

**FCS/107/2016**

**September 29, 2016**

To,

The Dept of Corporate Services  
The Stock Exchange Mumbai  
Dalal Street, Fort,  
Mumbai: 400 001

National Stock Exchange of India Ltd.  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai: 400 051

Dear Sir,

**Sub: - Annual Report of the 23<sup>rd</sup> Annual General Meeting of the Company as per Regulation 34 of the SEBI (LODR) Regulations, 2015**

We attach herewith the Annual Report of the 23<sup>rd</sup> Annual General Meeting of the Company as per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking You,

**Yours faithfully,**

For ECS Software Solutions Limited  
**FCS Software Solutions Ltd.**

  
(Harsha Sharma) **Company Secretary**  
**Company Secretary**



*The efficiency catalyst*



**23rd ANNUAL  
R E P O R T  
2015-2016**



The efficiency catalyst ●●●

## BOARD OF DIRECTORS

### Mr. Dalip Kumar

Chairman & Managing Director

### Mr. Shayam Sunder Sharma

Non Executive Independent Director

### Mr. Shiv Nandan Sharma

Non Executive Independent Director

### Mr. Govinda Sahu

Whole Time Director

### Mr. Shweta Shastri

Non Executive Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Anil Kumar Sharma

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Harsha Sharma

### Auditors

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

### Registered Office

205, 2nd Floor, Agrawal Chamber IV,  
27, Veer Sawarker 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

### CIN No:

L72100DL1993PLC179154

### Bankers

Canara Bank  
Bank of America  
HDFC Bank  
Wells Fargo Bank  
Deutsche Bank  
Axis Bank  
Union Bank  
Punjab National Bank

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### Development Centers

- FCS House Plot No. 83,  
NSEZ, Noida Dadri Road, Phase-II, Noida,  
Gautam Budha Nagar, (UP) 201305
- Plot-J-7, Rajiv Gandhi Technology Park,  
Chandigarh – 160 10
- FCS House, A-86, Sector – 57,  
Noida – 201 301[U.P.]
- I.T. Park, Plot. No. 24, Sahastradhara Road,  
Dehradun -248 001
- Plot No. 1A, Sector-73, Noida-201301

### Subsidiaries

#### (a) Foreign Subsidiaries:-

- M/s.FCS Software Solutions GmbH  
GoethestraBe 740237, Dusseldorf
- M/s. F.C.S. Software Solutions Middle East FZE,  
P.O. Box 16111, Ras Ai Khaimah, U.A.E.
- M/s. FCS Software (Shanghai) Co. Limitd  
Room B43, Floor 3 Building 6, No. 4299  
Jindu Road, Minhang District, Shanghai, China
- M/s. FCS Software Solutions America Limited,  
2375 Zanker Road, Suit 250 San Jose, CA-95131

#### (b) Indian Subsidiaries:-

- M/s Insync Business Solutions Limited
- Enstaserv Eservices Limited
- Innova e Services Private Limited
- Heimdahl Software Systems Private Limited
- StablesecureInfraservices Private Limited
- cGain Analytics Private Limited
- Zero Time Constructions Private Limited

### Legal Advisors

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

## **Chairman's Communique**

### **My Dear fellow Stakeholders,**

It is a great honour and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome all the shareholders to the 23<sup>rd</sup> Annual General Meeting of your Company. Your strong support and faith in us inspires us to achieve newer milestones of success.

The Annual Report for the year ended 31st March, 2016 along with the AGM notice, Director's Report and the audited Annual Accounts of the Company have been circulated to you. With your permission, I take them as read. As your company is going through hard times we just need to focus on our strengths and with the improving economic conditions things will improve for your company as well.

Effective corporate governance is an important foundation for Company's strong performance and is fundamental to our success. Corporate governance provides proper oversight and accountability, strengthens internal and external relationships, builds trust with our stakeholders and promotes the long-term interests of shareholders. Your company is continuously working for growth in shareholders value through effective corporate governance. Your Board expanded its commitment to diversity. In fact, female directors now represent in our Board, a reflection of our policy that also considers the age, ethnicity and geographical background of prospective new members.

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 past years.

To our management team, staff, bankers, and business associates, I would like to express my appreciation and acknowledgement for the hard work in enabling to achieve success. I would also like to give thanks to my fellow Directors for their immense contribution in formulating and steering the Group's strategy.

Finally, on behalf of the leadership team, I would like to re-iterate our commitment for creating superior shareholder value in the years to come.

I would like to cordially invite all the shareholders of the Company to attend the 23<sup>rd</sup> Annual General Meeting (AGM) of the Company on 22<sup>nd</sup> day of September, 2016 at 9:00 A.M. at The Executive Club, 439, Village, Sahoorpur, Fatehpur Beri, New Delhi-110074.

Date : August 26, 2016  
Place : Noida

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

**Years at a Glance :**

(` in Lacs)

<b>For the year</b>	<b>2016</b>	<b>2015</b>
Revenue from operations	4,249.03	7,655.55
Operating profit (EBITDA)	(5729.62)	(124.43)
Other Income	1088.90	632.80
Profit before tax (PBT)	(9,801.69)	(4,424.22)
Profit after tax (PAT)	(9,852.71)	(4,496.28)
EPS (par value of Rs. 1 each)		
Basic	(0.59)	(0.27)
Diluted	(0.55)	(0.25)
Dividend	0	0
<b>At the end of the year</b>		
Fixed assets – net	22,927.93	25,596.96
Net current assets	2,908.29	10,160.14
Total assets	42,826.30	51,127.67
Debt	110.28	603.36
Equity (Shareholder's fund)	38,470.25	49,321.67
Net worth	35,430.04	45,512.10

## **CEO / CFO Certificate**

To,  
The Board of Directors  
FCS Software Solutions Limited

We, **Dalip Kumar**, Chairman & Managing Director and **Anil Kumar 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 31<sup>st</sup> March, 2016 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 2015-16, 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 and we have disclosed to the auditors and the audit committee, deficiencies in the design on operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify those deficiencies.
4. We have indicated wherever applicable, to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during this year;
  - (ii) significant changes, if any, in accounting policies during this year 2015-16, and that the same have been disclosed in the notes to the financial statement; and
  - (iii) instances of significant fraud of which we are aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

**Place:** Noida  
**Date :** August 26, 2016

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### **Certificate on Compliance with Code of Conduct :**

I, Dalip Kumar, Chairman and Managing Director of the Company, 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 2015-16.

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

**Date :** August 26, 2016  
**Place:** Noida

## Directors' Report

(for the Year 2015-2016)

### Dear Shareholders,

We are pleased to present Your Company's Twenty Third Report on business and operations, together with the Audited Statement of Accounts, for the year ended March 31, 2016.

