARCADIA SHARE & STOCK BROKERS PVT. LTD	1,633,532	5.21	Nil	Nil

1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2012 No. of Shares	As at March 31, 2011 No. of Shares
Equity Shares at the beginning of the year	21,168,779	21,168,779
Add : Shares issued on QIP	10,180,000	-
Equity Shares at the end of the year	31,348,779	21,168,779

1.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held.

Note 2 - Reserves and surplus

Particulars	₹ ('000)	
	As at March 31, 2012	As at March 31, 2011
(a) Securities premium account		
Opening balance	437,783.93	437,783.93
Add : Premium on shares issued during the year	155,245.00	-
Closing balance	593,028.93	437,783.93
(b) Capital Reserve	-	2.66
(c) Foreign Currency Translation Reserve	1369.80	-906.40
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	616,016.03	475,342.96
Add: Profit / (Loss) for the year	19,910.78	140,673.07
Closing balance	635,926.81	616,016.03
	1,230,325.54	1,052,896.22

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012
₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 3 – Long-term borrowings		
Secured Loan		
Term loans		
From banks		
Secured (Term loan is taken for vehicle and secured by way of hypothecation of that specific vehicle.)	924.61	1,615.06
	924.61	1,615.06
Note 4 – Deferred Tax Liabilities (Net)		
Deferred tax Liability		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	4521.27	5833.85
	4,521.27	5,833.85
Note 5 - Other current liabilities		
(a) Unpaid dividends	177.96	180.32
(b) Application money received for allotment of securities and due for refund and interest accrued thereon.	12.16	12.16
(c) Other payables		
Creditors For Expenses	3,023.87	2,795.47
TDS Payable	140.72	145.08
	3,354.71	3,133.03
Note 6 - Short-term provisions		
Provision for tax	4,401.18	31,761.53
	4,401.18	31,761.53

Note 7 – Fixed Assets
₹ ('000)

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 01, 2011	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 01, 2011	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Land	-	-	-	-	-	-	-	-	-	-
(b) Buildings										
Own use	50,161.04	-	-	50,161.04	2,362.17	817.62	-	3,179.79	46,981.25	47,798.87
(c) Plant and Equipment										
Owned	3,895.76	-	-	3,895.76	1,941.90	402.82	-	2,344.72	1,551.04	1,953.86
(d) Furniture and Fixtures										
Owned	49,242.34	-	-	49,242.34	12,233.92	3,117.04	-	15,350.96	33,891.39	37,008.43
(e) Vehicles										
Owned	5,301.38	-	1,134.69	4,166.68	1,602.01	410.90	518.01	1,494.90	2,671.78	3,699.36
(f) Office equipment										
Owned	25,542.46	295.00	-	25,837.46	21,196.59	4,166.70	-	25,363.29	474.17	4,345.87
Total	134,142.98	295.00	1,134.69	133,303.29	39,336.60	8,915.08	518.01	47,733.67	85,569.62	94,806.39
Previous year	113,718.17	21,611.35	1,186.54	134,142.98	30,923.01	9,007.45	593.87	39,336.60	94,806.38	82,795.15

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**Note 8 – Non Current Investments**

₹ ('000)

Particulars	As at March 31, 2012			As at March 31, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
A. Trade Investment						
Other Investment						
26000 Equity Shares of Rs.10 each In Excel Infra N Realty Pvt. Ltd.	-	-	-	-	260.00	260.00
1000 Equity Shares of Rs. 10/- each in Excel Infra N Realty Pvt. Ltd.	-	10.00	10.00	-	-	-
A	-	10.00	10.00	-	260.00	260.00
B. Other investments						
Investment in Property	-	950,450.00	950,450.00	-	637,438.00	637,438.00
B	-	950,450.00	950,450.00	-	637,438.00	637,438.00
(A+B)	-	950,460.00	950,460.00	-	637,698.00	637,698.00

₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
-------------	----------------------	----------------------

