

The efficiency catalyst



**21st ANNUAL
R E P O R T
2013-2014**



The efficiency catalyst ●●●

BOARD OF DIRECTORS

Mr. Dalip Kumar

Chairman & Managing Director

Mr. Shayam Sunder Sharma

Non Executive Director

Mr. Shiv Nandan Sharma

Non Executive Director

Mr. Govinda Sahu

Executive Director

CHIEF FINANCIAL OFFICER

Mr. Anil Sharma

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gagan Kaushik

Auditors

M/S. SPMG & Company
Chartered Accountants
New Delhi - 110022

Registered Office

205, 2nd Floor, Agrawal Chamber IV,
27, Veer Sawarkar Block, Vikas Marg,
Shakarpur, Delhi – 110 092

Corporate office

Plot No. 83, NSEZ,
Noida Dadri Road, Phase –II,
Noida -201 305 [U.P.]
website : www.fcsltd.com

Bankers

Canara Bank
Bank of America
HDFC Bank
Wells Fargo Bank
Deutsche Bank

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Development Centers

- (i) FCS House Plot No. 83,
NSEZ, Noida Dadri Road, Phase-II, Noida,
Gautam Budha Nagar, (UP) 201305
- (ii) 2375 Zanker Road, Suit 250
San Jose, CA – 95131
- (iii) Plot-J-7, Rajiv Gandhi Technology Park,
Chandigarh – 160 10
- (iv) FCS House, A-86, Sector – 57
Noida – 201 301 [U.P.]
- (v) I.T. Park, Plot. No. 24, Sahastradhara Road,
Dehradun -248 001
- (vi) Plot No. 1A, Sector-73, Noida-201301
- (vii) Goethestra Be740237 Düsseldorf

Legal Advisors

- (1) Vivek Sharma
83, Lawyer Chamber,
Supreme Court of India
New Delhi – 110 001
- (2) Mahendra & Associates
249, District Court,
Gautam Budha Nagar (UP) 201 305

Chairman's Communique

My Dear Fellow Stakeholders,

I welcome all of you to the 21st Annual General Meeting of the company. We have been in business now for two decades and with some ups and downs, we continue to serve the purpose with same vigor as when we started. In a company's life, there are moments that needs to be created and then built upon. While some companies get those chances more quickly, others have to be patient. In our case, we had many opportunities that we were able to avail of but then every time, market conditions changed that impacted the scaling up of our opportunities. Just as everyone is aware, the market conditions continue to be tough around globe. With high inflation, the costs continue to grow whereas the poor economic conditions make it difficult to pass the costs to the clients who are themselves facing difficult times. In times like this, one needs to have ability to sustain and that is what we have. We believe that we will be able to go through these tough times and then as the markets improve, we will be able to utilize our strengths to build further on scale and margins.

One of the key factors in last few years is that as markets mature, bigger companies get an advantage over smaller companies due to their better branding. This is one aspect that we consider as our weakness and we have started building a plan to address this weakness. In today's world, one needs to be strong in social media. We are going to build a strong social media presence to address our all stakeholders – employees, customers, shareholders, and professionals.

I take this opportunity to thank all of you for your continued support both in good times and bad times. I assure that everyone in the Company will work extra hard to continue to earn the trust that we have built over all these years.

I would like to cordially invite to all the shareholders of the Company to attend the 21st Annual General Meeting of the Company (AGM) on 24th September, 2014 at 9:00 A.M. at The Executive Club, 439, Village, Sahoorpur, Fatehpur Beri, New Delhi-110074.

Sd/-

Dalip Kumar

Chairman & Managing Director

Date : August 25, 2014

Years at a Glance :

(₹ in Lacs)

For the year	2014	2013
Income		
Revenue from operations	13,340.55	11,690.73
Other Income	479.82	442.57
Total Revenue	13,820.37	12,133.3
Operating profit (PBIDTA)	(1,692.92)	102.9
Operating profit / Total income (%)	(0.12)	(0.01)
EPS (par value of ₹ 1 each)		
Basic	(0.44)	(0.35)
Diluted	(0.35)	(0.25)
Dividend	0	0
At the end of the year		
Fixed assets – net	30,419.89	33,525.18
Net current assets	10,821.95	9,575.48
Total assets	55,113.52	58,741.84
Debt	1,915.78	3,154.69
Equity (Shareholder's fund)	53,197.74	55,587.15
Net worth	48,597.33	50,189.69

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Chairman & Managing Director and the Chief Financial Officer is published in this Report.

Certificate on Compliance with Code of Conduct :

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the financial year 2013-14.

Place : Noida
Date : August 25, 2014

Sd/-
Dalip Kumar
Chairman & Managing Director

CEO / CFO Certificate under Clause 49 (V)

To,
The Board of Directors
FCS Software Solutions Limited

We, **Dalip Kumar**, Chairman & Managing Director and **Anil Sharma**, Chief Financial Officer of FCS Software Solutions Limited, to the best of our knowledge and belief, certify that –

1. We have reviewed financial statements and the cash flow statement of FCS Software Solutions Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.

We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

On behalf of the Board of Directors
For **FCS Software Solutions Limited**

Place : Noida
Date : August 25, 2014

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
Anil Sharma
Chief Financial Officer

Directors' Report

(for the Year 2013- 2014)

Dear Shareholders,

Your Directors are pleased to present the Report on our business and operations for the year ended March 31, 2014.

Financial Highlights

(₹ in Lacs)

	Year ended March 31,	
	2014	2013
Gross Income	13,820.37	12,133.31
Profit/(Loss) before Depreciation, Interest & Tax (PBDIT)	(1,692.92)	102.9
Misc. Income	4,604.90	5,397.46
Depreciation	3,968.90	3,772.45
Interest	88.38	106.1
Profit/(Loss) before Extra ordinary items	(5,750.21)	(3,771.7)
Profit before tax (PBT)	(5,750.44)	(3,775.65)
Profit after tax (PAT)	(5,768.11)	(3,736.07)
Appropriation:		
Dividend recommended – Final	Nil	Nil
Tax on distributed profits	30.36	23.72
Transferred to General Reserve	Nil	Nil
Balance with General Reserve	3,257.89	3,257.89
Balance Brought Forward	5,243.38	11,011.44
Transferred to Balance Sheet	(5,768.11)	(3,736.07)

The Board of Directors has made conscious efforts for drawing the financial statements on the basis of sound, accepted and conservative accounting principles. The revenues generated have to provide for prior period adjustments and provisions also but at the same time it ensure true and fair financial statements of the Company.

Overview

For the financial year ended March 31, 2014, the Company reported a total income of ₹ 13,820.37 lacs.

Material changes and Commitments

There has been no material Changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of this report.

Transfer to Reserves

No amount is being transferred to reserves.

Dividend

In view of requirement of funds for the expansion of Company's business, your directors did not recommend any dividend for the financial year 2013-14.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under sub-section (1)(e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are set out in the annexure to this report.

Subsidiaries

FCS has three Wholly Owned Subsidiary Companies outside India, viz. FCS Software Solutions America Limited, incorporated in America and F.C.S Software Middle East FZE, in UAE and FCS Software Solutions GmbH, in Germany to cater to the needs of its clients in America, UAE and Germany so that they have better legal security, faster services and comfort in dealing with the Company. FCS has one Wholly Owned Subsidiary Company in India i.e. Insync Business Solutions Limited. The Company has recently incorporated a new Wholly Owned Subsidiary in China named FCS Software (Shanghai) Co., Ltd.

The Board of Directors of our Company have reviewed the affairs of all the subsidiary companies. A statement of holding company's interest in subsidiaries as required under sub-section (3) of Section 212 of the Companies Act, 1956, forms part of this annual report.

Particulars of employees

During the year ended March 31, 2014, no employee is drawing remuneration in excess of the amount prescribed under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975.

Directors' responsibility statement

To the Members,

We, the directors of FCS Software Solutions Limited, confirm the following:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. 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;
4. that the directors had prepared the annual accounts on a going concern basis.

Ensuring Compliance of laws

The company has devised and set in place proper systems to ensure compliance of all laws applicable to the company.

Transfer to Investor Education and Protection fund

Pursuant to Sections 205A(5) and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the Investor Education and Protection fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Composition of audit committee

Details of Audit Committee of Board of Directors of the Company forms part of the Annual Report and is given separately in Report of Corporate Governance.

Management Discussion and Analysis

A Management Discussion and Analysis Report has been attached and forms part of the Annual Report.

Corporate Governance

FCS is endeavouring to implement every norm, which is promulgated by legislation, or any of the statutory bodies. In line with that, a report on Corporate Governance, along with a certificate from the Statutory Auditors, has been included in the Annual Report, detailing the compliances of corporate governance norms as enumerated in Clause 49 of the Listing Agreements with the Stock Exchanges.

Public Deposits

The Company has not accepted any public deposits during the year under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975, and as such, no amount on account of principal or interest was outstanding as on the date of Balance Sheet.

Directors

In terms of the provisions of Sections 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mr. Govinda Sahu (Director), retire at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company prepared in accordance with applicable Accounting Standards forms a part of this Annual Report.

Auditors

The statutory auditors M/s. SPMG & Company, Chartered Accountants, Delhi, retire at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment. Your directors recommend their reappointment as auditors.

Acknowledgements

The Directors thank the Company's employees, customers, vendors, investors, service providers, bankers for their continued support. The Directors also convey a special thanks to the Government of India, particularly Ministry of Communication and Information Technology, the Customs and Excise departments, the Income Tax department, Ministry of Corporate Affairs, Office of Registrar of Companies, New Delhi, Board of approval and Development Commissioner of Special Economic Zones, particularly of Noida and Chandigarh for their co-operation.

For and on behalf of the Board of Directors
For FCS Software Solutions Limited

Place : Noida
Date : August 25, 2014

Sd/-
Dalip Kumar
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE "A"

Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

Conservation of energy

Although the equipments used by the Company being in the business of software development and education are not energy sensitive by their very nature, still the Company is making best possible efforts for conservation of energy by putting in place a well defined policy, which assures that the Computers and all other equipments purchased by the Company strictly adhere to environmental standards, and they make optimum utilization of energy.

The Company has also put in place, the continuous process of identifying and replacing in a phased manner, the machinery like Computers, Air Conditioners and UPS etc., which are low in efficiency.

Research and Development (R&D)

The Company believes that in order to improve the quality and standards of services, the Company should have a progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company. Sticking to its policy, the Company has allocated more than 20% time of its senior professionals exclusively for R&D in order to improve the quality of services, increase profitability, enhance the FCS brand and gain a reputation as an innovative business.

Technology absorption, adaptation and innovation

In this era of competition, in order to maintain and increase the clients and customers, we need to provide best quality services to our clients and customers at minimum cost, which is not possible without innovation, and adapting to the latest technology available in the market for providing the services. For this purpose, your Company has partnered with market leaders in technology. The senior management of your Company is focussed on the ongoing process of technology up gradation, and reinvention of business model of your Company, as and when required.

Foreign Exchange Earning and Outgo

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans.

During the year around 80% of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was Rs. 11,521.94 lacs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings) was Rs. 11,414.86 lacs.

Foreign exchange earned and used

(₹ in Lacs)

	2014	2013
Earnings	11,521.94	10,337.96
Outflows	11,414.86	9,744.01
Net foreign exchange earnings	107.08	593.95

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

FCS Software Solutions Limited has closed the financial year 2013-14 with revenue of ₹ 13820.37 lacs. We encourage our shareholders to read the information presented here in conjunction with additional information that we have furnished in the financial statements. The financial statements are prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by SEBI and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis to ensure that financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably showcase the key financial parameters of the Company in an objective and unbiased manner.

Industry structure and developments

The industry structure in the IT sector has four major categories. These are -

- IT services
- Software products
- IT enabled services
- Hardware

IT services

IT services constitute a major part of the IT industry of India. IT services include client, server and web based services. Opportunities in the IT services sector exist in the areas of consulting services, management services, internet services and application maintenance. The major users of IT services are -

- Government
- Financial services
- Manufacturing
- Banking
- Retail and distribution

IT enabled services

The services which make extensive use of information and telecommunication technologies are categorized as IT enabled services. The IT enabled services is the most important contributor to the growth of the IT industry of India. Some of the important services covered by the ITES sector in India are -

- Customer-interaction services including call-centers
- Revenue accounting
- HR services
- Content development and animation
- Data search
- Market research
- Back-office services
- Data entry and data conversion
- Transcription and translation services
- Remote education,
- GIS
- Network consultancy

Software products

Software products are among the most highly exported products from India. The software industry in India originated in the 1970s and grew at a significant pace in the last ten years.

Hardware

The hardware sector of the IT industry focuses on the manufacturing and assembling of computer hardware. The consumption of computer hardware is high in the domestic market. Due to the rise in the number of IT companies, sales of desktops, laptops, servers, routers, etc have been on the rise in recent years. Many domestic and multi-national companies have invested in the computer hardware market in India.

Another categorization in the structure of India's IT industry is related to the market. There are two major market classifications - the domestic market and the export market. The export market, dominates the IT industry accounting for 75% of the revenue

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption and globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Companies in this environment are now focusing even more on their core business objectives such as revenue growth, profitability and asset efficiency.

Opportunities and threats

India is widely recognized as the premier destination for offshore technology services. According to the NASSCOM press release issued in February, 2014, IT- BPM services export revenues from India are expected to grow to US \$97- \$99 billion in fiscal year 2015, a growth of 13%-15% over fiscal year 2014. Domestic revenues are estimated to grow to ₹ 1,250 - ₹ 1,280 billion in fiscal year 2015, which is a growth of 9% -12% compared to fiscal year 2014.

Along with ample of opportunities, Company is facing certain risks as well. Business models like cloud computing and other pay-for-use models are beginning to gain traction in most industries, which could result in demand compression for traditional IT services/pricing pressures. Subject matter experts with domain and technology expertise are the key to success of the Company, and the Company could be impacted by the loss of such critical talent. Inability to attract sufficient number of software engineers, IT specialists with critical skills in demand can impact the Company's ability to deliver. Volatility in currency exchange movements resulting in transaction and translation exposure. Increasing salary cost and escalating operation expenses creates pressure on margin. However for mitigating these risks FCS is trying to keep proper mechanisms at place.

Evolution of technology outsourcing

The nature of technology outsourcing is changing. Historically, enterprises either outsourced their technology requirements entirely, or on a standalone, project-by-project basis. In an environment of rapid technology change, globalization and regulatory changes, the complete outsourcing model is often perceived to limit a Company's flexibility and not fully deliver potential cost savings and efficiency benefits. Similarly, project-by-project outsourcing is also perceived to result in increased operational risk and coordination costs and as failing to leverage technology service providers' entire range of capabilities. To mitigate these issues, Companies are looking at outsourcing models that require their technology service providers to develop specialized systems, processes and solutions along with cost-effective delivery capabilities.