### Financial Highlights

(` in Lacs)

	Year ended March 31st	
	2016	2015
Revenue from operation	4249.03	7,655.55
Operating profit (EBITDA)	(5729.62)	( 124.43)
Misc. Income	1088.90	632.80
Depreciation	4656.55	4848.16
Interest	504.42	84.21
Profit/(Loss) before Extra ordinary items	(4543.88)	(4,424.00)
Profit before tax (PBT)	(9801.70)	(4,424.22)
Tax Expenses	51.02	72.05
Profit after tax (PAT)	(9,852.71)	(4,496.28)

The Board of Directors has made conscious efforts for drawing the financial statements on the basis of sound, accepted and conservative accounting principles to comply with the Accounting Standards Specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. 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, 2016, the Company reported a total income of Rs.5337.92 lakhs.

### Changes in the Capital Structure

There is no change in capital structure during the financial year.

### 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 2015-16.

### Director and Key Managerial Personnel (KMP)

Mr. Rohit Pratap Singh, (DIN-023564084), Executive Director of the Company, who retires by rotation in terms of section 152(6) of the Companies Act, 2013, was Appointed as non Executive Director of the Company in Annual General Meeting held on 24th of September 2015.

Mr. Gagan Kaushik, Company Secretary (Key Managerial Personnel) resigned from the post of Company Secretary w.e.f 29<sup>th</sup> January, 2016 and Ms. Harsha Sharma took over his position as Company Secretary (Key Managerial Personnel) w.e.f 29<sup>th</sup> January, 2016.

### **Number of Meetings of the Board of Directors**

The Board met seven times during the financial year 2015-16, the details of which are given in the Corporate Governance Report that forms a part of this Annual Report. The maximum interval between any two consecutive meetings did not exceed 120 days.

### **Board Evaluation**

The Companies Act, 2013 state that a formal annual evaluation need to be made by the Board of its own performance and that of its Committee and individual directors. Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework.

The evaluation of all the directors and the Board as whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report.

### **Company's Policy on Directors' Appointment and Remuneration**

In accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations, During the year, the Nomination and Remuneration Committee (NRC), recommend the Board for the appointment or re-appointment of directors, devise a policy on Board diversity and Recommend the Board for appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee). Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership and as members of senior Management of the company. The Nomination and Remuneration Committee formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the board a policy, relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

### **Declaration By Independent Directors**

The Company has received declarations from all the independent Director that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Listing Regulations with the Stock Exchanges.

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

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in the "Annexure-D" to this Board Report.

### **Subsidiaries**

FCS has four 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, FCS Software Solutions GmbH, in Germany and FCS Software (Shanghai) Co. Ltd. in China to cater to the needs of its clients in America, UAE, Germany and China 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 and six Subsidiary Company in India i.e. Enstaserv Eservices Limited, Innova e Services Private Limited, Heimdahl Software Systems Private Limited, Stable secure Infra services Private Limited, cGain Analytics Private Limited, and Zero Time Constructions Private Limited.

M/s. Readystate Infraserivces Private Limited ceases to be associate company and M/s. Enstaserv Eservices Limited is now subsidiary company of FCS Software Solutions Limited which was earlier in the Promoter Group.

**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 Section 129 of the Companies Act, 2013, forms part of this annual report.**



A Statement containing salient features of the financial statement of subsidiaries is provided in Form-AOC-1 as "Annexure A" to this Board Report.

#### **Particulars of Contract or Arrangement with Related Party**

Details of Contract or Arrangement with Related Party of the Company in the prescribed Form AOC-2, is provided as "Annexure B" to Director's Report.

#### **Particulars of Loan, Guarantees or Investments**

Details of Loan, Guarantees and Investment covered under the provisions of section 186 of Companies Act, 2013 are provided in the notes to the Financial Statement.

#### **Particulars of employees**

During the year ended March 31, 2016, no employee is drawing remuneration in excess of the amount prescribed under section 197(12) of the Companies Act, 2013, read with Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **Directors' responsibility statement**

To the Members,

We, the directors of FCS Software Solutions Limited, pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, 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, 2013 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.
5. that the Board of Director had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. That the Board of Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Internal Financial Control**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

#### **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 125 and other applicable provisions, if any, of the Companies Act, 2013, 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. During the year Company transferred the balance of unpaid dividend account of Rs. 73,950 on 15<sup>th</sup> October, 2015 in the IEPF Account.

### **Board Committee**

The Company has the following committee of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

### **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.

### **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

### **Policy on Sexual Harassment**

The company has adopted a policy on prevention, prohibition and redressal for employees on sexual harassment at workplace.

During the financial year 2015-16 company has not received any complaints of sexual harassment.

### **Vigil Mechanism/Whistle Blower Policy**

The Company has established a whistle-blower policy and also established a mechanism for Directors and employees to report their concerns. The detail of the same is explained in the Corporate Governance 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 the Listing Regulations with the Stock Exchanges.

### **Public Deposits**

The Company has not accepted any public deposits during the year under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, and as such, no amount on account of principal or interest was outstanding as on the date of Balance Sheet.

### **Corporate Social Responsibility (CSR)**

Your Company's approach is to spend on activities for the welfare of society under CSR, CSR is a mean to balance economic, social and environmental objectives, it is a responsible way of doing business.

In terms of provisions of section 135 of the Companies Act, 2013 & Rule 9 of Companies (Corporate Social Responsibility) Rule, 2014 and other clarification issued by Ministry of Corporate Affairs, the Company qualify the norms specified under section 135 of Companies Act, 2013 to contribute towards CSR. But due to losses from three immediately preceding financial year, company is not required to spend any amount on CSR activities.

### **Secretarial Auditor**

As per Companies Act 2013, Secretarial Audit by a practising Company Secretary has become mandatory for prescribed Companies, and they are required to annex the Secretarial Audit report with their Board Report in the Annual Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. Parul Jain & Associates,

as Secretarial Auditor to undertake the Secretarial Audit of the Company. Secretarial Audit Report in the prescribed Form MR 3 is provided as “Annexure C” to this Directors’ Report.

The Secretarial Auditors’ Report does not contain any qualification, reservation or adverse remark.

The Company voluntarily adheres to the various Secretarial Standards issue by the Institute of Companies Secretaries of India.

### **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, are liable to retire at the ensuing Annual General Meeting, and being eligible, offers himself for reappointment. Your directors recommend their reappointment as auditors.

### **Extract of Annual Return**

Extract of Annual Return of the Company in the prescribed Form MGT-9, is provided as “Annexure E” to Director’s Report.