Note 9 – Long Term Loans & Advances**Other Advances**

(Unsecured, considered good)

MAT credit entitlement	79,404.39	84,987.07
Service Tax credit receivable	64.77	-
TDS Receivable	144.23	144.67
Advance Recoverable	338,538.41	387,502.53
	418,151.80	472,634.27

Note 10 – Other Non- Current Assets

Unamortized expenses

Share issue expenses	10,622.40	14,685.49
	10,622.40	14,685.49

Note 11 – Trade Receivables

(Unsecured, considered good)

Other Trade receivables	6,249.62	71,188.00
	6,249.62	71,188.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

₹ ('000)

Particulars	As at March 31, 2012	As at March 31, 2011
Note 12 – Cash & Cash Equivalents		
(a) Cash on hand	1,196.56	1,014.87
(b) Balances with banks		
(i) In current accounts	7,174.95	6220.28
(ii) In EEFC accounts	103.83	87.08
(iii) In deposit accounts#	474.74	420.42
(iv) Balance with foreign bank	410.25	542.02
(iv) In earmarked accounts		
- Unpaid dividend accounts	177.96	180.32
- Share application money received for allotment of securities and due for refund	12.16	12.16
	9,550.45	8477.15
<p>#Fixed Deposit with Banks includes Deposit of ₹ 474.74 Thousands (Previous Year ₹ 420.42 Thousands) with maturity of more than 12 months.</p>		
Note 13 - Short-term loans and advances		
(Unsecured, considered good)		
Others (Company)	67,900.00	-
	67,900.00	-
Note 14 - Other current assets		
Unamortized expenses		
(i) Share issue expenses	8,435.96	7,342.74
(ii) Deferred Revenue expenses	75.26	338.47
	8,511.22	7,681.21

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	₹ ('000)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 15 - Revenue from operations		
Information Technology/ BPO related Service	79,955.26	203,614.13
Other Sales (Sales from Infra Activities)	75,824.08	-
	155,779.34	203,614.13
Less:		
Service Tax	858.31	87.74
	154,921.03	203,526.39
Note 16 - Other Income		
(a) Interest income	71.44	65.77
(b) Net gain on foreign currency transactions and translation	6,536.85	-
(c) Other non-operating income	748.46	516.38
	7,356.75	582.15
16.1 Interest income comprises:		
Interest from Fixed Deposit with Banks	58.11	46.28
Interest from other deposits	13.33	19.49
	71.44	65.77
16.2 Other non-operating income comprises:		
Profit on sale of fixed assets	0.32	-
Miscellaneous income.	748.15	516.38
	748.46	516.38

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

₹ ('000)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 17 - Purchases of stock - in - trade		
Other Purchases (Purchase for Infra activities)	74,853.06	-
	<u>74,853.06</u>	<u>-</u>
Note 18 - Employee benefits expense		
Salaries and wages	19,935.85	20,166.00
Contributions to provident and other funds	185.72	59.96
Staff welfare expenses	391.57	529.31
	<u>20,513.14</u>	<u>20,755.27</u>

18.1 - The Company makes Provident Fund to defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company are required to contribute a specified percentage of the payroll costs to fund the benefits. In case of Provident Fund, the contributions specified under the law are paid to the Provident Fund set up to the respective Regional Provident Fund Commissioner.

Note 19 – Finance Cost

(a) Interest expense on:

(i) Borrowings		
Interest on Kotak Mahindra bank - Car loan	166.81	249.20
(ii) Others		
Interest On late payment of TDS	-	1.31
(b) Net loss on foreign currency transactions	-	1,575.21
	<u>166.81</u>	<u>1,825.72</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	₹ ('000)	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Note 20 – Other Expenses		
Power & Fuel Charges	1,388.43	1,659.89
Rent	8,328.95	3,733.38
Repairs and maintenance - Buildings	107.96	129.72
Repairs and maintenance - Machinery	71.76	43.32
Insurance	58.65	93.09
Rates and taxes	21.96	26.80
Communication	1,484.40	2,144.62
Traveling and conveyance	154.09	1,261.90
Printing and stationery	398.69	539.43
Business promotion	971.62	3,390.56
Donations and contributions	536.10	2,317.10
Legal and professional	1,609.93	668.22
Payments to auditors	280.90	281.27
Director sitting fee	230.00	110.00
Loss on fixed assets sold	-	182.67
Prior period items (refer note 20.1 below)	875.23	12.66
Miscellaneous expenses (refer note 20.2 below)	10,567.53	12,711.02
	27,086.20	29,305.64