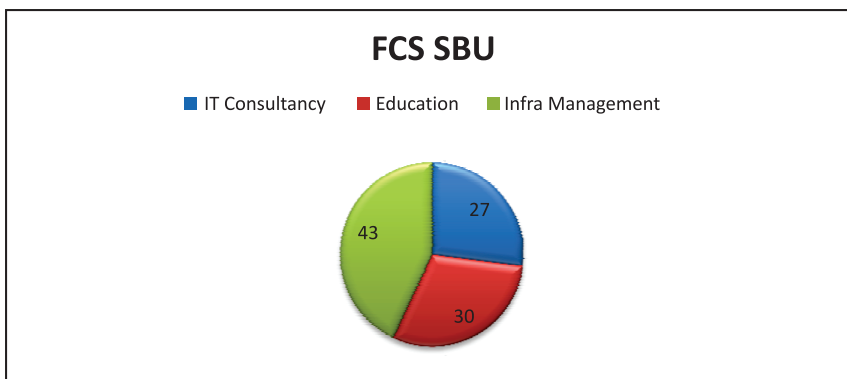
Outlook

FCS is striving to strengthen its position as one of the leading company providing technology services. In order to increase our business we will strategize to increase business flow from existing customer and also tap new clients. We seek to provide value-added solutions by leveraging domain expertise and expanding the breadth of services offered to clients beyond those in the initial engagement.

Segment-wise / Product-wise Performance

The company has shown average performance being impacted by the global slowdown and the uncertainty in the domestic economy. The percentage wise revenue contribution of each segment is as below:

1. IT Consulting Services
2. Education/E –Learning Division
3. Infrastructure Management



IT Consulting

During Financial Year 2013-14 around 27% of the revenue was derived from IT consulting. The two most used revenue models are Fixed Price Fixed Time Frame model and Time and Material model. In Fixed Price fixed time frame model, a client pays fixed cost for a software project delivery within agreed timeframe. Any projects where specifications are fixed and would not change substantially over a period of time fall under this model. The Company delivers technology solutions to help client achieve business results. The Company first analyzes clients' requirements, develops the scope and finally proposes a fixed-price solution. Thereafter professional implementation plan is agreed upon. On the other hand, if projects are loosely defined and are done in an ad hoc manner or involve client's managers to manage day-to-day work, they are done in Time and Material model.

Education

During Financial Year 2013-14 around 30% of its total revenue was derived from education segment FCS also provides training and education services to big corporate as well as central and state government departments. In today's era, training of resources has become an essential tool for every corporate to train its employees. FCS has developed over 10,000 learning hours of content for various Corporate, Educational Institutes, and universities across the Country.

Infrastructure Management

FCS has developed its infrastructure accordingly to cope with the increased demand of its services. During the last two years, Your Company has been keeping its focus on the expansion of its business and clientele amidst the economic slowdown.

The infrastructure management division provides hardware solutions, networking solutions, data backup & recovery, etc. These services are offered to different verticals such as banks and financial institutions, insurance companies and healthcare companies.

Internal control systems and their adequacy

The internal audit function has been outsourced to a firm of Chartered Accountants, namely Mahajan Rajeev & Co., Chartered Accountants, having address at 206, Pratap Chambers II, 15A/44, WEA, Saraswati Marg, Karol Bagh, New Delhi-110005. The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded as well as effectively utilized. The Company has a qualified and independent Audit Committee. The audit committee reviews audit reports submitted by the internal auditors. The audit committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the board of directors informed of its major observations periodically. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions. The Internal Audit process includes review and evaluation of effectiveness of the existing processes, controls and compliance. The departmental performance is rated through the Control Effectiveness Index given by the Internal Auditors. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan. Internal control system of the Company is an effective system and contributes to safeguarding the Company's assets as well as the efficiency and effectiveness of business transactions, the reliability of financial information and compliance with laws and regulations.

M/s. SPMG & Company, Chartered Accountants, Delhi are recommended for reappointment as statutory auditors to audit financial statements and conduct such tests and related procedures as they deem necessary in accordance with generally accepted auditing principles. The reports of the statutory auditors based upon their audit of the financial statements, are contained elsewhere in the Annual Report.

Financial performance with respect to operational performance

The Company's total income has been reported for the year ended as on 31st March 2014 is ₹ 1,38,20,37,640.

Investment in Subsidiaries

We made several strategic investments during the past years aimed at deriving business benefits and operational efficiencies in subsidiaries including:

FCS Software Solutions GmbH

We incorporated FCS Software Solutions GmbH in Germany as a wholly owned subsidiary on October, 2013 for provision of IT services in the commercial sector, especially the control and maintenance of existing IT- infrastructure and the development and construction of new IT infrastructures, import, export, wholesaling and retailing in respect of IT equipment for commercial customers overseas for the purpose of operations and expansion.

The Company has recently incorporated a Wholly Owned Subsidiary in china named as FCS Software (Shanghai) Co., Ltd.

Material developments in Human Resources/ Industrial Relations Front, including number of people employed

Our Human Capital are the most valuable assets of the Company and key contributors to our success. We encourage innovation, meritocracy and pursuit of excellence. We have set up a scalable recruitment and human resources management process. We endeavor to impart the best training, working environment for employee retention. Our work force consists of talented employees, advisors and consultants. FCS has inbuilt HR strategic planning in its overall business plan. Satisfaction of our more than 1000 employee is important for FCS, because it is the key factor on which productivity depends on.

Compensation

Our technology professionals receive competitive salaries and benefits. We have a performance-linked compensation program that links compensation to individual performance, as well as our Company's performance.

Cautionary Note

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

For and on behalf of the Board of Directors
For FCS Software Solutions Limited

Place : Noida
Date : August 25, 2014

Sd/-
Dalip Kumar
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

Corporate Governance encompasses a set of systems and practice to ensure that the Companies affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders aspirations and social expectations. This is ensured by taking ethical decision and conducting the business with a firm commitment to values, while meeting shareholder's expectation.

The Corporate Governance policies of your Company recognizes the accountability of the Board vis-à-vis its various constituents including Customers, Shareholders, Investors, Employees, Government and other Regulatory Authorities, with prime objective to deliver "Superior Shareholder Value".

Shareholders Communications

The Board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. The Company ensures the complaints and suggestions of its shareholders are responded to in a timely manner.

Role of the Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

Board of Directors

Selection of the Board: The Board is responsible for selecting members to fill Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting.

Board Membership Criteria: The Board reviews the appropriate skills and characteristics required of Board members and for making recommendations to the Members in the General Meeting. The Board considers the mix of education, skills, experience, character, commitment, and background, all in the context of the requirements of the Board at that point in time.

Composition and Functions: As on March 31, 2014 the Board consists of 4 Directors with considerable professional experience and expertise in various fields. The Board of Directors is headed by Chairman & Managing Director and has the ideal composition with the half Directors being non-executive directors. Since the Company's Chairman is executive Director, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent directors.

None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fee of 10,000/- for attending each Board Meeting. The independent Directors of the Company has given declaration of independence as per relevant provisions of Companies Act, 2013.

Board Meetings: There are Seven (7) Board Meetings held during the financial year 2013-14 on the following dates:

May 30, 2013, August 14, 2013, August 29, 2013, September 30, 2013, November 14, 2013, February 14, 2014 and February 26, 2014.

Constitution of Board Of Directors And Related Information

Name	Category	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other public companies as on 31.3.2014		No. of Committee positions held in other public companies as on 31.3.2014	
				Member	Chairman	Member	Chairman
Mr. Dalip Kumar	Chairman & Managing Director	1	No	2	Nil	Nil	Nil
Mr. Govinda Sahu	Whole time Director	7	Yes	1	Nil	Nil	Nil
Mr. Shayam Sunder Sharma	Independent Non Executive Director	7	Yes	2	Nil	Nil	Nil
Mr. Shiv Nandan Sharma	Independent Non Executive Director	7	Yes	2	Nil	3	1

As mandated by Clause 49, the Independent Directors on the Company's Board:

- Apart from receiving sitting fee, commission and stock options, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executives during the preceding three years of the:
 - statutory audit firm or the internal audit firm that is associated with the company
 - legal firm(s) and consulting firm(s) that have a material association with the company
 - Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director
 - Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares
 - Are not less than 21 years of age.

Therefore as in accordance with Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Selection of Agenda Items for Board Meetings: The Company Secretary prepares the agenda of the Board meetings on the basis of suggestions from Board of Directors. Each Board member is free to suggest the inclusion of item(s) on the agenda. The Board believes that certain continuing oversight responsibilities should have priority on the agenda, taking into account the overall focus of preserving and increasing stakeholders' value. This includes review of Company strategy and performance, management oversight, ethical business practices and legal compliance, accounting and financial controls, financial structure, preservation of assets, and Board effectiveness.

Code of Conduct: The Company's Board has laid down a code of conduct for all Board members and senior management of the company. This Code of Ethics ("Code") helps in maintaining the

standards of business conduct for FCS Software Solutions Ltd. ("Company"). The purpose of this code is to deter wrongdoing and promote ethical conduct. Ethical business conduct is critical to our business. Accordingly, the "Senior Management" of the Company i.e. all members of management one level below the Executive Directors, including all General Managers and functional heads (hereinafter collectively referred to as "Officers"), are expected to read and understand this code, uphold these standards in day-to-day activities, comply with all applicable laws, rules and regulations and all applicable policies adopted by the Company.

The code of conduct is available on the website of the company-www.fcsltd.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the CMD to this effect is enclosed at the end of this report.

Risk Management: The Company has an effective risk management procedure in place. The Audit Committee periodically evaluates and discusses the Risk assessment and mitigation mechanism in their meetings.

Board Committees

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders long term interests are being served.

The Board has constituted committees, namely Audit Committee, Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. The Board is authorised to constitute additional functional committees, from time to time, depending on business needs.

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of committee meetings are circulated to the Directors and placed before Board meetings for noting.

Audit Committee

The Audit Committee was constituted on April 20, 2000 as required under section 177 of the Companies Act, 2013.

Five Audit Committee meetings were held during the year. These were held on:

May 30, 2013, August 14, 2013, August 29, 2013, November 14, 2013 and February 14, 2014.

Composition of the Audit Committee along with the status of its members:

Name of Directors	Position	Status	No. of Meetings	
			Held	Attended
Mr. Shiv Nandan Sharma	Independent Non Executive Director	Chairman	5	5
Mr. Shayam Sunder Sharma	Independent Non Executive Director	Member	5	5
Mr. Govinda Sahu	Executive director	Member	5	5

The Committee's composition meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the listing Agreement. Members of the Audit Committee possess financial/ accounting expertise/ exposure.

Powers of the Audit Committee

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

Role of the Audit Committee inter alia, includes the following:

- 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.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditors report thereon 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 Director's Report in terms of sub-section (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 judgement by the management.
 - (d) Significant adjustments made in 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) Qualification in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right 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 utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company's wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions, 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.

- Discussion with internal auditors, any significant findings and follow-up thereon.
- 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.
- 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.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other committees of Directors.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - (a) The management Discussion and Analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - (c) Management letters/letters of internal control weakness issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses; and
 - (e) The appointment, removal and terms of remuneration of internal auditors/ chief internal auditor
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company.

Remuneration Committee

The Company has formed a Remuneration Committee by the Board of Directors vide the Board Meeting dated January 3, 2005. No Remuneration Committee meeting was held during the financial year. The constitution of the committee is as under:

Name of Directors	Position	Status	No. of Meetings	
			Held	Attended
Mr. Shayam Sunder Sharma	Independent Non-Executive	Chairman	Nil	Nil
Mr. Shiv Nandan Sharma	Independent Non-Executive	Member	Nil	Nil

- No Shares and convertible instruments are held by the non-executive Directors

The Committee's constitution are in compliance with Clause 49 of the Listing Agreement and Securities and Exchange Board of India (Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

Terms of Reference of the Committee, inter alia, including the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employee.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on board diversity.
- To recommend/ review remuneration of the Managing Director(s) and Whole- time Director(s) based on their performance and defined assessment criteria.
- To administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme including:
 - (a) The quantum of options to be granted under Employee Stock Option Scheme per employee and in aggregate;
 - (b) The conditions under which option vested in employee may lapse in case of termination of employment for misconduct.
 - (c) The exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
 - (d) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - (e) The right of an employee to exercise all options vested in him at one time or various points of time within the exercise period.
 - (f) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as right issues, bonus issues, merger, sale of division and others;
 - (g) The granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modifications, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration Policy

The remuneration paid to the non-executive Directors of the company is decided by the Board of Directors on the recommendations of the Remuneration Committee. The remuneration policy is in consonance with the existing industry practice.

Non executive directors' compensation: The non-executive Directors are paid sitting fees for attending the meetings of the Board of Directors within the ceilings prescribed by the Central Government.

- i) Independent directors' compensation:** Independent Directors are paid sitting fees for attending the meetings of the Board of Directors & Committees.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee (SR Committee) was constituted by the Board on 27th May, 2014 consequent to the dissolution of the Investors Grievance Committee. The SR Committee

is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of Investors complaints. The Committee also monitors the implementation and compliance with the Company's code of conduct for prohibition of insider trading.

The SR Committee's composition and the terms of reference meet the requirements of Clause 49 of the listing Agreement and provisions of the Companies Act, 2013.

Terms of reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's duplicate share/ debenture certificates.
- Monitor redressal of investors/ shareholders/ security holders grievances.
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's code of conduct for prohibition of insider trading.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Compliance officer:

Mr. Gagan Kaushik, Company Secretary is the compliance officer for complying with the requirements of Securities Laws and Listing Agreement with Stock Exchanges.

Name of Directors	Position	Status	No. of Meetings	
			Held	Attended
Mr. Shiv Nandan Sharma	Independent Non Executive Director	Member	5	5
Mr. Shayam Sunder Sharma	Independent Non Executive Director	Chairman	5	5

*Mr. Gagan Kaushik, Company Secretary of the Company is the Compliance Officer of the Company.

The Committee in its scope & function of ambit includes approval of transfer and transmission of shares and other matters like consolidation/split of certificates, issue of duplicate share certificates, dematerialization/ re-materialization of shares. The Committee also monitors the system of redressal of investor grievances and ensures cordial investor relation.

Number of Shareholder's complaints received by Company from its RTA, BSE, NSE, SEBI and Shareholders, during the financial year ended March 31, 2014 are as under:

S. No.	Authority	No. of complaints
1.	NSE	0
2.	BSE	4
3.	SEBI	0
4.	Shareholders	8
Total Grievances/Complaints received during the financial year		12
Total Grievances attended		12
No. of complaints not solved to the satisfaction of shareholders		Nil
Total Grievances pending		Nil

General Body Meetings

The last three Annual General Meetings (AGM) were held as under:

AGM for the financial year ended	Venue	Day and Date	Time	No. of Special Resolutions Passed
2010-2011	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Monday, September 26, 2011	9.00 A.M	1
2011- 2012	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Tuesday August 28, 2012	9.00 A.M	1
2012-2013	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Monday September 30, 2013	1.00 P.M	0

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Subsidiary Companies

The Company did not have any material Non-Listed Indian Subsidiary during FY'13-14 and hence was not required to have an Independent Director of the Company on the Board of any of its subsidiary companies. The Audit Committee also reviews the financial statements of the subsidiary companies. The Board and the Audit Committee also periodically review investments made by the Company's subsidiaries. The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies

Disclosure on materially significant related party transactions, i.e., the Company's transactions that are of material nature, with its promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interest at large

None of the transactions with any of related parties were in conflict with the Company's interest.

