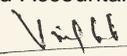


### **Auditor's Report to the members FCS Software Solutions Ltd.**

1. We have audited the attached Balance Sheet of FCS Software Solutions Ltd., as at 31st March 2007, the Profit and Loss Account for the year ended on that date annexed thereto and cash flow Statement for the year ended on that date. 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 conducted our audit in accordance with 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 statement. An audit also includes assessing the accounting principals used and significant estimates made by the 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 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 hereto 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 explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2007, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other 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 principal generally accepted in India;
    - i) In so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March, 2007;
    - ii) In so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date; and
    - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

for SPMG & COMPANY  
Chartered Accountants

  
(VINOD GUPTA)  
Partner  
Membership No. 90687

Place: New Delhi  
Date: 25-06-2007

## ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in paragraph above of our report of even date

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in respect of all its location.
2. The fixed assets have been physically verified by the management at all location at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.
3. The Company has no physical inventory as such. As explained by the management the work in process valued based upon the cost incurred upon respective projects.
4. (a) The company has not taken any unsecured loan during the period from Company, Firm which are and other parties covered in the Register maintained under section 301 of the companies Act, 1956.  
(b) The Company has not granted any unsecured loan to Company covered in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal controls.
6. Based on audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of companies Act, 1956 have been so entered.
7. In our opinion and according to information and explanation given to us the company has no deposits as prescribed under Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
8. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
9. On the basis of information and explanation given to us we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under said Section 209(1) (d) of the Companies Act, 1956 in respect of products of the Company covered under the rules under said Section are not applicable to the Company.
10. According to information and explanation given to us the company is depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to the company.
11. There were no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

12. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities and other investment dealt in by company and timely entries have been made in the records. We also report that the company has held the shares, securities and other investment in its own name except for those pending transfer in company's name.
13. The company has not given guarantee for loans taken by others from banks or financial institutions, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
14. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/ mutual fund/ society. Accordingly, the provisions of paragraph 4(xiii) of the order are not applicable to the company.
15. According to the information and explanations given to us, the company is not trading in shares, securities, debentures and other investments.
16. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
17. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
18. The company has not raised any money by public issue.
19. Other clauses of the order are not applicable to the company.

Place: New Delhi  
Date: 25-06-2007

for SPMG & COMPANY  
Chartered Accountants



(VINOD GUPTA)  
Partner  
Membership No. 90687