### **Listing Fees**

The Company confirms that it has paid the annual listing fees for the year 2015-16 to both Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

### **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 26, 2016

Sd/-  
Dalip Kumar  
**Chairman & Managing Director**

**AOC-I"Annexure A"**  
**Statement containing salient features of the financial statement of subsidiaries/**  
**associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

1	Names of subsidiaries	FCS Software Solutions America Ltd	F.C.S Software Middle East FZE	FCS Software Solutions GmbH	FCS Software (Shanghai) Co., Ltd.	Insync Business Solutions Ltd.	Enstaserv Eservices Limited	Innova e Services Private Limited	Heimdahl Software Systems Private Limited	Stablese cureInfra services Private Limited	cGain Analytics Private Limited	Zero Time Private Limited
2	Reporting period for the subsidiary concerned	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
3	Reporting currency	USD	AED	EURO	YEN	INR	INR	INR	INR	INR	INR	INR
4	Share capital	7,01,000 shares of US\$ 1 each	2,706 Shares of AED 100,000 each	25,000 Shares 1 each	123,210.36	50,000 Shares of Rs. 10 each	83,20,000 Equity Shares of Rs. 10/- each	14,60,000 Equity Shares of Rs. 10/- each	9,71,538 Equity Shares of Rs. 10/- each	1,27,60,000 Equity Shares of Rs. 10/- each	23,10,000 Equity Shares of Rs. 10/- each	1,90,10,000 Equity Shares of Rs. 10/- each
5	Reserves & surplus	(802,671)	2,888,055	(11,645)	(182,012.80)	23,240,170	(18,799,218)	(10,262,406)	15,517,057	(528,982)	(12,378,076)	(206,696,073)
6	Total assets	325,573	162,996,857	9,073	1,165,845.76	57,887,164	157,268,601	4,357,735	25,385,166	139,101,298	13,789,050	4,821,012
7	Total Liabilities	325,573	61,328	9,073	1,165,845.76	57,887,164	157,268,601	4,357,735	25,385,166	139,101,298	13,789,050	4,821,012
8	Investments	-	-	-	-	-	-	-	-	-	-	-
9	Turnover	1,352,438	-	-	857,395.18	76,860,539	2,576,672	968,360	899,888	10,107,067	4,016,970	-
10	Profit before taxation	(6,238)	(34,511,328)	(6,334)	(84,705.08)	7,223,910	(16,793,092)	(2,186,154)	36,103	556,598	146,304	(18,568,621)
11	Provision for taxation	-	-	-	(84,705.08)	2,382,099	2,436	-	67,007	101,617	45,300	-
12	Profit after taxation	(6,238)	(36,372,343)	(6,334)	-	4,841,811	(16,795,528)	(2,186,154)	(30,904)	454,981	101,004	(18,568,621)
13	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
14	% of shareholding	100	100	100	100	100	99.52	99.31	99.97	99.92	99.56	99.95

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

Sd/-  
Dalip Kumar  
**Chairman & Managing Director**

**Place :** Noida  
**Date :** August 26, 2016

## **Form AOC-2 “Annexure B”**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### **1. Details of contracts or arrangements or transactions not at arm’s length basis:**

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2016, which were not at arm’s length basis.

### **2. Details of material contracts or arrangement or transactions at arm’s length basis:**

- (a) Name(s) of the related party and nature of relationship: N.A
- (b) Nature of contracts/arrangements/transactions: N.A
- (c) Duration of the contracts / arrangements/transactions: N.A
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A
- (e) Date(s) of approval by the Board, if any: N.A
- (f) Amount paid as advances, if any: N.A

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

**Place :** Noida  
**Date :** 26<sup>th</sup> August, 2016

Sd/-  
**Dalip Kumar**  
(Chairman & Managing Director)

## **“Annexure-C”**

### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,  
The Members**

FCS Software Solutions Limited  
CIN: L72100DL1993PLC179154  
205, 2nd Floor , Agrawal Chamber IV,  
27, Near Sawarker Block, Vikas Marg,  
Shakarpur, Delhi-110092

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FCS Software Solutions Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has , during the audit period covering the financial year

ended on March 31, 2016 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India ( Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **The Company had not granted any options to its employees during the financial year under review; hence not applicable.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **The Company had not issued any debt securities during the financial year under review; hence not applicable.**
  - (f) The Securities and Exchange Board of India ( Registration to an Issue and Share Transfers Agents ) Regulations, 1993; **The Company was not registered as Registrar to an issue and Share Transfer Agent during the financial year under review; hence not applicable.**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **The Company had not delisted its equity shares from any stock exchange during the financial year under review; hence not applicable.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998; **The Company had not bought back any of its securities during the financial year under review; hence not applicable.**

**I further report that** with regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has complied with the following laws as applicable specifically to the Company:

1. Information Technology Act, 2000 and the rules made there under;
2. Special Economic Zones Act, 2005 and the rules made there under;
3. Policy related to Software Technological Parks of India and its regulations;
4. The Trade Marks Act, 1999

5. NORSEK AKKREDITERING MSY007 (ISO Certification-ISO/IEC 27001 : 2005)

**I have also examined** compliances with the applicable clauses of the following;

- I. The Secretarial Standards (SS1 & SS-2) issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Parul Jain & Associates**  
(Company Secretaries)

**Sd/-**  
**Parul Jain**  
**(Proprietor)**  
**Mem. No. F7939**  
**C P No.: 8914**

**Place :** New Delhi  
**Date :** 26.08.2016

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

**“ANNEXURE A to Secretarial Audit Report”**

**To,**

**The Members**

FCS Software Solutions Limited

CIN: L72100DL1993PLC179154

205, 2nd Floor, Agrawal Chamber IV,

27, Near Sawarker Block, Vikas Marg,

Shakarpur, Delhi-110092

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parul Jain & Associates**  
(Company Secretaries)

**Sd/-**  
**Parul Jain**  
**(Proprietor)**  
Mem. No. F7939  
**C P No.: 8914**

**Place :** New Delhi

**Date :** 26.08.2016



## “Annexure-D”

### Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earning and Outgo

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

#### Conservation of energy

We continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of services. 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 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. We have established a sunstantial direct service network around the world, including America, Germany, UAE, and China. These offices are staffed with IT service specialist who sell our services to large International clients.

During the year around 56% of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was Rs. 3,042.98 lakhs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings) was Rs. 991.09 lakhs.