Details of non-compliance by the Company, penalties and structures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years.

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

Whistle Blower Policy

The Company has a whistle blower policy to provide opportunity to associates to represent, in good faith, to the Head-Human Resources in case they observe unethical and improper practices or any other wrongful conduct in the Company and to prevent managerial personnel from taking any adverse vindictive personal action against those associates. Any person who observes any unethical &

improper practices may disclose it as soon as possible to the Head-Human Resources. During the year no person was denied access to the Head- Human Resources and there was no case reported under the policy.

Mandatory requirements

The company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

Particulars	Clause of Listing agreement	Compliance Status Yes/No
I. Board of Directors	49(I)	
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 (II)	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 II(D)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	Yes
IV. Disclosures	49 (IV)	
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

Means of Communication

Quarterly/half-yearly/Annual financial results: The quarterly and half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors. Public notices and financial results are published in leading newspapers, namely, The Financial Express in English and Haribhumi in Hindi.

Website: The Company's website (www.fcsltd.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter-alia, Audited Accounts, Consolidated Financial Statements, Director's Report, Auditor's 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.fcsltd.com).

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 and NSE are filed electronically through the CFDS portal, and hard copies of the said disclosures and correspondence are also filed with stock exchanges.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, are filed electronically on NEAPS.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress systems. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR's) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

Auditors' Certificate On Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditor's certificate is given as an annexure to the Directors' report.

Chairman & Managing Director/Chief Financial Officer Certification

As required by Clause 49 of the Listing Agreement, the CMD and CFO certification of the financial statements for the year is given separately at the end of the report on corporate Governance and forms part of this Annual Report.

Shareholders information

Annual General Meeting

Date and Time	: September 24, 2014, 9:00 A.M.
Venue	: The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074
Financial Calendar	: 1 st April, 2013 to 31 st March, 2014

Unaudited/Audited Financial Results	Quarter / Year ended	Month of approval of Financial Results
Unaudited financial results for the quarter ended	June, 2013	August, 2013
Unaudited financial results for the quarter and half year ended	September, 2013	November, 2013
Unaudited financial results for the quarter ended.	December, 2013	February, 2014
Audited financial results for the year ended.	March, 2014	May, 2014

Date of Book Closure : Sep. 15, 2014 to Sep. 19, 2014 (Both days inclusive)
Name of the Stock Exchange : Exchange code
BSE 532666
NSE FCSSOFT
Listing fee for 2013-14 : Paid for both the above stock exchanges.
ISIN No. : INE512B01022 (for fully paid up shares)
ISIN No. : IN9512B01020 (for partly paid up shares)

Dividend Payment Date:

No Dividend is recommended for the financial year 2013-14.

Stock market price data

Monthly High and Low and the performance of our share price vis-à-vis NSE (Nifty) and BSE (Sensex) is given below and Chart A and B (overleaf) respectively.

Performance comparison with indices:

Month	BSE			NSE			
	High	Low	Volume	High	Low	Volume	Total Volume
	(₹)	(₹)	(Nos.)	(₹)	(₹)	(Nos.)	(Nos.)
Apr-13	0.24	0.20	7003593	0.25	0.20	4678741	11682334
May-13	0.24	0.20	7641063	0.25	0.20	5654079	13295142
Jun-13	0.24	0.19	6734495	0.25	0.20	4712285	11446780
Jul-13	0.23	0.19	6838770	0.25	0.15	4883009	11721779
Aug-13	0.22	0.18	6379827	0.25	0.15	6564395	12944222
Sep-13	0.24	0.20	5857160	0.25	0.20	4907075	10764235
Oct-13	0.24	0.19	6403856	0.25	0.15	5187932	11591788
Nov-13	0.25	0.22	5702365	0.25	0.20	4751117	10453482
Dec- 13	0.24	0.20	9476199	0.25	0.20	5710914	15187113
Jan-14	0.54	0.24	4506638	0.70	0.20	55123144	59629782
Feb-14	0.60	0.36	5066474	0.65	0.30	14841374	19907848
Mar-14	0.48	0.34	5881191	0.50	0.30	8826779	14707970
Total	77491631					125840844	203332475

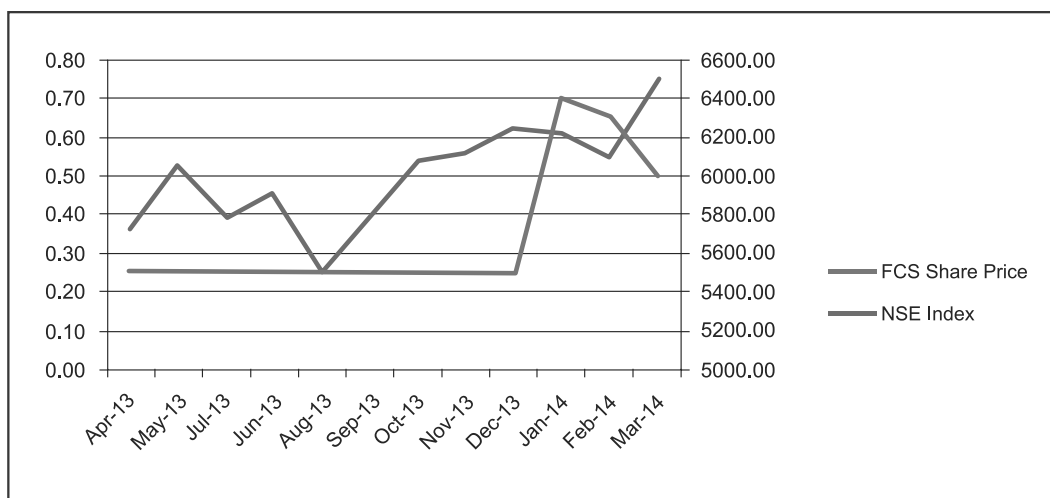


Chart- A

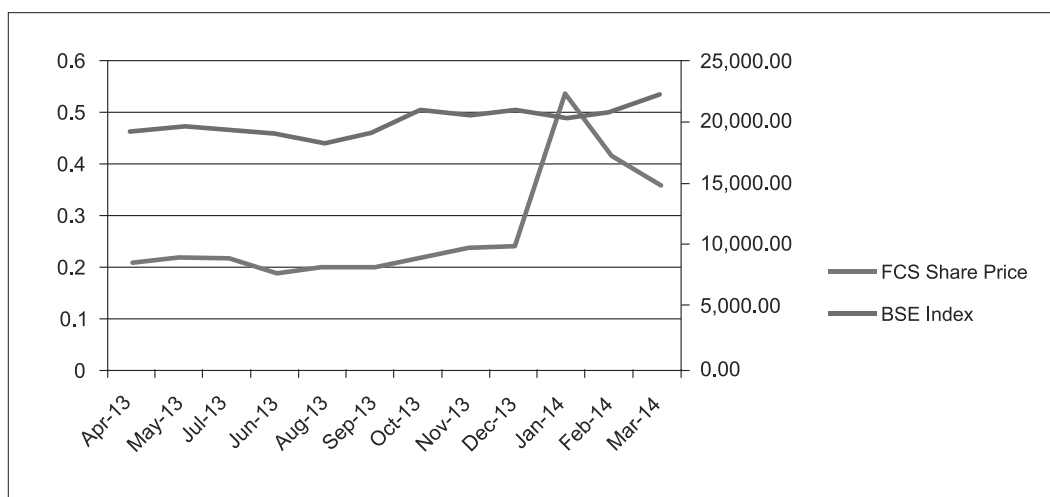


Chart –B

Share transfers in physical form

Shares sent for physical transfer are affected after giving a notice of 15 days to the seller for sale confirmation. Our Investors' Grievance Committee meets as often as required.

The total number of shares transferred in physical form during the year was Nil.

As the Company's shares are compulsorily to be traded in dematerialized form, members are requested to send the shares if held in physical form, directly to the Registrars and Transfer Agents for dematerialization. Members have the option to open their accounts either with National Securities Depository Limited or Central Depository Services (India) Limited as the Company has entered into Agreements with both the Depositories.

All physical share transfers are returned within 30 days of lodgment subject to the documents being in order.

Share transfer system

M/s. Link Intime (India) Pvt. Ltd. are the Registrar and Share Transfer Agents for processing transfers, sub-division, consolidation, splitting of shares and for rendering depository services such as Dematerialization and Re-materialization of the Company's shares.

Distribution of shareholding

Following Tables list the distribution of the shareholding of the equity shares of the company by size and by ownership class as on March 31, 2014.

Shareholding pattern by size

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Total Shares
Upto 500	38387	29.5376	9480431	0.5713
501-1000	25821	19.8684	23627937	1.4238
1001-2000	20861	16.0519	36443303	2.1960
2001-3000	8829	6.7936	23944375	1.4428
3001-4000	5792	4.4568	21860367	1.3172
4001-5000	6530	5.0246	31749062	1.9131
5001-10000	11152	8.5811	88596188	5.3386
10001- & above	12588	9.6861	1423851737	85.7973
Total	129960	100	1659553400	100

Shareholding Pattern By Ownership

Categories	As on March 31, 2014		As on March 31, 2013	
	No. of Share	% of holding	No. of Share	% of holding
Promoters-				
Indian	335962450	20.24	185968560	14.76
Foreign	0	0	0	0
Mutual Fund & UTI	0	0	0	0
Banks and Financial Institution and Insurance Companies	5000	0	3000	0
Central Government/State Government	568300	0.03	568300	
Foreign Institutional Investor	0	0	0	0
Private Bodies Corporate	496275073	29.90	264160627	20.97
Indian Public-Individual	798060360	48.09	780327048	61.96
NRI/OCB's	16459475	0.99	18007515	1.43
Clearing Member	12066152	0.73	10359930	0.82
Other (Director & their relatives, HUF, Clearing Members)	156590	0.01	158420	0.01
Total	1659553400	100	1259553400	100

Dematerialization of the shares and liquidity:

As on March 31, 2014, to the extent of 75.86% shares of the company were held in de-materialized form. Trading in Company's shares is permitted only in dematerialized form as per notifications issued by Securities Exchange Board of India. The Company has entered into agreements with National Securities Depository Ltd. & Central Depository Services (India) Ltd., whereby the investors have the options to dematerialize their shares with either of the depositories.

The Company shares are among the most liquid and actively traded shares on BSE & NSE. The monthly trading volumes of the Company shares on these Exchanges are given above. The status of Dematerialization as on March 31, 2014 is as under:

Segment	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shares
Physical	68	0.05	400478618	24.14
Demat	129893	99.95	1259074782	75.86
Total	129960	100	1659553400	100

Conversion of Issued GDRS/ADRS/Warrants in Ordinary Shares

With a view to augment the long term resources of the Company for meeting the fund requirements of growth and diversification plans and for general corporate purposes, Company has Converted warrants dated August 28, 2012 issued on preferential basis in accordance with the 'Guidelines for Preferential Issues' contained in Chapter VII of the Securities and Exchange Board of India (issue of capital and disclosure requirements) regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Guidelines"), in the equivalent number of fully paid equity shares of the Company as on February 26, 2014. Its likely impact on equity is as under:

Categories	Pre Issue		Post Issue	
	No. of Shares	% of holding	No. of Shares	% of holding
(A) Shareholding of Promoter and Promoter Group				
1 Indian				
Promoter	185962450	14.76	335962450	20.24
2 Foreign				
Total Shareholding of Promoter and Promoter Group	185962450	14.76	335962450	20.24
(B) Public Shareholding				
1 Institutions				
(a) Mutual Fund/UTI				
(b) Financial Institutions/Banks	5000	0.0	5000	0.03
(c) Central Government/State Government(s)	568300	0.04	564300	0.03
(d) Venture Capital Funds	0		0	
(e) Insurance Companies	0		0	
(f) Foreign Institutional Investors	0		0	
Sub Total (B) (1)	573300	0.04	573300	0.03

Categories	Pre Issue		Post Issue	
	No. of Shares	% of holding	No. of Shares	% of holding
B-2 Non Institutional				
(a) Bodies Corporate	250542731	19.89	500542731	30.16
(b) Individuals	792908760	62.95	792908760	47.77
(c) Any Other	29566159	2.34	29566159	1.78
Sub Total (B) (2)	1073017650	85.19	1323017650	79.72
(B) Total Public Shareholding (B)=(B)(1)+(B)(2)	1073590950	85.23	1323590950	79.72
Total (A)+(B)	1259553400	100	1659553400	100
(C) Shares held by custodians and against which depository receipts have been issued				
1 Promoter and Promoter group	0	0	0	0
2 Public	0	0	0	0
Total (C)	0	0	0	0
Grand Total (A)+(B)(C)	1259553400	100	1659553400	100

Plant Locations

The Company has 7 offices as on 31st March, 2014 located in 4 cities across India apart with 1 office in Dubai, USA and Germany. The addresses of these offices are available on our corporate website/ Annual Report.

Address for Correspondence

FCS Software Solutions Limited,
Plot no. 83, NSEZ, Phase-II,
Main Dadri Road, Noida-201305
Tel No's: - 0120-4635900
Fax No: - 0120-4635941
E-Mail ID: - investors@fcsltd.com

Litigation

There is no legal dispute against the company in substantial nature, which creates huge liability in case of the judgment given against the company.

Brand Establishment

An image is not simply a trademark, a design, a slogan or an easily remembered picture. It is a studiously crafted personality profile of an individual, institution, corporation, product or service. Successful branding programs are based on the concept of singularity. The objective is to create in the mind of the prospect the perception that there is no other product on the market quite like your product. Global brands are a language that consumers can understand. Your Company FCS has successfully established its brand, which has gained recognition all over the globe.

Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services

(India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Code for prevention of Insider-Trading practices

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

Disclosure of accounting treatment in preparation of financial statements

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 2(2) of the Companies Act, 2013 (the 'Act') and the relevant provisions of the Act.

Management Discussion and Analysis

The Management Discussion and Analysis is given separately and forms part of this Annual Report.

Reappointment of Directors

As per the requirements of Section 152 of the Companies Act, 2013 two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr. Govinda Sahu shall retire and shall seek re-appointment in the ensuing Annual General Meeting of the Company.

The relevant information pertaining to Directors seeking re-appointment is given separately in the Notice for the ensuing Annual General Meeting.

COMPLIANCE CERTIFICATE FROM STATUTORY AUDITOR

We, SPMG & Company, Chartered Accountants hereby certify that the Company has complied with Chapter VII of SEBI (ICDR) Regulations, 2009 while issuing 40 crores warrants.

For **SPMG & Company**
Chartered Accountants
(Firm Registration No. 509249C)

Place : Noida
Dated : August 25, 2014

Sd/-
Vinod Gupta
Partner/FCA
Membership No. 90687

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of FCS Software Solutions Limited

We have examined the compliance of conditions of Corporate Governance by FCS Software Solutions Limited, for the year ended as on March 31st, 2014, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 the above mentioned Listing Agreement(s).