20.1 – Prior Period Items comprises short provision of Income tax of earlier years ₹ 875.23 thousands (Previous year ₹ 12.66 thousands).

20.2 – Miscellaneous Expenses includes Misc. Expenditure W/off ₹ 8700 Thousands (Previous Year ₹ 7762.70 thousands).

Notes -21 – The subsidiary considered in the consolidated financial statement is:

Name of the company	Country of Incorporation	Percentage of Voting Power as at 31.03.2012	Percentage of Voting Power as at 31.03.2011
Excel Info FZE	RAS AL KHAIMAH- UAE	100	100

22. Earning Per Share

Particulars	2011-12	2010-11
Net Profit after Tax as per statement of Profit & Loss attributable to Equity Shareholders (₹ in '000)	19910.78	140673.07
Weighted Average number of equity shares used as denominator for calculating EPS	29313779	21168779
Basic & Diluted Earning per share	0.68/0.64	6.65
Face Value per equity share	10.00	10.00

23. Other significant accounting policies and notes to accounts

Theses are set out under “Significant Accounting Policies” as given in the Company's separate financial statements. However the company has disclosed such notes and details which represent the needed disclosure to serve as a guide for the better understanding of the Group's position.

FINANCIAL INFORMATION OF SUBSIDIARY COMPANY
Name of the subsidiary company - Excel Info FZE

Reporting Currency	UAD	₹ In (000)
Capital	1000.00	1241.00
Reserves	(85.91)	(1066.13)
Total Assets	17245.36	214014.92
Total Liabilities	17245.36	214014.92
Investment	0.00	0.00
Turnover/Total Income	0.00	0.00
Profit Before Taxation	(48.99)	(608.02)
Provision for Taxation	0.00	0.00
Profit After Taxation	(48.99)	(608.02)
Proposed Dividend	0.00	0.00
Country	United Arab Emirates	

Exchange Rate as on 31.03.2012 is 1 UAD= 12.41INR

EXCEL INFOWAYS LIMITED

Registered Office: 31-A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder may obtain additional slip on request.

DP ID *	
Client ID *	

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the **10th Annual General Meeting** of the Company held on **Tuesday, August 21, 2012** at 10.00 a.m. at 31-A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053.

Signature of the shareholder or proxy _____

* Applicable for investors holding shares in electronic form.

TEAR HERE

EXCEL INFOWAYS LIMITED

Registered Office: 31-A, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai - 400053.

PROXY FORM

DP ID *	
Client ID *	

Master Folio No.	
------------------	--

I/We _____
of _____

being a Member/Members of **EXCEL INFOWAYS LIMITED** hereby appoint _____
of _____

or failing him to vote _____ of _____

as my/ our proxy to vote for me / us and on my / our behalf at the **10th Annual General Meeting** of the Company held on **Tuesday, August 21, 2012** at 10.00 a.m. and at any adjournments thereof.

Singed this _____ day of _____ 2012. _____

Place : _____

Signature

Affix
30 Paise
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

- NOTE:**
- (1) The proxy, to be valid, should be deposited at the Registered Office of the Company at 31-A, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400053 not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
 - (2) A proxy need not be a member of the Company.
 - (3) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - (4) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK POST

If undelivered please return to :

Registrars & Share Transfer Agents
Link Intime India Private Limited.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.

Unit : **EXCEL INFOWAYS LIMITED**