Foreign exchange earned and used	(Rs. In lakhs)	
	2015-16	2014-15
Earnings	3,042.98	6,088.51
Outflows	991.09	4,201.75
Net foreign exchange earnings	2,051.90	1,886.76

**Annexure- "E"**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2016**

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]**

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L72100DL1993PLC179154
2	Registration Date	05/05/1993
3	Name of the Company	FCS Software Solutions Ltd.
4	Category/Sub-category of the Company	Limited By Shares Non-Government Company
5	Address of the Registered office & contact details	205,2nd Floor, Agarwal Chamber IV,27, Near Sawarker Block,Vikas Marg, Shakerpur, Delhi -110092
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime (India) Private Limited, 44, Community Centre, 2 <sup>nd</sup> Floor, Phase-I, PVR Naraina,New Delhi -110028

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer and Related Activities	72	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	M/s. F.C.S. Software Middle East FZE P.O. Box 16111, RAS AI KHAIMAH, U.A.E		Wholly owned subsidiary	100	2(87)(ii)
2	FCS Software (Shanghai) Co. Limited Room B43, Floor 3 Building 6, No. 4299, Jindu Road Minhang District, Shanghai, China		Wholly owned subsidiary	100	2(87)(ii)
3	M/s. FCS Software Solutions GmbH GeothestraBe 740237, Dusseldorf		Wholly owned subsidiary	100	2(87)(ii)
4	FCS Software Solutions America Limited 2375 Zanker Road, Suit 250 San Jose, CA-95131		Wholly owned subsidiary	100	2(87)(ii)
5	M/s Insync Business Solutions Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Near Sawarker Block, Vikas Marg, Shakerpur, New Delhi-110092	U72900DL2009 PLC196146	Wholly owned subsidiary	100	2(87)(ii)
6	Myzeal IT Solutions Private Limited 9983/84, Agarwal Bhawan, Ram Behari Road, Sarai Rohilla, New Delhi-110005	U72200DL2010 PTC199231	Associate Company	50	Section 2(6)

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7	Enstaserv Eservices Limited 205, 2 <sup>nd</sup> Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakerpur, Delhi -110092	U72200DL1997 PLC090518	Subsidiary Company	99.52	Section 2(87)(ii)
8	Innova e Services Private Limited 16/10 First Floor New Rohtak Road, Karol Bagh, Delhi -110005	U72300DL2006 PTC156858	Subsidiary Company	99.31	Section 2(87)(ii)
9	Heimdahl Software Systems Private Ltd. 16/10, First Floor, New Rohtak Road, Karol Bagh, Delhi-110005.	U72200DL2006 PTC156952	Subsidiary Company	98.97	Section 2(87)(ii)
10	StablesecureInfraservices Private Ltd. 205, 2 <sup>nd</sup> Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakarapur, Delhi -110092	U74210DL2010 PTC207678	Subsidiary Company	99.92	Section 2(87)(ii)
11	cGain Analytics Private Limited 205, 2 <sup>nd</sup> Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakarapur, Delhi -110092	U72300DL2008 PTC178410	Subsidiary Company	99.56	Section 2(87)(ii)
12	Zero Time Constructions Private Ltd. 205, 2 <sup>nd</sup> Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakarapur, Delhi -110092	U45400DL2009 PTC188964	Subsidiary Company	99.95	Section 2(87)(ii)

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	185962450	0	185962450	11.20	185962450	0	185962450	11.20	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	150000000	0	150000000	9.04	150000000	0	150000000	9.04	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (1)</b>	<b>335962450</b>	<b>0</b>	<b>335962450</b>	<b>20.24</b>	<b>335962450</b>	<b>0</b>	<b>335962450</b>	<b>20.24</b>	<b>0.00</b>
(2) <b>Foreign</b>									
a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>TOTAL (A)</b>	335962450		335962450	20.24	335962450	0	335962450	20.24	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	5000	0	5000	0.0003	5000	0	5000	0.0003	0.00
c) Central Govt	568300	0	568300	0.0342	568300	0	568300	0.0342	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	573300	0	573300	0.03	573300	0	573300	0.03	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	497782364	0	497782364	29.99	488676615	0	488676615	29.44	0.00
ii) Overseas	0	0	0	0.00			0.00	0.00	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	521734682	143756	521878438	31.45	505721890	178113	505900003	30.48	-0.96
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	276309110	320000	276629110	16.67	288814016	320000	289134016	17.45	0.75
c) Others (specify)									
Non Resident Indians	18083244	0	18083244	1.09	18342512	0	18342512	1.09	0.00
Overseas Corporate Bodies			0.00			0.00	0.00		
Foreign Nationals	0	0	0	0.00			0.00	0.00	
Clearing Members	8487904	0	8487904	0.51	7923483	0	7923483	0.47	-0.04
Trusts	1000	0	1000	0.0001	4000	0	4000	0.0002	0.0001
<b>Sub-total (B)(2):-</b>	1322532934	484716	1323017650	79.72	1322532934	484716	1323017650	79.72	0.00
<b>Total Public (B)</b>	1323106234	484716	1323590950	79.76	1323106234	484716	1323590650	79.76	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	1659068684	484716	1659553400	100.00	1659068684	484716	1659553100	100.00	0.00

**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Dalip Kumar	185790060	11.20	0	185916060	11.21	0	0.0076
2	Janak Sharma	126000	0.01	0	0	0	0	0.00
3	Neelam Sharma	46390	0.00	0	46390	0.00	0	0.00
4	Enstaserv Eservices Ltd.	150000000	9.04	0	150000000	9.04	0	0.00

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Date	Reason	No. of shares	% of total shares
1	Dalip Kumar				
	At the beginning of the year	01/04/2015		185790060	11.20
	Changes during the year	24/07/2015	Transmission of shares of Ms. Janak Sharma	126000	0.00007
	At the end of the year	31/03/2016		185916060	11.20

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Prahlad Estates And Properties Private Limited	250000000	15.06	250000000	15.06
2	SLG Softech Private Limited	180000000	10.84	180000000	10.84
3	Pankaj Khanna	31000000	1.86	49500000	2.98
4	Divya Khanna	12500000	.75	12500000	.75
5	Nagesh Krishna Kalaver	3001638	.18	6010203	.36
6	Karvy Stock Broking Limited	5609467	.33	5432131	.32
7	Bonanza Portfolio Limited	5364288	.32	4405953	.26
8	Master Commodity Services Limited	3986213	.24	4131338	.24
9	LSE Securities Limited	3816726	.23	3979251	.23
10	Sanjay R Makwana	1775525	.10	3950240	.23

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Date	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	Dalip Kumar						
	At the beginning of the year	01/04/2015		185790060	11.20	185790060	11.20
	Changes during the year		Transmission of shares	126000	.00007		0
	At the end of the year	31/03/2016		185916060	11.20	185916060	11.20

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Dalip Kumar	Govinda Sahu	(Rs/Lac)
	Designation	Chairman & Managing Director	Whole-time Director	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		26,03,750	26,03,750
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		0	-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0	-
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			-
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	-	26,03,750	26,03,750
	Ceiling as per the Act			

**B. Remuneration to other Directors**

S No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shayam Sunder Sharma	Shiv Nandan Sharma	Shweta Shatsri	(Rs/Lac)
1	Independent Directors				
	Fee for attending board & committee meetings	1,30,000	1,10,000	40,000	2,80,000
	Commission	0	0	0	
	Others, please specify	0	0	0	-
	Total (1)	1,30,000	1,10,000	40,000	2,80,000

S No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Shayam Sunder Sharma	Shiv Nandan Sharma	Shweta Shatsri	
2	Other Non-Executive Directors				-
	Fee for attending board & committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	280,000
	Total Managerial Remuneration	-	-	-	280,000
	Overall Ceiling as per the Act				

#### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Name	Anil Kumar Sharma	Gagan Kaushik	Harsha Sharma	
1	Designation	CFO	CS	CS	
	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,47,200	5,81,000	90,000	18,18,200
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	1147200	5,81,000	90000	18,18,200

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties or punishments levied on the company during the year. Also, there was no necessity for the company to compound any offences.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

FCS Software Solutions Limited has closed the financial year 2015-16 with revenue of 4249.02 lakhs. 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, 2013, 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.