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 **SPMG & Company**
Chartered Accountants
(Firm Registration No. 509249C)

Place : Noida
Dated : August 25, 2014

Sd/-
Vinod Gupta
Partner
Membership No. 90687

INDEPENDENT AUDITOR'S REPORT

To the Members of FCS SOFTWARE SOLUTIONS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **FCS SOFTWARE SOLUTIONS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

- (b) In the case of the Consolidated Profit & Loss Account, of the loss of the Group for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statement of the three subsidiaries whose financial statements reflect total assets (net) of Rs. 295,103,4831 as at date 31st March, 2014, total revenues of Rs 446,641,108 and net cash flow amounting to Rs. 222,6319 for the year ended on that date as considered in the Consolidated financial statements. These financial statements have been audited by the other auditors whose reports has been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors.

Our opinion is not qualified in respect of this matters.

For **SPMG & Company**
Chartered Accountants
Firm Registration No.: 509249C

Place : Noida
Dated : 27/05/2014

Sd/-
Vinod Gupta
FCA (Partner)
Membership No. 090687

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As on 31-03-2014 AMOUNT (₹)	As on 31-03-2013 AMOUNT (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,659,553,100	1,259,553,100
(b) Advance Preferential Share Warrants		-	100,000,000
(c) Reserves and Surplus	2	3,660,221,001	4,199,162,393
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	7,559,851	4,234,205
(b) Deferred tax liabilities (Net)		-	-
(c) Long-term provisions	4	5,627,295	3,156,700
(4) Current Liabilities			
(a) Short-term borrowings	5	80,242,219	145,589,609
(b) Trade payables		50,213,744	129,667,001
(c) Other current liabilities	6	43,582,792	28,832,511
(d) Short-term provisions	7	4,351,919	3,988,852
Total		5,511,351,921	5,874,184,369
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	284,904,763	267,583,702
(ii) Intangible assets	9	2,467,218,568	2,789,092,783
(iii) Capital work-in-progress -Tangible		124,728,926	48,412,698
(iv) Capital work-in-progress - Intangible		165,136,501	247,428,571
(b) Non-current investments	10	914,775,900	704,775,900
(c) Deferred tax assets (net)		8,012,379	6,742,936
(d) Long term loans and advances	11	4,319,448	4,775,080
(e) Preliminary & other Misc Expenses	12	460,060,291	539,746,316
(2) Current assets			
(a) Work-in -Process	13	28,564,864	37,317,166
(b) Trade receivables	14	294,745,853	374,593,707
(c) Cash and cash equivalents	15	336,050,983	371,952,061
(d) Short-term loans and advances	16	342,772,011	431,169,026
(e) Other current assets	17	80,061,433	50,594,423
Total		5,511,351,921	5,874,184,369

For **SPMG & COMPANY**

Chartered Accountants

Firm Registration Number: 509249C

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Place : Noida

Date : May 27, 2014

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

S.N. Sharma

Director

Sd/-

Gagan Kaushik

Company Secretary

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE
YEAR ENDED 31ST MARCH 2014**

PARTICULARS	Note No.	As on 31-03-2014 AMOUNT (₹)	As on 31-03-2013 AMOUNT (₹)
GROSS REVENUE			
I. Revenue from operations	18	1,334,055,125	1,169,073,976
II. Other Income	19	47,982,515	44,257,204
III. Total Revenue (I + II)		1,382,037,640	1,213,331,180
IV. EXPENSES			
Employee benefit expense	20	1,249,646,203	1,068,868,646
Financial costs	21	8,838,413	10,610,144
Depreciation and amortization expense		396,890,423	377,244,888
Other expenses	22	301,683,306	133,780,329
Total Expenses		1,957,058,344	1,590,504,008
V. Profit before exceptional and extraordinary items and tax (III - IV)		(575,020,704)	(377,172,828)
VI. Exceptional Items (Prior period)		22884	392640
VII. Profit before tax (V - VI)		(575,043,588)	(377,565,468)
VIII. Tax expense:			
(1) Current tax		3,036,402	2,372,000
(2) Deferred tax		(1269443)	(6330114)
(3) Income Tax paid		-	-
IX. Profit/(Loss) from the period from continuing operations (VII - VIII)		(576,810,547)	(373,607,354)
X. Earning per equity share:			
(1) Basic		-0.44	-0.35
(2) Diluted		-0.35	-0.25

For **SPMG & COMPANY**
Chartered Accountants
Firm Registration Number: 509249C
Sd/-
(Vinod Gupta)
Partner
M.No. : 090687

On behalf of the Board of Directors
For FCS Software Solutions Limited

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
S.N. Sharma
Director

Place : Noida
Date : May 27, 2014

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH, 2014**

PARTICULARS	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(576,810,547)	(373,607,354)
Adjustments For :		
Deferred Tax Provision	(1,269,443)	(6,330,114)
Provision for income tax	3,036,402	2,372,000
Depreciation and Amortization	396,890,423	377,244,888
GDR/Deferred Business Development Expenses W/o	79,686,025	79,588,535
Prior Period Expenditure	22,884	392,640
Finance Charges	8,838,413	10,610,144
Cash from Operations before Working Capital Changes	(89,605,843)	90,270,739
Adjustments for changes in Working Capital:		
Sales of Assests Net	-	3,534,774
(Increase)/Decrease in Work-in-Process	8,752,302	(18,404,782)
(Increase)/Decrease in Trade Receivables	79,847,854	259,510,115
(Increase)/Decrease in Loans and Advances	88,832,485	(366,539,126)
(Increase)/Decrease in Other Current Assets	(29,415,468)	(7,197,984)
Increase/(Decrease) in Trade Payables	(79,484,638)	13,985,378
Increase/(Decrease) in Current Liabilities	14,750,282	(4,178,782)
Increase/(Decrease) in Provisions	2,479,259	(2,148,940)
NET CASH GENERATED BY OPERATING ACTIVITIES (1)	(3,843,767)	(31,168,608)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and change in Capital Work-In-Progress	86,361,427	373,747,667
(Increase)/Decrease in Investments	210,000,000	(27,113,900)
(Increase)/Decrease in Capital Enhancement Exp	-	2,000,000
(Increase)/Decrease in Defferred Business Development Exp	-	-
NET CASH FROM IN INVESTING ACTIVITIES (2)	296,361,427	348,633,767

PARTICULARS	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Issue of Share Capital	300,000,000	230,000,000
Advance pursuant to Pref. Share Warrant	-	5,000,000
Proceed from Long Term Borrowings	(66,322,820)	121,989,134
Increase in Foreign Currency transaction Reserve	38,324,563	46,549,260
Repayment of Long Term Borrowings	4,301,077	153,493
Income Tax Paid	(3,137,407)	(1,562,638)
Prior Period Expenditure	(22,884)	(392,640)
Finance Charges	(8,838,413)	(10,610,145)
NET CASH USED IN FINANCING ACTIVITIES(3)	264,304,116	391,126,464
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2-3)	(35,901,078)	11,324,089
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	371,952,061	355,727,892
OPENING BALANCE OF CASH AND CASH EQUIVALENTS -NEWLY SUSY.	-	4,900,080
CLOSING BALANCE OF CASH EQUIVALENTS	336,050,983	371,952,061

Notes :

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, Notified u/s 211(3C) of Companies Act, 1956.
- 2 Cash and cash equivalents consist of cash in hand and balances with scheduled/non scheduled banks.
- 3 The previous year's figures have been recast/restated, wherever necessary, to confirm to current year's classification

This is the cash flow statement referred to in our report of even date

For **SPMG & COMPANY**

Chartered Accountants

Firm Registration Number: 509249C

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Place : Noida

Date : May 27, 2014

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

S.N. Sharma

Director

Sd/-

Gagan Kaushik

Company Secretary

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2014

	2013-2014 (₹)	2012-2013 (₹)
1. SHARE CAPITAL		
Equity Share Capital		
Authorised Share capital		
185,00,00,000 Equity Shares of ₹ 1/- each	1,850,000,000	1,500,000,000
	<u>1,850,000,000</u>	<u>1,500,000,000</u>
A. Issued, subscribed & fully paid share capital		
1,659,553,100 EQUITY SHARES OF ₹ 1/- EACH	1,659,553,100	1,259,553,100
[Out of the above 30,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99]		
[Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 200,00,000 shares of ₹ 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]		
[Out of the above 10,00,00,000 shares of ₹ 1/- each have been issued as GDR 5000,000 (1 GDR equal to 20 equity Shares) dt. 02.12.09]		
[Out of the above 26,47,76,550 shares of ₹ 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10]		
[Out of the above 23,00,00,000 shares of ₹ 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]		
[Out of the above 40,00,00,000 shares of ₹ 1/- each have been issued upon conversion of preferential warrents dt. 26.02.2014]		
Total	<u><u>1,659,553,100</u></u>	<u><u>1,259,553,100</u></u>
B. Shareholders holding more than 5% of the Ordinary Shares in the Company		
	2013-2014	2012-2013
	(No. of Shares) %	(No. of Shares) %
Mr. Dalip Kumar	185,790,060 11.20	185,790,060 14.75
C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five years		
PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
Bonus Shares issued in the FY 2009-2010	26,47,76,550	26,47,76,550

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
2 RESERVES AND SURPLUS		
Surplus in Statement of Profit & Loss		
At the beginning of the Year	1,101,143,946	1,469,162,066
Add: opening Surplus fund-newly accrued subsidy.		5,601,864
Profit & loss account for the year	(576,810,547)	(373,607,354)
Less: Transfer to General Reserve	-	-
Add: Excess Provision Made Last Year	(455,416)	(12,638)
Capital Reserves	188,103,250	188,103,250
Share Premium Account	2,509,944,010	2,509,944,010
General Reserve		
At the beginning of the Year	325,789,411	325,789,411
Add : Transferred during the Year	-	325,789,411
Foreign Currency Translation Reserve	112,506,347	74,181,783
Total	3,660,221,001	4,199,162,400
3 LONG-TERM BORROWINGS		
Secured		
ICICI Bank Ltd. - (hypothecated against vehicle)	-	135,365
NOIDA AUTHORITY - (pledged against first charge over Land situated at 1A, Sector-73, Noida)	673,400	1,513,466
Unsecured		
Loans From Directors & Others*	6,886,451	2,585,374
Total	7,559,851	4,234,205
*represents non-interest bearing borrowings		
4 LONG-TERM PROVISIONS		
Provisions for employee benefits		
Retirement benefits	5,627,294	3,156,700
Total	5,627,294	3,156,700

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
5 SHORT-TERMS BORROWINGS		
Secured		
HDFC Bank OD Account - (Secured against fixed deposit)	-	88,708,537
Canara Bank-Working capital (Secured against Land & Building situated at EHTP Gurgaon, Export Receivables and NOIDA land & building and Plant & Machineries at NOIDA and personal guarantee of Chairman & Managing Director)	80,242,219	56,881,072
Total	80,242,219	145,589,609
6. OTHER CURRENT LIABILITIES		
Other payables	43,582,792	28,832,511
Total	43,582,792	28,832,511
7 SHORT-TERM PROVISIONS		
Provision for employee benefits	1,315,517	1,306,852
Others	3,036,402	2,682,000
Total	4,351,919	3,988,852

8. Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	ADDITIONS	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014
Land								
Freehold	117,835,823	1,123,513	-	118,959,336	-	-	-	117,835,823
Buildings	83,465,243	1,095,419	-	84,560,662	22,688,742	3,058,917	-	60,776,501
Furniture/fixtures and office equipment;	-	-	-	-	-	-	-	-
Furniture & Fixtures	29,498,885	9,425,360	-	38,924,245	19,655,239	2,425,363	-	22,080,602
Office Equipment	43,804,251	14,745,429	-	58,549,680	26,083,652	3,018,715	-	29,102,367
Vehicles	3,853,675	-	-	3,853,675	2,770,481	280,439	-	3,050,920
Computers	620,699,599	29,080,289	-	649,779,888	560,375,661	29,365,515	-	588,741,176
Total (Tangible)	899,157,476	55,470,010	-	954,627,486	631,573,775	381,48,949	-	669,722,724
Capital WIP (Tangible)	48,412,698	76,316,228	-	124,728,926	-	-	-	48,412,698

9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	ADDITIONS	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014
Software & IPR	3,545,551,984	36,867,259	-	3,582,419,243	756,459,201	358,741,474	-	1,115,200,675
Total (Intangible)	3,545,551,984	36,867,259	-	3,582,419,243	756,459,201	358,741,474	-	1,115,200,675
Capital WIP (Intangible)	247,428,571		82,292,070	165,136,501	-	-	-	247,428,571

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
10 NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)		
Investments in Equity instruments-Non Traded Unquoted		
In Associates		
<i>M/s.Enstaserv eServices Ltd. 9980 Equity shares of ₹10/- each fully paidup.</i>	99,800	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of ₹10/- fully paid</i>	50,000	50,000
Others		
<i>M/s. Pumarth Prperties & Holdings Private Limited 400000 equity shares @ ₹ 10 each at premium of Rs 215</i>	90,000,000	90,000,000
<i>M/s Indian Durobuild Private Limited 250000 Equity Shares of ₹ 10 each fully paid up</i>	2,500,000	2,500,000
<i>M/s Master Talent Eduservices Private Limited 360000 Equity Shares of ₹1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹1690</i>	612,000,000	612,000,000
<i>M/s Insync Business Solutions Limited 24000 Equity Shares of ₹10/- fully paid</i>	126,100	126,100
<i>M/s Readystate Infraservices Private Limited 3,00,000 Equity Shares of ₹ 10/- each per Share and premium @ ₹ 690</i>	210,000,000	-
Total	914,775,900	704,775,900
11 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
Security Deposits	4,313,904	4,769,860
Excise Deposits (PLA)	5,544	5,220
Total	4,319,448	4,775,080
12 PRELIMINARY & OTHER MISC EXPENSES		
Deferred Business Development Exp.	532,029,322	608,040,880
Preliminary Exp	14,573	19,430.00
GDR Expenses	7,702,421	11,274,541
Sub Total	539,746,316	619,334,851
Less: Deferred Business Development Exp. W/o	76,004,189	76,011,558
Less: Preliminary Exp W/o	9,716	4,857
Less: GDR Expenses W/o	3,672,120	3,572,120
Total	460,060,291	539,746,316

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
13 INVENTORIES		
Work-in-Process	28,564,864	37,317,166
Total	28,564,864	37,317,166
14 TRADE RECEIVABLES		
Unsecured Sundry Debtors	294,745,853	374,593,707
Total	294,745,853	374,593,707
15 CASH AND CASH EQUIVALENTS		
Balances with banks	276,561,069	223,179,847
Cash on hand	2,795,593	1,503,473
Others	56,694,322	147,268,741
Total	336,050,983	371,952,061
16 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good Other Loans and Advances (Employees, unexpired expenses etc.)	6,211,673	5,191,989
Advance to Suppliers	27,030,467	72,802,122.00
Advances to others	309,529,871	353,174,915.00
Total	342,772,011	431,169,026
17 OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposit	792,357	7,740,400
With Statutory Authorities (Includes earlier years)	59,832,241	41,891,057
CENVAT Credits	1,162,332	962,965
Unbilled Revenue	18,274,503	-
Total	80,061,433	50,594,423

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
18 REVENUE FROM OPERATIONS (FOR COMPANIES OTHER THAN A FINANCE COMPANY)		
Revenue from - Software Development & Other Services	1,342,807,427	1,150,669,194
- Decrease/Increase in Work-in -Process	(8,752,302)	18,404,782
Total	1,334,055,125	1,169,073,976
19 OTHER INCOME		
Interest income	22,962,499	31,450,149
Applicable net gain foreign currency transactions	8,845,229	3,385,475
Profit on sales of Assets	-	2,656,626
Rent Income	10,167,126	6,700,915
Amount Written Back	6,007,662	64,038
Total	47,982,515	44,257,204
20 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, Bouns & Subcontracting exp	1,236,941,994	1,031,561,000
Contribution to provident and other funds	4,228,809	2,710,652
Software Consultancy Charges	1,216,600	29,430,128
Staff welfare expenses	7,258,800	5,166,866
Total	1,249,646,203	1,068,868,646
21 FINANCE COSTS		
Interest expenses	8,838,413	10,610,144
Total	8,838,413	10,610,144

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
22 OTHER EXPENSES		
Salaries & Staff Benefits	109,289,160	25,974,466
Advertisement Expenses	81,450	98,200
Bank Charges/Interest	3,147,458	1,511,007
Travelling & Conveyance	33,556,424	17,494,847
Power & Fuel	14,702,641	10,734,665
Computer Consumables	75,044	71,935
Telephone, Postage & Telegraph	42,774,534	31,533,513
Rent	4,269,854	3,218,403
Legal & Professional charges	14,209,275	13,389,922
Insurance Charges	2,793,079	1,910,743
Meeting Fees	100,000	120,000
Auditor's Remuneration		
- Audit Fees	977,897	659,860
- Tax Audit Fee	167,613	111,490
Printing & Stationary	3,420,667	3,331,587
Repair And Maintenance	10,528,048	13,696,720
Security Charges	2,785,841	1,519,056
Service Charges	-	691,873
Membership, Subscription & Donation	47,650,000	-
Rates & Taxes	371,465	1,515,741
Filing Fee/ Other Roc Expenses	7,000	1,512
News Papers, Books & Periodicals	55,946	35,856
Office Maintenance	4,106,599	2,140,037
GDR Expenses W/o	1,654,136	1,649,277
Capital Enhancement W/O	2,027,700	1,927,700
Bad & Doubtful Debts	2,931,474	441,919
Total	301,683,306	133,780,329

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

23. Significant Accounting Policies

23.1 Basis for preparation.

The revised schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statement. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

The Financial statements have been prepared under the historical-cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP) and accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) as adopted consistently by the Company. All Income and expenditure having a material bearing on the financial statements are recognized on the accrual Basis.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, future obligations under employee retirement benefit plans. Actual result could differ from these estimates.

23.2 Revenue recognition

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on development of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. However, those expenses on which revenue had not recognized was considered as work in process as per para 23.9.

23.3 Current–non-current classification

All assets and liabilities are classified into current and non-current.

(a) Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realized in the company's normal operating cycle;
- ii) it is expected to be realized within 12 months after the reporting date; or
- iii) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

(b) Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the company's normal operating cycle;
- ii) it is held primarily for the purpose of being operational;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

23.4 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, if any at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provisions of future obligation under employee retirement benefit plans and loans and advances and provision for income-tax. Actual results could differ from these estimates. Any revisions to estimates are recognized prospectively in current and future periods.

23.5 Expenditure

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities. Company has booked sales incentive on cash basis.

23.6 Fixed Assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation. All direct costs are capitalized till the assets are ready to be put to use. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the period/year end, are disclosed as capital work in progress.

(a) Tangible fixed assets and capital work-in-progress

Tangible fixed assets (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work-in-progress.

(b) Intangible fixed assets

Intangible fixed assets comprising of computer software, are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where they are expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalized in the year in which the software is fully implemented for use.

23.7 Depreciation

Depreciation on fixed assets is provided using the written down value method, as rates specified in schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of purchase.

23.8 Impairment of assets

Management periodically assesses using external and internal sources where there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceed the present value of future cash flow expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net sales price or present value as determined above. The management is of the view that impairment does not apply to the Company, hence not recognized.

23.9 Work-in-Process

The value of work in process as on the date of Balance Sheet has been derived at cost. Which comprising all direct cost(s) incurred upon ongoing projects client wise up till the end of financial year. The value of such unbilled amount has been valued, taken and considered as per certificate given by the management.

23.10 Foreign Currency Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains or losses on foreign exchange transactions during the period are recognized in profit and loss account. However, sundry debtors are accounted upon the prevailing rates on the date of invoice issuance. Expenditure in foreign currency is accounted

at the conversion rate prevalent when such expenditure is incurred. Where realizations are deposited into, and disbursements made out of, a foreign currency bank account, all transactions during the month are reported at a rate which approximates the actual monthly rate.

In the case of current assets and current liabilities expressed in foreign currency, the exchange rate prevalent at the end of the year is taken for the purposes of transaction. Exchange differences arising on foreign currency transactions are recognized as income or expenses in the year in which they arise. In the case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expenses over the life of the contracts.

23.11 Investment

Investments are accounted based on the intent of management at the time of acquisition as details below:-

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)		
Investments in Equity instruments-Non Traded Unquoted		
In Associates		
<i>M/s. Enstaserv eServices Ltd.</i>		
<i>9980 Equity shares of ₹10/- each fully paidup.</i>	99,800	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd.</i>		
<i>5000 Equity Shares of ₹10/- fully paid</i>	50,000	50,000
Others		
<i>M/s. Pumarth Properties & Holdings Private Limited</i>		
<i>400000 equity shares @ ₹ 10 each at premium of ₹ 215</i>	90,000,000	90,000,000
<i>M/s Readystate Infraservices Private Limited,</i>		
<i>300000 Equity Shares of ₹ 700/- at premium i.e.</i>		
<i>₹ 10 each per Share and premium @ ₹ 690</i>	2,100,000,000	Nil
<i>M/s India Durobuild Private Limited</i>		
<i>250,000 Equity Shares of ₹ 10 each fully paid</i>	2,500,000	2,500,000
<i>M/s Master Talent Eduservices Pvt. Ltd.</i>		
<i>360000 Equity Shares of ₹ 1700/- at premium i.e.</i>		
<i>₹ 10 each per Share and premium @ ₹ 1690</i>	612,000,000	612,000,000
<i>Goodwill of Insync Business Solutions Limited*</i>	126,100	126,100
	914,775,900	704,775,900

***Note:** represents the amount paid over and above NAV paid by FCS Software Solutions Limited commensurate with the AS-23 issued by ICAI.

23.12 Retirement Benefits

Contributions to provident fund are charged to the profit and loss account as incurred. Provisions for gratuity and leave encashment are accounted at the year-end and charged off to the profit and loss account.

Company is not providing for the gratuity on the basis of actuarial valuation as prescribed under AS-15 prescribed by ICAI and liability was provided only for those employees who are covered under Gratuity Act as determined by the management.

Company does not owe any liability for bonus as no employee is covered under Payment of Bonus Act and hence no provisions made for Bonus or Ex Gratia.

23.13 Earnings per Share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Profit After taxation available to equity shareholders (Rupees)	(576,810,547)	(373,607,354)
Weighted average number of equity shares used in Calculating basic earnings per share	1,296,813,374	1,059,169,538
Add: Effect of diluted issue of shares	-	400,000,000
Weighted average number of equity shares used in Calculating diluted earnings per share	1,659,553,100	1,495,169,539
Face Value of Shares (Rupees)	₹ 1/-	₹ 1/-
Basic earnings per share (Rupees)	(0.44)	(0.35)
Diluted earnings per share (Rupees)	(0.35)	(0.25)

23.14 Income Tax

- Provision is made for income tax on a yearly basis, under the tax-payable method, based on the tax liability as computed after taking credit for allowances and exemptions as the case may be.
- In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of ₹ 1,269,443/- for the year ended 31st March ,2014, has been provided and the post tax profit has accordingly increased.

The item-wise details of deferred tax liability are as under: -

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Deferred Tax(Liability)/Assets		
(1) Depreciation	6,466,710	4,431,177
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
- For Gratuity	488,817	566,324
- Leave Encashment	1,056,871	1,745,455
Deferred Tax (Liability)/Assets (Net)	8,012,379	6,742,936

The data of UAE subsidiary has not been considered in above detail, as the inapplicability of Direct Taxes in UAE.

23.15 Employees Stock Option Plan (ESOP)

During the fiscal year, the company had not issued shares under employees' stock option scheme.

23.16 Managerial Remuneration

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
A. Managing Director		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
B. Executive Directors		
Salary and perquisites	24,57,000	2,457,000
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
C. Non Executive Directors		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
Sitting Fee	1,00,000	120,000
	25,57,000	2,577,000

23.17 Research & Development

Revenue Expenditure incurred on research and development is charged to revenue in the year it is incurred. Assets used for research and development activities are included in fixed assets.

23.18 Foreign Branch

All revenue and expenses transactions during the year are reported at average rate. The assets and liabilities both monetary and non-monetary are translated at the rate prevailing on the balance sheet date. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. However the Balance sheet of branch as on 31st March 2014 has been considered and accounted as certified by the certified public accountant and further certified by the management.

23.19 Segment Reporting

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Accounting Standard –17 on “Segment Reporting”, issued by ICAI. The primary segmentation is based on the Geographies in which Company operates and internal reporting system. The Company operates in three main Geographical Segments India, USA & UAE.

The Profit and Loss for reportable primary Segment is setout below: -

For the Year Ended 31st March 2014

(Amount in Lacs)

Description	India	UAE	USA	Total
Revenue from external customers	1,906.13	8,854.21	2,667.73	13,428.07
Expenses	926.38	7,187.10	4,470.51	12,583.99
Segment Result	979.75	1,667.11	(1,802.78)	844.09
Unallocated Expenses				6,985.74
Operating Profit Before Taxation				(6,141.65)
Other Income				479.83
Finance Charges				88.38
Profit Before Tax & Prior Period Adj.				(5,750.21)
Prior Period Adjustment (Income)/ Expenses				0.23
Provision for Taxation				30.36
Provision for Deferred Tax				(12.69)
Net Profit After Tax				(5,768.11)

For the Year Ended 31st March 2013

(Amount in Lacs)

Description	India	UAE	USA	Total
Revenue from external customers	1,168.73	6,363.83	3,974.14	11,506.69
Expenses	498.11	6,098.11	7,680.87	14,277.09
Segment Result	670.61	265.71	(3,706.73)	(2,770.40)
Unallocated Expenses				1,337.80
Operating Profit Before Taxation				(4,108.20)
Other Income				442.57
Finance Charges				106.10
Profit Before Tax & Prior Period Adj.				(3,771.73)
Prior Period Adjustment (Income)/ Expenses				3.93
Provision for Taxation				23.72
Provision for Deferred Tax				(63.30)
Net Profit After Tax				(3,736.07)

23.20 Related Party Transactions:

	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Lord Budha Educational Society:		
- Loans & Advances	Nil	294,450,436/-
- REPAYMENT OF LOAN	78,000,000/-	Nil
- DONATION Paid	47,650,000/-	Nil
- INTEREST Received	17,394,396/-	9,789,373/-

23.21 Material Events

Material events occurring after the Balance Sheet date taken into consideration.

24. Notes on accounts

The previous year's figures have been recast/restated wherever necessary to confirm to the current year's classification.

24.1 Contingent liabilities

The company has no letters of credit outstanding issued to various vendors as at March 31, 2014.

24.2 Payment to Auditors

	Current Year	Previous Year
Audit Fee	935,397/-	635,521/-
Tax Audit Fee	160,113/-	103,989/-
Internal Audit	50,000/-	50,000/-
In other capacity	NIL	NIL

24.3 Quantitative Details

The Company is engaged in the software consultancy, technical support services, e-learning and other related allied services. These services cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and the information as required under paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act 1956.

24.4 Imports On CIF basis

(Amt. in ₹)

	31.03.2014	31.03.2013
Capital Goods	Nil	Nil
Software Packages	Nil	Nil

24.5 Expenditure in Foreign Currency.

	31.03.2014	31.03.2013
Expenditure incurred overseas:		
- By USA	686,032,611	482,244,867
- By UAE	454,992,898	448,601,531
- By Germany	460,537	-
- By India Office	Nil	43,555,128

24.6 Earning in foreign exchange

	31.03.2014	31.03.2013
Income from software development services and products	1,152,194,365	1,033,796,643

As per our separate report of even date
For **SPMG & COMPANY**
Firm Registration Number: 509249C
Chartered Accountants

Sd/-
(Vinod Gupta)
Partner
M.No. : 090687

On behalf of the Board of Directors
For FCS Software Solutions Limited

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
S.N. Sharma
Director

Place : Noida
Date : May 27, 2014

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

Pursuant to the statement of subsidiary in pursuance with section 212(8) of the Companies Act, 1956, the Audit Report, Directors Report and Balance Sheet with notes are enclosed herewith. However, FCS Software Solutions Limited had acquired 100% shares of Insync Business Solutions Limited w.e.f. 01.10.2012. Hence, the result segment has been considered accordingly.

The annual accounts of subsidiary Companies along with related information are available for inspection during business hours at the Company's registered office and at the concerned subsidiary's office.

INDEPENDENT AUDITOR'S REPORT

To the Members of FCS SOFTWARE SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the attached Balance Sheet of FCS SOFTWARE SOLUTIONS LIMITED as at March 31, 2014, and also the Profit and loss for the year ended on that date annexed thereto and cash flow Statement for the year than ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give the Annexure a statement on the matters specified in paragraph 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs);
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **SPMG & Company**
Chartered Accountants
Firm Registration No.: 509249C

Place : Noida
Dated : 27/05/2014

Sd/-
Vinod Gupta
FCA (Partner)
Membership No. 090687

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 being a service providing company, primarily rendering software and other IT enabled services. Accordingly it does not hold any physical inventories as such. However, the ongoing projects were valued as work in process, to the extent expenses incurred thereon.
4. (a) The company has not taken any unsecured loan during the period from Company, Firm and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
(b) As informed to us the Company had not granted any other loan, secured or unsecured to other companies, firm or other parties 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 system.

6. In respect of contracts or arrangements entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to section 301 that needed to be entered in the register maintained under the said section have been so entered.
 - (b) Where each of such transaction is in excess of Rs 5 Lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
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 Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
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 it.
11. 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.
12. 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.
13. The company had not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company has not made any preferential allotment of shares to Companies, firms or parties covered in the register maintained under section 301 of the companies act, 1956.
16. The company did not raise any money by public issue during the year.
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. Other clauses of the order are not applicable to the company.