### **A. Industry Structure and Developments**

The year 2015-16 has witnessed key policy reforms for the Indian economy, aimed at aiding growth revival and overcoming the structural constraints in the economy. We are a software Company. Along with its subsidiaries, FCS provides IT services like e-learning, digital content services, IT consultancy and product engineering services. The industry structure in the IT sector has four major Categories. These are-

- **IT consulting services**
- **IT enabled services**
- **Infra management**
- **Education**

#### **IT Consulting Services**

Enterprises are increasingly outsourcing their technology and IT services requirements to global IT services providers who can deliver high quality service on a global scale and at competitive costs. FCS provides consulting services to various companies & corporations. Our Company provides information to in the area of technology consulting services, including software engineering, application development, network administration, client server design, business and systems analysis, database development and administration, network design and engineering, Web based solutions, software quality assurance, business process improvement, project management, and telecommunications.

#### **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
- Revenue accounting
- HR services
- Remote Education
- GIS
- Network consultancy
- Back-office services including call-center
- Data entry and data conversion
- Transcription and translation services
- Data search
- Market research

#### **Infra Management**

Infra Structure Management offers the full suite of tools and technologies across the value chain of data including Information Architecture & Strategy, Master Data Management (MDM), Information Life cycle Management, Data Quality, Data Migration and Data Integration.

FCS offers a unique methodology for SAP projects, where clients have a full control of the projects. FCS runs a back office support system, with daily log reports on queries received from the customer, response time to attend to that, work done at our end, daily status reporting, version control, R&D efforts, etc.



### **Education/ E- Learning**

E-learning helps employees to improve their performance and deal with fast-changing environments. At FCS, we develop and value critical business solutions that help organizations achieve optimal performance. As leaders in custom e-learning solutions, we deliver results to companies around the world and help them to achieve improved business performance through human capital management. We also apply our expertise to provide a suite of proven workforce solutions that improve our clients' productivity, efficiency and cost containment.

### **B. Opportunities and Threats**

The global financial industry continues to pass through uncertainties. The tighter regulation to combat this uncertainty has led to protectionist tendencies in some of our markets. New projects continue to face budget constraints for IT investments as the focus is still on regulatory compliance. The volatility in currency exchange movements results 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.

We believe that our strengths give us the competitive advantage to position ourselves as the leading global solutions and services company. We are able to undertake complex business and technology transformation initiatives that help our clients enhance their performance, increase agility and flexibility, reduce costs, and achieve measurable business value. We have continuously invested in broadening our offerings to span consulting, IT services and business process management.

The operations and execution teams continuously watch for such developments and constraints to business strategy and plans. Strategy and operational plans are continuously recalibrated to minimize the impact of such threats to business objectives and goals.

### **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.

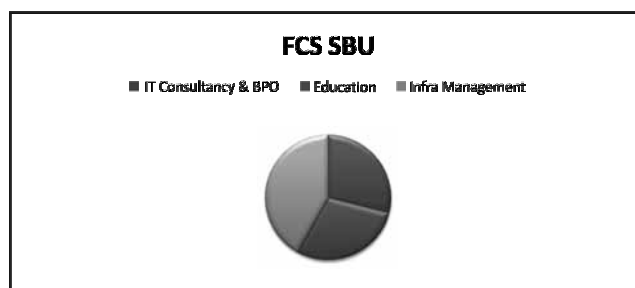
### **C. Outlook**

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 range of services offered to clients beyond those in the initial engagement.

### **D. Segment-wise / Product-wise Performance**

Due to global unrest and slowdown in the market, there is an adverse impact on company performance. The percentage wise revenue contribution of each segment is as below:

- 1. IT Consulting Services and BPO**
- 2. Education/E –Learning Division**
- 3. Infrastructure management**



### **IT Consulting and BPO**

This financial year IT consulting and BPO segment becomes major contributor in the revenue. 29% of the revenue has been derived from this segment. The Company analyzes clients' requirements, develops the scope and finally proposes a solution. Thereafter professional implementation plan is agreed upon. Sometimes 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**

This segment have slight parallel to last year around 29% of its total revenue has been comes from education segment. FCS also provides training and education services to big corporates. 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**

During the Financial Year 2015-16 around 42% of its total revenue has been derived from Infrastructure Management segment. FCS has developed its infrastructure accordingly to cope with the increased demand of its services. 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.

## **E. Internal control systems and their adequacy**

The Company has disclosure controls and procedures in place that are designed to provide reasonable assurance that material information relating to FCS is disclosed on a timely basis. Management has reviewed the Company's disclosure controls and concluded that they were effective during the reporting period. The Company's management, with the participation of CFO, are also responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Indian GAAP.

The Company also has a robust financial control in place through a combination of internal control and processes. The controls ensure that transactions are recorded in timely manner; they are complete in all aspects, effectively utilizing the resources of the company and safeguarding the assets.

The company has a well reputed firm as the Internal Auditor. 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 Internal Audit scope includes review of the procedure and policies in place as designed by the management across all functional areas, and assessing the internal control strength in all areas. The Audit Committee 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.

Also the Internal Auditor findings are discussed with the process owners and corrective action is taken as necessary.

In addition to above controls, the company also has a strong Internal Quality team that works on Delivery Quality Assurance increasing operational efficiency, reducing delivery related risk and optimization of process.

**F. Financial performance with respect to operational performance**

The Company's total income has been reported for the year ended as on 31<sup>st</sup> March 2016 is Rs.4249.03 Lakhs and operating loss of Rs. 5729.62 Lakhs.

**G. Investment in Subsidiaries**

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

Refer to **Annexure A** to the Board's report for the statement pursuant to section 129(3) of the Companies Act, 2013 for the summary of the financial performance of our subsidiaries.

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

Our culture and reputation as a leader in consulting, technology, outsourcing and next-generation services enable us to attract and retain some of the best talent in India. Our Professionals are the most valuable assets of the Company. We believe that the quality and level of service that our professionals deliver are among the highest in the global technology services industry. We are committed to remain among the industry's leading employees. We have built our global talent pool by recruiting new students from premier universities, colleges and institute in India, and through the need-based hiring of project leaders and middle managers. 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.