For **SPMG & Company**
Chartered Accountants
Firm Registration No.: 509249C

Place : Noida
Dated : 27/05/2014

Sd/-
Vinod Gupta
FCA (Partner)
Membership No. 090687

BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-03-2014 AMOUNT (₹)	As at 31-03-2013 AMOUNT (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,659,553,100	1,259,553,100
(b) Advance Preferential Share Warrants		-	100,000,000
(c) Reserves and Surplus	2	4,156,753,536	4,164,009,074
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	673,400	2,074,487
(b) Deferred tax liabilities (Net)	-	-	
(c) Long-term provisions	4	5,178,614	3,156,700
(4) Current Liabilities			
(a) Short-term borrowings	5	80,242,219	145,589,609
(b) Trade payables		17,545,357	21,613,020
(c) Other current liabilities	6	40,156,031	21,874,584
(d) Short-term provisions	7	1,889,785	2,039,957
Total		5,961,992,042	5,719,910,530
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	284,592,205	267,138,895
(ii) Intangible assets	9	31,887,877	-
(iii) Capital work-in-progress -Tangible		124,728,926	48,412,698
(iv) Capital work-in-progress - Intangible		165,136,501	247,428,571
(b) Non-current investments	10	4,340,306,569	4,083,326,982
(c) Deferred tax assets (net)		7,980,648	6,683,550
(d) Long term loans and advances	11	4,304,448	4,760,080
(e) Preliminary & other Misc Expenses	12	4,030,301	7,702,421
(2) Current assets			
(a) Work-in -Process	13	28,564,864	37,317,166
(b) Trade receivables	14	245,223,701	215,271,949
(c) Cash and cash equivalents	15	319,515,714	328,741,269
(d) Short-term loans and advances	16	342,632,430	431,069,198
(e) Other current assets	17	63,087,877	42,057,751
Total		5,961,992,042	5,719,910,530

For **SPMG & COMPANY**

Chartered Accountants

Firm Registration Number: 509249C

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Place : Noida

Date : May 27, 2014

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

S.N. Sharma

Director

Sd/-

Gagan Kaushik

Company Secretary

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-03-2014 AMOUNT (₹)	As at 31-03-2013 AMOUNT (₹)
GROSS REVENUE			
I. Revenue from operations	18	830,821,619	574,630,643
II. Other Income	19	49,517,162	45,814,051
III. Total Revenue (I+II)		880,338,781	620,444,694
IV. EXPENSES			
Employees benefit expenses	20	598,226,435	457,567,663
Financial costs	21	8,838,413	10,610,144
Depreciation and amortization expense		42,965,083	46,788,873
Other expenses	22	269,205,157	103,350,835
Total Expenses		919,235,088	618,317,515
V. Profit(Loss) before exceptional and extraordinary items and tax (III - IV)		(38,896,307)	2,127,179
VI. Exceptional Items (Prior period)		22,884	392,640
VII. Profit before tax (V - VI)		(38,919,191)	1,734,539
VIII. Tax expense:			
Current tax		618,621	1,025,000
Deferred tax		(1,297,079)	(6,228,249)
IX. Profit/(Loss) from the period from continuing operations (VII - VIII)		(38,240,733)	6,937,788
X. Earning per equity share:			
(1) Basic		-0.029	0.0065
(2) Diluted		-0.23	0.0046

For **SPMG & COMPANY**
Chartered Accountants
Firm Registration Number: 509249C
Sd/-
(Vinod Gupta)
Partner
M.No. : 090687

On behalf of the Board of Directors
For FCS Software Solutions Limited

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
S.N. Sharma
Director

Place : Noida
Date : May 27, 2014

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(38,240,714)	6,937,788
Adjustments For :		
Deferred Tax Provision	(1,297,098)	(6,228,249)
Provision for income tax	618,621	1,025,000
Depreciation and Amortization	42,965,083	46,788,873
GDR/Deferred Business Development Expenses W/o	3,672,120	3,572,120
Prior Period Expenditure	22,884.00	392,640
Finance Charges	8,838,413	10,610,144
Cash from Operations before Working Capital Changes	16,579,309	63,098,316
Adjustments for changes in Working Capital:		
Sales of Assests Net	-	3,534,774
(Increase)/Decrease in Work-in-Process	8,752,302	(18,404,782)
(Increase)/Decrease in Trade Receivables	(29,951,751)	21,432,606
(Increase)/Decrease in Loans and Advances	88,892,400	(366,483,336)
(Increase)/Decrease in Other Current Assets	(21,030,125)	(7,082,447)
Increase/(Decrease) in Trade Payables	(4,067,663)	(27,672,366)
Increase/(Decrease) in Current Liabilities	18,281,448	10,914,830
Increase/(Decrease) in Provisions	2,278,121	(2,440,835)
NET CASH GENERATED BY OPERATING ACTIVITIES (1)	79,734,041	(323,103,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and change in Capital Work-In-Progress	86,330,427	81,265,442
(Increase)/Decrease in Investments	256,979,587	(27,113,577)
(Increase)/Decrease in Capital Enhancement Exp	-	2,000,000
(Increase)/Decrease in Defferred Business Development Exp	-	-
NET CASH FROM IN INVESTING ACTIVITIES (2)	343,310,014	56,151,865

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Issue of Share Capital	300,000,000	230,000,000
Proceed from Issue of Share Premium	-	-
Advance pursuant to Pref. Share Warrant	-	5,000,000
Proceed from Long Term Borrowings	(66,322,820)	121,989,136
Increase in Foreign Currency transaction Reserve	31,519,548	25,597,044
Repayment of Long Term Borrowings	(425,656)	25,279
Income Tax Paid	(1,559,356)	(1,562,638)
Prior Period Expenditure	(22,884)	(392,640)
Finance Charges	(8,838,413)	(10,610,144)
NET CASH USED IN FINANCING ACTIVITIES (3)	254,350,419	370,046,037
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)	(9,225,554)	(9,209,068)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	328,741,269	337,950,338
CLOSING BALANCE OF CASH EQUIVALENTS	319,515,714	328,741,269

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, Notified u/s 211(3C) of Companies Act, 1956.
- Cash and cash equivalents consist of cash in hand and balances with scheduled/non scheduled banks.
- The previous year's figures have been recast/restated, wherever necessary, to confirm to current year's classification

This is the cash flow statement referred to in our report of even date

For **SPMG & COMPANY**

Chartered Accountants

Firm Registration Number: 509249C

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

Sd/-

S.N. Sharma

Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

Gagan Kaushik

Company Secretary

Place : Noida

Date : May 27, 2014

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
1. SHARE CAPITAL		
Equity Share Capital		
Authorised Share capital		
185,00,00,000 Equity Shares of ₹ 1/- each	185,00,00,000	185,00,00,000
	<u>185,00,00,000</u>	<u>185,00,00,000</u>
A. Issued, subscribed & fully paid share capital		
165,95,53,100 EQUITY SHARES OF ₹ 1/- EACH	1,659,553,100	1,259,553,100
<i>[Out of the above 30,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99]</i>		
<i>[Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]</i>		
<i>[Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]</i>		
<i>[Out of the above 200,00,000 shares of ₹ 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]</i>		
<i>[Out of the above 10,00,00,000 shares of ₹ 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09]</i>		
<i>[Out of the above 26,47,76,550 shares of ₹ 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10]</i>		
<i>[Out of the above 23,00,00,000 shares of ₹ 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]</i>		
<i>[Out of the above 40,00,00,000 shares of ₹ 1/- each have been issued upon conversion of preferential warrents dt. 26.02.2014]</i>		
Total	<u>1,659,553,100</u>	<u>1,259,553,100</u>

B. Shareholders holding more than 5% of the Ordinary Shares

	2013-2014		2012-2013	
	(No. of Shares)	%	(No. of Shares)	%
Mr. Dalip Kumar	185,790,060	11.20	185,790,060	14.75

C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five immediately preceding Years

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
Bonus Shares issued in the FY 2009-2010	26,47,76,550	26,47,76,550

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
2 RESERVES AND SURPLUS		
Surplus in Statement of Profit & Loss		
At the beginning of the Year	1,097,981,110	1,091,055,958
Profit & loss account for the year	(38,240,733)	6,937,788
Less: Transfer to General Reserve	-	-
Add: Excess Provision Made Last Year	(534,356)	(12,638)
Add: Employee Stock option	-	-
	<u>1,059,206,021</u>	<u>1,097,981,107</u>
MAT Credit Entitlement	-	-
Capital Reserves	188,103,250	188,103,250
Share Premium Account	2,509,944,010	2,509,944,010
General Reserve		
At the beginning of the Year	290,430,982	290,430,982
Add : Transferred during the Year	-	-
	<u>290,430,982</u>	<u>290,430,982</u>
Foreign Currency Translation Reserve	109,069,273	77,549,725
Total	<u>4,156,753,536</u>	<u>4,164,009,074</u>
3 LONG-TERM BORROWINGS		
Secured		
ICICI Bank Ltd. - (hypothecated against vehicle)	-	135,365
NOIDA AUTHORITY - (pledged against first charge over Land situated at 1A, Sector-73, Noida)	673,400	1,513,466
Unsecured		
Loans From Directors & Others*	-	425,656
Total	<u>673,400</u>	<u>2,074,487</u>
*represents non-interest bearing borrowings		
4 LONG-TERM PROVISIONS		
Provisions for employee benefits		
Retirement benefits	5,178,614	3,156,700
Total	<u>5,178,614</u>	<u>3,156,700</u>

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
5 SHORT-TERMS BORROWINGS		
Secured		
Canara Bank-Working capital (Secured against Land & Building situated at EHTP Gurgaon, Export Receivables and NOIDA land & building and Plant & Machineries at NOIDA and personal guarantee of the Chairman & Managing Directors)	80,242,219.00	56,881,072
HDFC Bank OD Account - (Secured against fixed deposit)	-	88,708,537
Total	80,242,219	145,589,609
6 OTHER CURRENT LIABILITIES		
Other payables	40,156,031	21,284,669
Advance from Customer	-	589,915
Total	40,156,031	21,874,584
7 SHORT-TERM PROVISIONS		
Provision for employee benefits	1,271,164	1,014,957
Others	618,621	1,025,000
Total	1,889,785	2,039,957

8. Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	ADDITIONS	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014
Land								
Freehold	117,835,823	1,123,513	-	118,959,336	-	-	-	118,959,336
Buildings	83,465,243	1,095,419	-	84,560,662	22,688,742	3,058,917	-	58,813,003
Furniture, fixtures and office equipment;	-	-	-	-	-	-	-	-
Furniture & Fixtures	29,364,985	9,425,360	-	38,790,345	19,609,442	2,409,416	-	16,771,487
Office Equipment	43,804,251	14,745,429	-	58,549,680	26,083,652	3,018,715	-	29,447,313
Vehicles	3,853,675	-	-	3,853,675	2,770,481	280,439	-	802,755
Computers	619,937,999	29,049,289	-	648,987,288	559,970,764	29,218,214	-	59,798,310
Total (Tangible)	898,261,976	55,439,010	-	953,700,986	631,123,081	37,985,701	-	284,592,204
Capital WIP (Tangible)	48,412,698	76,316,228	-	124,728,926	-	-	-	124,728,926

9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	ADDITIONS	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	Deductions/ Adjustments	As at March 31, 2014
Software & IPR	-	36,867,259	-	36,867,259	-	-	-	36,867,259
Total (Intangible)	-	36,867,259	-	36,867,259	-	-	-	36,867,259
Capital WIP (Intangible)	247,428,571	-	82,292,070	165,136,501	-	-	-	165,136,501

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
10 NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)		
Investments in Equity instruments-Non Traded Unquoted		
In Associates		
<i>M/s.Enstaserv eServices Ltd 9980 Equity shares of ₹10/- each fully paidup.</i>	99,800	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of ₹ 10/- fully paid</i>	50,000	50,000
Others		
<i>M/s. Pumarth Properties & Holdings Private 400000 equity shares @ ₹ 10 each at premium of ₹ 215</i>	90,000,000	90,000,000
<i>M/s Readystate Infraservices Private Limited, 300000 Equity Shares of ₹ 700 each fully paid up</i>	210,000,000	-
<i>M/s Indian Durobuild Private Limited, 250000 Equity Shares of ₹ 10 each fully paid up</i>	25,00,000	25,00,000
<i>M/s Master Talent Eduservices Pvt. Ltd. 360000 Equity Shares of ₹ 1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹1690</i>	612,000,000	612,000,000
In Subsidiaries		
<i>100000 Equity shares of AED 1/- each fully paidup in 2706 Equity shares of AED 100000/- each fully paidup in M/s.F.C.S SOFTWARE MIDDLE EAST FZE</i>	3,378,045,643	3,378,045,643
<i>M/s Insync Business Solutions Limited 50000 Equity Shares of ₹10/- fully paid</i>	626,100	626,100
<i>USD 1.00 PAR VALUE OF 701,000 COMMON STOCK in FCS Software Solutions America Ltd.</i>	44,858,742	5,439
<i>25000 Equity shares of EURO 1/- each fully paidup paidup in M/s. FCS Software Solutions GmbH</i>	2,126,285	-
Total	4,340,306,569	4,083,326,982
11 LONG TERM LOANS AND ADVANCES		
Unsecured considered good		
Security Deposits	4,298,904	4,754,860
Excise Deposits (PLA)	5,544	5,220
Total	4,304,448	4,760,080

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
12 PRELIMINARY & OTHER MISC EXPENSES		
Deferred Business Development Exp		
GDR Expenses	7,702,421	11,274,541
Sub total	7,702,421	11,274,541
Less: GDR Expenses W/o	3,672,120	3,572,120
Total	4,030,301	7,702,421
13 INVENTORIES		
Work-in-Process	28,564,864	37,317,166
Total	28,564,864	37,317,166
14 TRADE RECEIVABLES		
Unsecured		
Sundry Debtors	245,223,701	215,271,949
Total	245,223,701	215,271,949
15 CASH AND CASH EQUIVALENTS		
Balances with banks	261,342,939	180,692,591
Cash on hand	1,918,454	779,937
Deposits Account	56,254,322	147,268,741
Total	319,515,714	328,741,269
16 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Other Loans and Advances (Employees, unexpired expenses etc.)	6,072,092	5,092,161
Advance to Suppliers	27,030,467	72,802,122
Advances to others	309,529,871	353,174,915
Total	342,632,430	431,069,198

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
17 OTHER CURRENT ASSETS		
Interest Accrued on Deposits	765,779	7,737,247
With Statutory Authorities (Includes earlier years)	47,304,143	33,499,704
CENVAT Credits	968,624	820,800
Unbilled Revenue	14,049,330	-
Total	63,087,877	42,057,751
18 REVENUE FROM OPERATIONS		
Revenue from - Software Development & Other Services	839,573,921	556,225,861
- (Decrease)/Increase in Work-in-Process	(8,752,302)	18,404,782
Total	830,821,619	574,630,643
19 OTHE INCOME		
Interest income	22,937,146	31,446,996
Net gain\ (Loss) on foreign currency transactions	8,845,229	3,385,475
Profit on sales of Assets	-	2,656,626
Rent Income	11,727,126	8,260,915
Amount Written Back	6,007,662	64,038
Total	49,517,162	45,814,051
20 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, Bouns & Subcontracting exp	587,029,959	406,841,181
Contribution to provident and other funds	2,760,418	1,733,544
Software Consultancy Charges	1,216,600	43,930,128
Staff welfare expenses	7,219,458	5,062,810
Total	598,226,435	457,567,663
21 FINANCE COSTS		
Interest expenses	8,838,413	10,610,144
Total	8,838,413	10,610,144

PARTICULARS	2013-2014 AMOUNT (₹)	2012-2013 AMOUNT (₹)
22 OTHER EXPENSES		
Salaries & Staff Benefits (Administrative)	104,832,341	20,828,744
Advertisement Expenses	81,450	98,200
Bank Charges/Interest	2,824,664	1,105,380
Travelling & Conveyance	29,010,173	12,759,772
Power & Fuel	14,702,641	10,734,665
Computer Consumables	75,044	71,935
Telephone, Postage & Telegraph	25,831,825	18,493,424
Rent	2,624,099	1,076,868
Legal & Professional charges	11,876,606	11,569,260
Insurance Charges	2,774,929	1,887,225
Meeting Fees	100,000	120,000
Auditor's Remuneration:		
- Audit Fees	949,807	631,770
- Tax Audit Fee	167,613	111,490
Printing & Stationary	3,390,279	3,294,113
Repair And Maintenance	8,910,148	11,289,274
Security Charges	2,785,841	1,519,056
Service Charges	-	691,873
Membership, Subscription and Donations	47,650,000	-
Rates & Taxes	371,465	1,515,741
Filing Fee/ Other Roc Expenses	1,000	1,512
News Papers, Books & Periodicals	49,405	35,856
Office Maintenance	3,592,233	1,500,638
GDR Expenses W/o	1,644,420	1,644,420
Capital Enhancement Written off	2,027,700	1,927,700
Bad & Doubtful Debts written off	2,931,474	441,919
Total	269,205,157	103,350,835

NOTE-23: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

BACKGROUND OF THE COMPANY:

FCS Software Solutions Limited (hereinafter referred to as 'FCS' or the 'Company') is a customized software development company and is engaged in the business of providing IT enabled Services. FCS is an integrated information technology (IT) services and solutions provider Company. FCS business is organized into three strategic business units (SBUs).