We made key changes in our continuing education programs to enhance the relevance and effectiveness of learning. We have also made significant investments in hardware and software assets to boost our infrastructure capabilities. All these changes were incorporated to create a unique learning experience for our employees.

**I. 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.

**J. Cautionary Note**

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

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

Sd/-

**Place :** Noida  
**Date :** August 26, 2016

**Dalip Kumar**  
Chairman & Managing Director

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY:

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team And Excellence. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management.

The amended rules required companies to get shareholders' approval for related party transactions, establish whistle blower mechanisms, elaborate disclosures on pay packages and have at least one woman director on their boards. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to adopt best practices on Corporate Governance.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

### 2. BOARD OF DIRECTORS:

The current policy is to have an appropriate mix of Executive, Non Executive and Independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2016, the Board consists of 6 members out of which two are executive or whole-time directors, four are non-executive directors and three are independent directors. The Board periodically evaluates the need for change in its composition and size.

#### a. **Composition, Category of Directors and their other Directorship as on 31<sup>st</sup> March, 2016**

Name of Director	Category of Directorship	No. of Directorship in other Public & Private Ltd. Companies
Mr. Dalip Kumar	Executive (Chairman & Managing Director)	5
Mr. Shayam Sunder Sharma	Non-Executive (Independent Director)	3
Mr. Shiv Nandan Sharma	Non-Executive (Independent Director)	0
Mr. Govinda Sahu	Executive (Whole Time Director)	5
Ms. Shweta Shatsri	Non-Executive (Independent Director)	1
Mr. Rohit Pratap Singh	Non-Executive Director	0

**b. Number of Board Meetings**

The Board met seven times during the financial year 2015-16 and dates for the Board meetings are:

1. May 29, 2015
2. May 30, 2015
3. August 14, 2015
4. August 28, 2015
5. November 14, 2015
6. January 20, 2016
7. February 12, 2016.

**c. Director's attendance record:**

Name of Director	Board Meeting attended during the year	Whether attended last AGM
Mr. Dalip Kumar	5	No
Mr. Shayam Sunder Sharma	7	Yes
Mr. Shiv Nandan Sharma	5	Yes
Mr. Govinda Sahu	7	Yes
Ms. Shweta Shatsri	4	No
Mr. Rohit Pratap Singh	4	Yes

**3. COMMITTEES OF THE BOARD:**

**a. Audit Committee:**

(i) **Terms of Reference:** Apart from all the matters provided in Regulation 18 of the SEBI( Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee reviews reports of the Internal Auditor, meets Statutory Auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

(ii) **Composition:** The Audit Committee consists of two Independent Directors, Mr. Shiv Nandan Sharma, Mr. Shayam Sunder Sharma and a Whole Time Director, Mr. Govinda Sahu, Mr. Shiv Nandan Sharma has been designated as Chairman of the Committee. The Committee met 6 times during the financial year ended March 31, 2016. The attendance record of the members at the meeting were as follows:

Name of the Member	Designation	No. of Meetings of Attended
Mr. Shiv Nandan Sharma	Chairman	6
Mr. Shayam Sunder Sharma	Member	6
Mr. Govinda Sahu	Member	6

**b. Nomination & Remuneration Committee:**

The Nomination & Remuneration Committee of the company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. The Nomination & Remuneration Committee comprises of three Independent Directors.

Name of Members	Category	Number of meeting during the financial year 2015-2016	
		Held	Attended
Mr. Shiv Nandan Sharma(Chairman)	Independent, Non Executive Director	2	2
Mr. Shayam Sunder Sharma	Independent, Non Executive Director	2	2
Mr. Shweta Shatsri	Independent, Non Executive Director	2	2

Terms of Reference of the Nomination & Remuneration Committee are as under:-

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by Act) and executive team members of the Company (as defined by this Committee).
- Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- Recommend to the Board the Remuneration Policy for directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team or Key Managerial Personnel of the Company.
- Oversee familiarisation programmes for directors.
- Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the Boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions.

The committee met twice during the financial year ended March 31, 2016. The attendance record of the members at the meeting were as follows

Name of the Member	Designation	No. of Meetings of Attended
Mr. Shiv Nandan Sharma	Chairman	2
Mr. Shayam Sunder Sharma	Member	2

The details of Remuneration for the year ended March 31, 2016 to the Directors are as follows:

Name	Designation	Remuneration (Rs.)
Mr. Govinda Sahu	Executive (Whole Time Director)	26,03,750
Mr. Rohit Pratap Singh	Non-executive Director	13,40,254

The Company has paid sitting fees of Rs 10,000/- per Meeting to Non-Executive Independent Directors during the financial year 2015-16.

#### **Remuneration Policy**

The remuneration paid to the non-executive Directors of the company is decided by the Board of Directors on the recommendation of the Nomination and 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.

#### **c. Stakeholders Relationship Committee**

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Companies Act, 2016. 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:**

Ms. Harsha Sharma, Company Secretary is the compliance officer for complying with the requirements of Securities Laws and Listing Regulations with Stock Exchanges.

The attendance record of the members at the meeting of Stakeholders Relationship Committee were as follows:

Name of Directors	Position	Status	No. of Meetings	
			Held	Attended
Mr. Shiv Nandan Sharma	Independent Non Executive Director	Chairman	2	2
Mr. Shayam Sunder Sharma	Independent Non Executive Director	Member	2	2
Mr. Govinda Sahu	Executive Director	Member	2	2

**\*Ms. Harsha Sharma, Company Secretary of the Company is the Compliance Officer of the Company.**

The Committee in its scope & function of ambit includes approval of 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.

Numbers of Shareholder's complaints received by Company from its RTA, BSE, NSE, SEBI and Shareholders, during the financial year ended March 31, 2016 are as under:

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

**d. Corporate Social Responsibility(CSR) Committee:**

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the following members from August 13, 2014.

Name of Members	Designation
Mr. Shayam Sunder Sharma	Chairman
Mr. Shiv Nandan Sharma	Member
Mr. Govinda Sahu	Member

The CSR policy of the Company is available on our website: [www.fcsltd.com](http://www.fcsltd.com)

**e. Independent Directors Meeting:**

In view of the provisions of Section 149 read with Schedule IV of the Companies Act 2013, the Company was required that the Independent Directors of the Company shall hold at least one meeting in a year.

Independent Directors Meeting comprise of the following Independent Directors of the Company:

Name of Directors	Designation
Mr. Shiv Nandan Sharma	Chairman
Mr. Shayam Sunder Sharma	Independent Director
Ms. Shweta Shatsri	Independent Director

During the year under review, the Independent Directors met on 21<sup>st</sup> March, 2016, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.