23. SIGNIFICANT ACCOUNTING POLICIES

23.1 Basis for preparation.

The revised schedule VI has become effective from 1st April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statement. Previous year's figures have been regrouped /reclassified wherever necessary to correspond with the current year's classification/ disclosure.

The Financial statements have been prepared under the historical-cost convention, in accordance with the Generally Accepted Accounting Principles (GAAP) and accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) as adopted consistently by the Company. All Income and expenditure having a material bearing on the financial statements are recognized on the accrual Basis.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, future obligations under employee retirement benefit plans. Actual result could differ from these estimates.

23.2 Revenue recognition

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. However, those expenses on which revenue had not recognized was considered as work in process as per para 23.9.

23.3 Current–non-current classification

All assets and liabilities are classified into current and non-current.

(a) Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realized in the company's normal operating cycle;
- ii) it is expected to be realized within 12 months after the reporting date; or
- iii) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

(b) Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the company's normal operating cycle;
- ii) it is held primarily for the purpose of being operational;

- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

23.4 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, if any at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provisions of future obligation under employee retirement benefit plans and loans and advances and provision for income-tax. Actual results could differ from these estimates. Any revisions to estimates are recognized prospectively in current and future periods.

23.5 Expenditure

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities. Company has booked sales incentive on cash basis.

23.6 Fixed Assets

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation. All direct costs are capitalized till the assets are ready to be put to use. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the period/year end, are disclosed as capital work in progress.

(a) Tangible fixed assets and capital work-in-progress

Tangible fixed assets (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work-in-progress.

(b) Intangible fixed assets

Intangible fixed assets comprising of computer software, are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where they are expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalized in the year in which the software is fully implemented for use.

23.7 Depreciation

Depreciation on fixed assets is provided using the written down value method, as rates specified in schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than ₹ 5,000/- are depreciated in full in the year of purchase.

23.8 Impairment of assets

Management periodically assesses using external and internal sources where there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceed the present value of future cash flow expected to arise from the continuing use of the asset

and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net sales price or present value as determined above. The management is of the view that impairment does not apply to the Company, hence not recognized.

23.9 Work-in-Process

The value of work in process as on the date of Balance Sheet has been derived at cost. Which comprising all direct cost(s) incurred upon ongoing projects client wise up till the end of financial year. The value of such unbilled amount has been valued, taken and considered as per certificate given by the management.

23.10 Foreign Currency Transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains or losses on foreign exchange transactions during the period are recognized in profit and loss account. However, sundry debtors are accounted upon the prevailing rates on the date of invoice issuance. Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Where realizations are deposited into, and disbursements made out of, a foreign currency bank account, all transactions during the month are reported at a rate which approximates the actual monthly rate.

In the case of current assets and current liabilities expressed in foreign currency, the exchange rate prevalent at the end of the year is taken for the purposes of transaction. Exchange differences arising on foreign currency transactions are recognized as income or expenses in the year in which they arise. In the case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expenses over the life of the contracts.

23.11 Investment

Investments are accounted based on the intent of management at the time of acquisition as details below:

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)		
Investments in Equity instruments-Non Traded Unquoted		
In Associates		
M/s.Enstaserv eServices Ltd		
9930 Equity shares of ₹ 10/- each fully paidup.	99,800	99,800
M/s Myzeal IT Solutions Pvt. Ltd.		
5000 Equity Shares of ₹10/- fully paid d	50,000	50,000
Others		
M/s. Pumarth Properties & Holdings Private 400000 equity shares @ ₹ 10 each at premium of ₹ 215	90,000,000	90,000,000
M/s Readystate Infraserivces Private Limited 300000 Equity Sharesof ₹ 700 each fully paid up	2,100,000,000	Nil
M/s Indian Durobuild Private Limited 250,000 Equity Shares of ₹ 10 each fully paid	2,500,000	2,500,000
M/s Master Talent Eduservices Pvt. Ltd. 360000 Equity Shares of ₹ 1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹ 1690	612,000,000	612,000,000

PARTICULARS	2013-2014 (₹)	2012-2013 (₹)
In Subsidiaries		
2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE	3,378,045,643	3,378,045,643
M/s Insync Business Solutions Limited 50000 Equity Shares of ₹ 10/- fully paid	626,100	626,100
USD 1.00 PAR VALUE OF 701,000 COMMON STOCK in FCS Software Solutions America Ltd.	44,858,742	5,439
25000 Equity shares of EURO 1/- each fully paidup in M/s.FCS Software Solutions GmbH	2,126,285	Nil
	4,340,306,569	4,083,326,982

23.12 Retirement Benefits

Own Contributions to provident fund and ESI are charged to the profit and loss account as incurred. Provisions for gratuity and leave encashment are accounted at the year-end and charged off to the profit and loss account.

Company has provided the provision for gratuity and leave encashment on the basis of actuarial valuation as prescribed under AS-15 prescribed by ICAI and liability was provided only for those employees who are covered under Gratuity Act as certified by valuer.

Company does not owe any liability for bonus as no employee is covered under Payment of Bonus Act and no provision for Bonus or Ex Gratia was made.

23.13 Earning per Share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year in pursuance with AS-20 prescribed by ICAI. Diluted earnings per share is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
Profit After taxation available to equity shareholders (₹)	(38240714)	6,937,788
Weighted average number of equity shares used in Calculating basic earning per share	1,296,813,374	1,059,169,538
Add: Effect of diluted issue of shares		400,000,000
Weighted average number of equity shares used in Calculating diluted earning per share	1,659,553,100	1,495,169,539
Face Value of Shares (Rupees)	₹ 1/-	₹ 1/-
Basic earnings per share (Rupees)	(0.03)	0.00065
Diluted earnings per share (Rupees)	(0.023)	0.0005

23.14 Income Tax

- a. Provision is made for income tax on a yearly basis in pursuance with the provision prescribed under Income Tax Act, 1961 under the tax-payable method, based on the tax liability as computed after taking credit for allowances and exemptions as the case may be.
- b. In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of ₹ 1,297,079/- for the year ended March 31, 2014, has been provided and the post tax profit has accordingly increased

The item-wise details of deferred tax liability are as under: -

	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
Deferred Tax(Liability)/Assets		
(1) Depreciation	6,462,984	4,461,967
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
-For Gratuity	412,327	491,495
-Leave Encashment	1,105,318	1,730,089
Deferred Tax (Liability)/Assets (Net)	7,980,629	66,83,550

23.15 Employees Stock Option Plan (ESOP)

During the fiscal year the company had not issued shares under employees' stock option scheme.

23.16 Managerial Remuneration*

	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
A. Managing Director		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
B. Executive Directors		
Salary and perquisites	24,57,000	2,457,000
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
C. Non Executive Directors		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
Sitting Fee	1,00,000	120,000
	25,57,000	2,577,000

23.17 Research & Development

Revenue Expenditure incurred on research and development is charged to revenue in the year it is incurred. Assets used for research and development activities are included in fixed assets.

23.18 Foreign Branch

All revenue and expenses transactions are during the year reported at average rate. The assets and liabilities both monetary and non-monetary are translated at the rate prevailing on the balance sheet date. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. However the Balance sheet of branch as on 31st March 2014 has been considered and accounted as certified by the certified public accountant and as certified by the management for the purpose of this Balance Sheet.

23.19 Segment Reporting

The Segment reporting policy complies with the accounting policies adopted for preparation and presentation of financial statements of the Company and is in conformity with Accounting Standard –17 on “Segment Reporting”, issued by ICAI. The primary segmentation is based on the Geographies in which Company operates and internal reporting system. The Company operates in two main Geographical Segments India and USA.

The Profit and Loss for reportable primary Segment is setout below:

For the Year Ended 31st March 2014			(Amount in Lacs)
Description	India	USA	Total
Revenue from external customers	1,340.21	7,055.53	8,395.74
Expenses	535.15	5,534.63	6,069.79
Segment Result	805.05	1,520.90	2,325.95
Unallocated Expenses			3,121.70
Operating Profit Before Taxation			(795.75)
Other Income			495.17
Finance Charges			88.38
Profit Before Tax & Prior Period Adj.			(388.96)
Prior Period Adjustment (Income)/ Expenses			0.23
Provision for Taxation			6.19
Provision for Deferred Tax			(12.97)
Net Profit After Tax			(382.41)
For the Year Ended 31st March 2013			(Amount in Lacs)
Description	India	USA	Total
Revenue from external customers	999.34	4,562.91	5,562.26
Expenses	388.15	4,003.48	4,391.63
Segment Result	611.20	559.43	1,170.63
Unallocated Expenses			1,501.40
Operating Profit Before Taxation			(330.77)
Other Income			458.14
Finance Charges			106.10
Profit Before Tax & Prior Period Adj.			21.27
Prior Period Adjustment Income/ Expenses			(0.79)
Provision for Taxation			10.25
Provision for Deferred Tax (Assets)/Liability			(62.28)
Net Profit After Tax			69.38

23.20 Related Party Transactions:

	31.03.2014	31.03.2013
A. List of Related parties-Where control exists		
Wholly owned subsidiary companies		
Insync Business Solutions Limited:		
- Provision for Services	38,821,009/-	37,909,000/-
Investments in Subsidiaries:		
- FCS Software Solutions GmbH	2,126,285/-	Nil
- FCS Software Solution America Ltd.	44,746,824/-	Nil
B. Others		
Lord Budha Educational Society:		
- Loans & Advances Nil 294,450,436/-		
- REPAYMENT OF LOAN	78,000,000/-	Nil
- DONATION Paid	47,650,000/-	Nil
- INTEREST Received	17,394,396/-	9,789,373/-

23.21 Material Events

Material events occurring after the Balance Sheet date taken into consideration while preparing the financial statement for the year.

24. Notes on accounts

The Previous year figures have been regrouped/ reclassified wherever necessary to make them comparable with the current year figures.

24.1 Contingent liabilities

The company has no letters of credit outstanding issued to various vendors as at March 31, 2014.

24.2 Payment to Auditors

	Current Year	Previous Year
Audit Fee	907,307/-	589,271/-
Tax Audit Fee	160,113/-	103,989/-
Internal Audit	50,000/-	50,000/-
In other capacity	NIL	NIL

24.3 Quantitative Details

The Company is engaged in the software consultancy, technical support services, e-learning and other related allied services. These services cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and the information as required under paragraphs 3, 4C and 4D of part II of Schedule VI of the Companies Act 1956.

24.4. Imports On CIF basis

(Amount. in ₹)

	31.03.2014	31.03.2013
Capital Goods	Nil	Nil
Software Packages	Nil	Nil

24.5 Expenditure in Foreign Currency.

	31.03.2014	31.03.2013
Expenditure incurred overseas:		
- Incurred by US Branch	505,008,444	300,806,430
- By India Office	Nil	4,355,128

24.6. Earning in foreign exchange

	31.03.2014	31.03.2013
Income from software development services and products including US Branch	705,553,258	456,291,429

As per our separate report of even date

For **SPMG & COMPANY**

Chartered Accountants

Firm Registration Number: 509249C

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Place : Noida

Date : May 27, 2014

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

S.N. Sharma

Director

Sd/-

Gagan Kaushik

Company Secretary

FCS Software Solutions Limited

Statement pursuant to Section 212 of the Companies Act 1956 relating to Subsidiary Companies

Subsidiary	FCS Software Middle East FZE, UAE	FCS Software Solutions America Limited	FCS Software Solutions GmbH	Insync Business Solutions Limited
Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
No. of shares in the Subsidiary Company	2,706 shares of AED 100,000 each	7,01,000 shares of US\$ 1.00 each	25,000 shares of € 1 each	49,994 shares of ₹ 10 each
Percentage of holding (Equity)	100%	100%	100%	100%
Percentage of holding (Preference)	Nil	Nil	Nil	Nil
The net aggregate of profit/ losses of the Subsidiary Company for its Financial Year so far as they concern the members of the Holding Company				
a) Dealt with in the Accounts for the period ended 31.3.2014	Nil	US\$ (19,114)	EURO (5438,56)	₹ 50,28,773
b) Not dealt with in the Accounts for the period ended 31.3.2014	US\$ (11,258,432) Equivalent to	US\$ (19,114) (Equivalent to 1,156,419) ₹ (541,981,628) or AED (41,318,436)	EURO (5438,56) (Equivalent to 4,60,537)	₹ 50,28,773
The net aggregate of profit/ losses of the Subsidiary Company for its previous Financial Year since it became a subsidiary so far as they concern the members of the Holding Company				
a) Dealt with in the Accounts for the period ended 31.3.13	Nil	Nil	Nil	Nil
b) Not dealt with in the Accounts for the period ended 31.3.13	US\$ (8,439,290) Equivalent to	US\$ (24746) Equivalent to 1,347,183 ₹ (381,521,412) or AED (30,972,193)	Nil	₹ 30,63,982

FCS SOFTWARE SOLUTIONS AMERICA LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

ASSETS

	Schedule	As at Mar 31, 2014 (Amt. in USD)	As at Mar 31, 2014 (Amt. in ₹)	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in ₹)
Current Assets					
Cash and Bank Balances	4	144,932	8,710,443	598,703	32,563,477
Sundry Debtors	3	256,617	15,422,682	38,584	2,098,584
Other current assets	5	17,706	1,064,102	17,469	950,113
Total current assets		419,255	25,197,227	654,756	35,612,174

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payables	6	495,649	29,788,530	1,412,936	76,849,586
Accounts payable- expenses		-	-	-	-
Total current liabilities		495,649	29,788,530	1,412,936	76,849,586
Accounts Payable - FCS USA		-	-	-	-
Share Capital	1	701,000	44,858,742	100	5,439
Reserves and surplus	2	(777,394)	(49,450,045)	(758,280)	(41,242,851)
Total liabilities and stockholder's equity		419,255	25,197,227	654,756	35,612,174

Significant Accounting Policies and
Notes to Accounts

9

Sd/-
M. Oscar Akbar
 (CPA)

For **FCS Software Solutions America Limited**
 Sd/-
Dalip Kumar
 Director

Date : 22nd May, 2014
 Place : California, USA

FCS SOFTWARE SOLUTIONS AMERICA LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED
31ST MARCH, 2014

Schedule	As at Mar 31, 2014 (Amt. in USD)	As at Mar 31, 2014 (Amt. in ₹)	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in ₹)
INCOME				
Software Development Services	2,973,021	179,867,749	3,308,069	180,091,254
TOTAL	2,973,021	179,867,749	3,308,069	180,091,254
Expenses				
Software Development, Delivery and Support Expenses	7	2,796,975	169,216,988	3,086,925
Administration, Selling and Other Expenses	8	195,160	11,807,180	245,890
Total Operating Expenses		2,992,135	181,024,168	3,332,815
Operating Profit/ (Loss)		(19,114)	(1,156,419)	(24,746)
Financial Expenses			-	-
Income (loss) before income taxes		(19,114)	(1,156,419)	(24,746)
Provision for income taxes		-	-	-
Net Income (loss)		(19,114)	(1,156,419)	(24,746)
Retained earnings, beginning of period		(758,280)	(35,051,392)	(733,534)
Distribution		-	-	-
Retained earnings, end of period				
& transferred to balance sheet		(777,394)	(36,207,811)	(758,280)
Significant Accounting Policies and Notes to Accounts	9			

Sd/-
M. Oscar Akbar
(CPA)

For **FCS Software Solutions America Limited**
Sd/-
Dalip Kumar
Director

Date : 22nd May, 2014
Place : California, USA

F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
BALANCE SHEET AS ON MARCH 31, 2014

	Notes	31-03-2014 USD	31-03-2014 AED	31-03-2014 INR	31-03-2013 USD	31-03-2013 AED	31-03-2013 INR
NON-CURRENT ASSETS							
FIXED ASSETS - INTANGIBLE							
Computer Software & IPR Products		52,911,596	194,185,556	2,435,330,691	60,597,064	222,391,223	2,789,092,783
CURRENT ASSETS							
Trade receivables	5	514,382	1,887,782	30,914,362	2,904,905	10,661,002	157,997,786
Other receivables & Pre-paid bus. Dev. Exp.	6	10,308,980	37,833,957	456,025,133	12,027,144	44,139,618	532,029,322
Cash and cash equivalents	7	28,856	105,902	1,734,263	29,970	109,990	1,630,078
		10,852,218	39,827,641	488,673,758	14,962,019	54,910,610	691,657,186
TOTAL ASSETS		63,763,814	234,013,197	2,924,004,449	75,559,083	277,301,833	3,480,749,969
CURRENT LIABILITIES							
Trade payables	8	36,152	132,669	2,172,735	572,989	2,102,870	31,164,872
Other payables	9	16,711	61,328	1,004,302	16,711	61,328	908,885
		52,863	193,997	3,177,037	589,700	2,164,198	32,073,757
NON-CURRENT LIABILITIES							
Long term liabilities	10	-	-	-	-	-	-
		-	-	-	-	-	-
TOTAL LIABILITIES		52,863	193,997	3,177,037	589,700	2,164,198	32,073,757
SHAREHOLDERS' FUNDS							
Share capital		73,732,970	270,600,000	3,378,045,643	73,732,970	270,600,000	3,378,045,643
Statutory reserve	11	786,936	2,888,055	35,358,429	786,936	2,888,055	35,358,429
Retained earnings	12	(10,848,662)	(39,814,583)	(494,963,111)	409,770	1,503,852	33,112,422
Equity fund		63,671,244	233,673,472	2,918,440,961	74,929,676	274,991,907	3,446,516,494
Shareholders' current account	13	39,708	145,728	2,386,451	39,708	145,728	2,159,718
TOTAL EQUITY AND LIABILITIES		63,763,814	234,013,197	2,924,004,449	75,559,083	277,301,833	3,480,749,969
		0	(0)	-	0	(0)	-

The report of the auditor is set out on page 3.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the directors on May 15, 2014
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

	Notes	01-04-2013 to 31-03-2014 USD	01-04-2013 to 31-03-2014 AED	01-04-2013 to 31-03-2014 INR	28-10-2012 to 31-03-2013 USD	28-10-2012 to 31-03-2013 AED	28-10-2012 to 31-03-2013 INR
Sales		4,409,477	16,182,783	266,773,359	7,300,036	26,791,132	397,413,960
Cost of sales	14	(7,861,539)	(28,851,845)	(447,678,348)	(8,380,094)	(30,754,943)	(438,687,024)
Gross profit		(3,452,062)	(12,669,062)	(180,904,989)	(1,080,058)	(3,963,811)	(41,273,064)
Deduct							
General & administrative expenses	15	119,787	439,618	7,247,150	179,275	657,940	9,759,736
Finance costs	16	1,114	4,088	67,397	2,843	10,434	154,771
Amortisation of intangible assets		7,685,468	28,205,668	353,762,092	7,177,114	26,340,008	330,333,841
Total expenses		7,806,369	28,649,374	361,076,639	7,359,232	27,008,382	340,248,348
Net Profit for the period		(11,258,432)	(41,318,436)	(541,981,628)	(8,439,290)	(30,972,193)	(381,521,412)

The accompanying notes form an integral part of these financial statements

The report of the auditor is set out on page 3.

Approved by the directors on May 15, 2014
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

INSYNC BUSINESS SOLUTIONS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-03-2014 AMOUNT (₹)	As at 31-03-2013 AMOUNT (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	500,000	500,000
(b) Advance Preferential Share Warrants		-	
(c) Reserves and Surplus	2	13,029,879	7,922,166
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings		4,500,000	-
(b) Deffered Tax Liability (Net)			-
(c) Long-term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		23,077,836	18,318,887
(c) Other current liabilities	3	3,249,214	6,957,927
(d) Short-term provisions	4	2,910,814	1,948,895
Total		47,267,743	35,647,875
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	5	312,558	444,806
(b) Deffered Tax Assets (Net)		31,750	59,386
(c) Preliminary & other Misc Expenses	6	4,857	14,573
(2) Current assets			
(a) Trade receivables	7	25,595,985	17,504,751
(b) Cash and cash equivalents	8	4,308,950	9,017,237
(c) Short-term loans and advances	9	94,781	73,600
(d) Other current Assets	10	16,922,015	8,536,674
Total		47,270,896	35,651,028

For **SPMG & COMPANY**
Chartered Accountants
Firm Registration Number: 509249C
Sd/-
(Vinod Gupta)
Partner
M.No. : 090687

On behalf of the Board of Directors
For Insync Business Solutions Limited

Sd/-
Govinda Sahu
Director

Sd/-
Ashutosh Acharya
Director

Place : Noida
Date : May 26, 2014

INSYNC BUSINESS SOLUTIONS LIMITED
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-03-2014 AMOUNT (₹)	As at 31-03-2013 AMOUNT (₹)
GROSS REVENUE			
I. Revenue from operations	11	95,413,408	83,881,414
II. Other Income		25,353.00	-
Total Revenue (I +II)		95,438,761	83,881,414
III. EXPENSES			
Employees benefit expenses	12	73,972,743	68,295,976
Financial costs		-	-
Depreciation and amortization expense		163,248	223,299
Other expenses	13	13,828,580	10,763,475
Total Expenses		87,964,571	79,282,750
IV. Profit(Loss) before exceptional and extraordinary items and tax (II-III)		7,474,190	4,598,664
V. Exceptional Items (Prior period)		-	-
VI. Profit before tax (VI-V)		7,474,190	4,598,664
VII. Tax expense:			
Current tax		2,417,781	1,636,547
Deferred tax		27,636	(101,865)
VIII. Profit/(Loss) from the peroid from continuing operations (VI-VII)		5,028,773	3,063,982
IX. Earning per equity share:			
(1) Basic		100.58	61.28
(2) Diluted		100.58	61.28

For **SPMG & COMPANY**
Chartered Accountants
Firm Registration Number: 509249C
Sd/-
(Vinod Gupta)
Partner
M.No. : 090687

On behalf of the Board of Directors
For Insync Business Solutions Limited

Sd/-
Govinda Sahu
Director

Sd/-
Ashutosh Acharya
Director

Place : Noida
Date : May 26, 2014

FCS Software Solutions GmbH It-Dienstleistungen, Düsseldorf
BALANCE SHEET AS AT 31ST MARCH 2014

ASSETS	EUR	EUR	INR
A. Current assets			
I. Receivables and other assets			
Other assets	624,15	624,15	51,542
II. Cash-in-hand, central bank balances, bank balances and cheques		21.574,39	1,781,613
Total assets		22.198,54	1,833,155
A. Equity		EUR	INR
I. Subscribed capital		25.000,00	2,126,285
II. Net loss for the financial year		(5.438,56)	(510,901)
B. Provisions			
1. Other provisions		2.150,00	177,547
C. Liabilities			
1. Trade payables		487,10	402,25
-of which due within one year			
EUR 107,10			
Total equity and liabilities		22.198,54	1,833,155

FCS Software Solutions GmbH Düsseldorf
Balance sheet accounts as at 31.03.2014

Account Account Description	EUR	EUR	INR
Other assets			
Deductible input tax, 19%	549,10		
VAT previous year	75,05	624,15	51,542.31
Cash-in-hand, central bank balances			
bank balances and cheques			
Bank	21.574,39	1781613	
Total assets		22.198,54	1,833,155
Account Account Description		EUR	INR
Subscribed capital			
Subscribed capital		25.000,00	2,126,285
Net loss for the financial year			
Net loss for the financial year		(5.438,56)	(510,901)
Other provisions			
Provisions period-end closing/ audit costs		2.150,00	177,547
Liabilities			
Trade payables		487,10	40,224.71
Current assets Equity			
of which due within one year EUR 107,10			
Total equity and liabilities		22198,54	1,833,155

For FCS Software Solutions GmbH

Date : 26th May, 2014
Place : Germany

Sd/-
Dalip Kumar
Director

FCS Software Solutions GmbH, Düsseldorf
Income statement from 20.11.2013 - 31.03.2014

	EUR	EUR	INR
1. Other operating expenses			
a) Period-end closing and audit costs			
i) Legal and consulting costs	315,00		
ii) Period-end closing and audit costs	2.150,00		
iii) Bookkeeping cost	170,00	2.635,00	223,132
b) Ordinary operating expenses		803,56	68,045
c) Other operating expenses		2.000,00	169,360
2. Result from ordinary activities		5.438,56	460,537
4. Net loss for the financial year		5.438,56	460,537

FCS Software Solutions GmbH
Income statement accounts from 20.11.2013 bis 31.03.2014

Account Description	EUR	EUR	INR
Legal and consultancy costs			
Legal and consulting costs	315,00		
Period-end closing and audit cost	2.150,00		
Bookkeeping costs	170,00	2.635,00	223,132
Other operating expenses			
Incidental monetary transaction cost	3,56		
Administrative expenses	800,00		
Other operating expenses	2.000,00	2.803,56	-237,405
Net loss for the financial year			
Net loss for the financial year		(5.438,56)	(460,537)

For **FCS Software Solutions GmbH**
Sd/-
Dalip Kumar
Director

Date : 26th May, 2014
Place : Germany

Statutory Auditors

M/S SPMG & Company
Chartered Accountants
3322A, 2nd Floor, Bank Street,
Karol Bagh, New Delhi - 110005
Phone: 011-28728769, 28727385
E mail: vinodgupta_fca@yahoo.co.in
Web site: www.spmg.in

Registered Office

205, 2nd Floor, Agrawal Chamber IV,
27, Veer Sawarkar Block, Vikas Marg,
Shakarpur, Delhi – 110 092
Phone: 011-42444235
Fax : 011-42444235
E mail: investors@fcsltd.com
Web site: www.fcsltd.com

Internal Auditors

Mahajan Rajeev & Co.
Chartered Accountants
206, Pratap Chambers-II
15A/44, WEA, Saraswati Marg,
Karol Bagh, New Delhi - 110005

Corporate office

Plot No. 83, NSEZ, Noida Dadri Road,
Phase –II, Noida -201305 [U.P.]
Phone: 0120-4635900
Fax : 0120-4635941
E mail: investors@fcsltd.com
Web site: www.fcsltd.com

Registrar & Share Transfer

Agent (RTA)

Link Intime (India) Private Ltd.
Narang Tower-44, Community Centre,
Naraina Industrial Area Phase-1
New Delhi – 110 028, India.

Development centers

- (I) FCS House Plot No. 83, NSEZ, Noida
Dadri Road, Phase-II, Noida, Gautam
Budha Nagar, (UP) 201305
- (ii) 2375 Zanker Road, Suit 250 San Jose,
CA – 95131
- (iii) Plot-J-7, Rajiv Gandhi Technology
Park, Chandigarh – 160 10
- (iv) FCS House, A-86, Sector – 57,
Noida – 201 301[U.P.]
- (v) I.T. Park, Plot. No. 24, Sahastradhara
Road, Dehradun -248 001
- (vi) Plot No. 1A, Sector-73,
Noida-201301
- (vii) Goethestra Be740237 Düsseldorf

Company Secretary & Compliance Officer

Gagan kaushik

FCS House, Plot No. 83, NSEZ, Noida
Dadri Road, Phase –II, Noida-201305 [U.P.]
Phone: 0120-4635900, Fax : 0120-4635941
E mail: investors@fcsltd.com
Web site: www.fcsltd.com

BOOK-POST



Registered Office

205, 2nd Floor, Agrawal Chamber IV,
27, Veer Sawarker Block, Vikas Marg,
Shakarpur, Delhi 110092

Corporate office



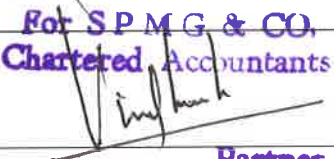

Plot No. 83, NSEZ, NOIDA Dadri Road,
Phase - II, Noida 201 305 [U.P.]

**SPMG & Co**

Chartered Accountants

3322A, 2nd Floor, Bank Street,
Karol Bagh, New Delhi-110005, (India)
Tel : (+) 91 11 28728769, 28727385
Website : www.spmgindia.com

FORM A**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	FCS Software Solutions Ltd.
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NA
5.	To be signed by-	
	Chairman and Managing Director- Mr. Dalip Kumar	
	CFO- Mr. Anil Sharma	
	Auditor of the company- M/s. SPMG & Company (Partner Mr. Vinod Gupta)	 For SPMG & CO, Chartered Accountants
	Audit Committee Chairman- Mr. S.N Sharma	 Partner

Place: New Delhi

Dated: **1 SEP 2014**