3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

#### 4. **GENERAL BODY MEETINGS:**

Details of last Four Annual General Meetings areas under:

Financial Year	Venue	Day and Date	Time	No. of Special Resolutions Passed
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
2013-2014	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi -110 074.	Wednesday, September 24, 2014	9.00 A.M	4
2014-2015	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi -110 074.	Thursday, September 24, 2015	9.00 A.M	0

#### **Special Resolution passed through Postal Ballot**

For the year ended March 31, 2016 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

#### **Subsidiary Companies**

The Company has following Non-Listed Indian Subsidiary Companies i.e. Insync Business Solutions Limited, Enstaserv Eservices Limited, Innova e Services Private Limited, Heimdah Software Systems Private Limited, Stablesecure Infraserivces Private Limited, cGain Analytics Private Limited, and Zero Time Constructions Private Limited and as per Regulation 24 of the SEBI (LODR) Regulations, at least one Independent Director on the Board of Directors of the holding company shall be a director on the Board of Directors of the Material Non Listed Indian Subsidiary Company.

The Company has complied with the provisions of Listing Regulations. The Audit Committee has also periodically reviewed 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 structures 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.

The Whistle Blower Policy of the Company is available on our website: [www.fcsltd.com](http://www.fcsltd.com)

### Code of Conduct

In compliance with Listing Regulations and Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). In terms of Code of Conduct, the Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders. The Company obtains the affirmation compliance of the Code of Conduct from its Directors and senior Management on an annual basis.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the code as on 31<sup>st</sup> March, 2016.

The Code of Conduct is available on our website: [www.fcsltd.com](http://www.fcsltd.com)

### Mandatory requirements

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

#### I. Composition of Board of Directors

Title (Mr./Ms.)	Name of the Director	PAN & DIN	Category (Chairperson/ Executive/ Non- Executive/ Independent/ Nominee)	Date of appointment in the current term/cessation	Tenure	No. of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of Memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
Mr.	Dalip Kumar	00103292 AQLPK4922C	C&MD	05/05/1993	5	1	-	-
Mr.	Rohit Pratap Singh	03564084 AUZPS0959B	NED	24/09/2014	-	1	-	-
Mr.	Shiv Nandan Sharma	00336736 AOGPS4737Q	NE-ID	08/05/2006	5	1	-	2
Mr.	Shayam Sunder sharma	00272803 ANWPS5445E	NE-ID	08/12/2000	5	1	2	-
Mr.	Govinda Sahu	02528967 APLPS2273P	ED	26/09/2011	-	1	2	-
Ms.	Shweta Shatsri	06480421 DHXPS1202K	NE-ID	24/09/2014	5	1	-	-

## II. Composition of Committees

Name of Committee	Name of Committee members	Category(Chairperson/ Executive/Non- Executive/ independent/Nominee)&
<b>1. Audit Committee</b>	Mr. Shiv Nandan Sharma Mr. Shayam Sunder Sharma Mr. GovindaSahu	Chairperson - Independent Director Independent Director Executive Director
<b>2. Nomination &amp; Remuneration Committee</b>	Mr. Shiv Nandan Sharma Mr. Shayam Sunder Sharma Mr. GovindaSahu Ms. Shweta Shatsri	Non Executive - Independent Director Non Executive - Independent Director Executive Director Non Executive - Independent Director
<b>3. Risk Management Committee (if applicable)</b>	NA	NA
<b>4. Stakeholders Relationship Committee'</b>	Mr. Shiv Nandan Sharma Mr. Shayam Sunder Sharma Mr. GovindaSahu	Non Executive - Independent Director Non Executive - Independent Director Executive Director
&Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen		

## III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Maximum gap between any two consecutive (in number of days)
November 14, 2015	January 20,2016 and February 12,2016	66 Days

## IV. Meeting of Committees (Audit Committee)

Date(s) of Meeting of the committee in the relevant quarter	Whether requirement of Quorummet (details)	Date(s) of Meeting of the committee in the previous quarter	Maximum gap between any two consecutive in number meetings in number of day
February 12,2016	Yes- all members present	November 14,2015	89 Days

\* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

## V. Related Party Transactions

Subject	Compliance status (Yes/No/NA)refer note below
Whether prior approval of audit committee obtained	NA
Whether shareholder approval obtained for material RPT	NA
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	NA

- Note**
1. In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
  2. If status is "No" details of non-compliance may be given here.

## VI. Affirmations

- 1 The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
- 2 The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015
  - a. Audit Committee
  - b. Nomination & remuneration committee
  - c. Stakeholders relationship committee
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
5. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here: - First Report. This will be placed at the ensuing Board Meeting.

### 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](http://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](http://www.fcsltd.com)).

### 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 redressal systems. The salient features of this system are: Centralized 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 Listing Regulations, the auditor's certificate is given as an annexure to the Directors' report.

### Chairman & Managing Director/Chief Financial Officer Certification

As required by Listing Regulations, 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 22, 2016, 9:00 A.M.

**Venue**

: The Executive Club, 439, Village Shahoorpur,  
Fatehpur Beri, New Delhi - 110 074

**Financial Calendar**

: 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016

Unaudited/Audited Financial Results	Quarter / Year ended	Month of approval of Financial Results
Unaudited financial results for the quarter ended	June, 2015	August, 2015
Unaudited financial results for the quarter and half year ended	September, 2015	November, 2015
Unaudited financial results for the quarter ended.	December, 2015	February, 2016
Audited financial results for the year ended.	March, 2016	May, 2016

**Date of Book Closure:** September 16, 2016 to September 17, 2016 (Both days inclusive)

Name of the Stock Exchange	Exchange code
BSE	532666
NSE	FCSSOFT

**Listing fee for 2015-16**

: 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:**

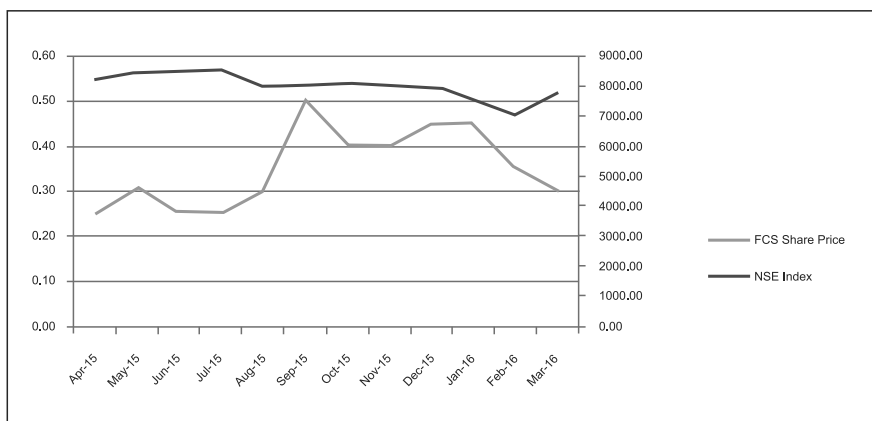
No Dividend is recommended for the financial year 2015-16.

**Stock market price data**

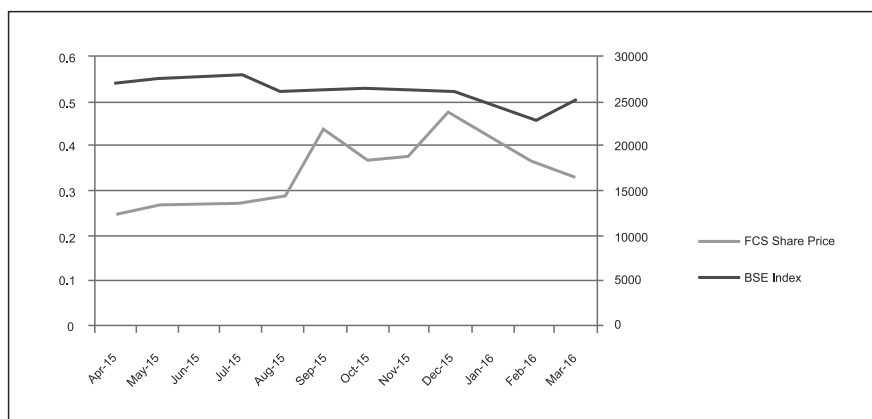
Monthly High and Low and the performance of our share price vis-à-vis NSE (Nifty) and BSE (Sensex) is given below and Chart A and B (overleaf) respectively.

**Performance comparison with indices:**

Month	BSE			NSE			
	High	Low	Volume	High	Low	Volume	Total Volume
	(`)	(`)	(Nos.)	(`)	(`)	(Nos.)	(Nos.)
Apr-15	0.30	0.25	7378918	0.30	0.25	6176487	13555405
May-15	0.30	0.25	6531644	0.30	0.25	4605797	11137441
Jun-15	0.29	0.23	11662530	0.30	0.20	8218927	19881457
Jul-15	0.30	0.25	7745577	0.30	0.25	5526230	13271807
Aug-15	0.40	0.26	8891892	0.40	0.25	12311933	21203825
Sep-15	0.44	0.29	6353211	0.50	0.25	20638726	26991937
Oct-15	0.56	0.35	5633979	0.60	0.30	22873604	28507583
Nov-15	0.40	0.35	4493923	0.45	0.35	6067769	10561692
Dec-15	0.56	0.37	13662078	0.55	0.35	18876581	32538659
Jan-16	0.60	0.40	12893745	0.60	0.40	14101090	26994835
Feb-16	0.44	0.36	8640129	0.45	0.35	10458257	19098386
Mar-16	0.39	0.29	5813005	0.40	0.30	6382337	12195342
Total			99700631			136237738	212298018



**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, 2016.

### Shareholding pattern by size

As on 31<sup>st</sup> March, 2016

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Total Shares
Upto 500	35355	29.6724	8551424	0.5153
501-1000	23286	19.5433	21344422	1.2862
1001-2000	18892	15.8555	33043258	1.9911
2001-3000	7976	6.6940	21644060	1.3042
3001-4000	5205	4.3684	19635475	1.1832
4001-5000	6054	5.0809	29451993	1.7747
5001-10000	10420	8.7452	83213918	5.0142
10001- & above	11963	10.0402	1442668550	86.9311
<b>Total</b>	<b>119151</b>	<b>100.00</b>	<b>1659553100</b>	<b>100.00</b>

### SHAREHOLDING PATTERN BY OWNERSHIP

Categories	As on March 31, 2016		As on March 31, 2015	
	No. of Share	% of holding	No. of Share	% of holding
Promoter-				
Indian	335962450	20.24	335962450	20.24
Foreign	0	0	0	0
Mutual Fund & UTI	0	0	0	0
Banks and Financial Institution and Insurance Companies	5000	0	5000	0
Central Government/State Government	568300	0.03	568300	0.03
Foreign Institutional Investor	0	0	0	0
Private Bodies Corporate	488676615	29.45	496275073	29.90
Indian Public-Individual	795034019	47.91	798060360	48.09
NRI/OCB's	18342512	1.11	16459475	0.99
Clearing Member	7923483	0.48	12066152	0.73
Other (Director & their relatives , HUF)	13040721	0.78	156590	0.01
<b>Total</b>	<b>1659553100</b>	<b>100</b>	<b>1659553400</b>	<b>100</b>

### Dematerialization of the shares and liquidity:

As on March 31, 2016, to the extent of 99.97% 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, 2016 is as under:

Segment	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shares
Physical	96	00.09	498113	00.03
Demat	119055	99.91	1659054987	99.97
Total	119151	100	1659553100	100

### Plant Locations

The Company has 9 offices as on 31<sup>st</sup> March, 2016 located in 4 cities across India and other offices are in Dubai, USA, Germany and China. 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.



**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE  
GOVERNANCE**

To the Members of **M/s. FCS Software Solutions Limited**

1. We have examined the compliance of conditions of Corporate Governance by **FCS Software Solutions Limited** ("the Company"), for the year ended on 31<sup>st</sup> March, 2016, as stipulated in the Listing Regulations of the Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the 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.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance, as stipulated in Listing Regulations.
4. We Further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

**Place :** Noida  
**Date :** 26<sup>th</sup> August, 2016

## **INDEPENDENT AUDITORS' 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 Holding Company") and its subsidiaries (the Holding Company and subsidiaries together referred to "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### **Management's Responsibility for the Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013("the Act") that give a true and fair view of the consolidated financial position and consolidated financial performance and consolidated cash flow of the group in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, as applicable. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Financial Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing under Section-143(10) of the Act. 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 misstatements.

An audit involves performing procedures to obtain audit evidences 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 misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditors considers internal financial controls relevant to the Holding company's preparation of the consolidated financial statements that give a true and fair view 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 Holding Company's Board of Directors, 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 on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2016 and their consolidated Loss and their cash flows for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rupees 2,213,921,442 as at 31 March, 2016, total revenues of Rupees 98,139,744 and net cash outflows amounting to Rupees 6,597,600 for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act and Companies (Audit and Auditors) Rule 2014, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the directors of the Holding Companies and the subsidiary companies incorporated in India as on 31 March, 2016 and taken on record by the Board of Directors of the Holding Company and the subsidiary companies incorporated in India, none of the directors of the Holding Company and the subsidiary companies incorporated in India, are disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and the subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and the subsidiary's

companies incorporated in India, internal financial controls over financial reporting.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (a) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Group does not have any pending litigations which would impact its financial position.
  - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

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

**Place :** New Delhi  
**Dated :** 30.05.2016

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

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of consolidated financial statements of **FCS SOFTWARE SOLUTIONS LIMITED** ("the Company") as of and for the year March 31, 2016, we have audited the internal financial controls over financial reporting of **FCS SOFTWARE SOLUTIONS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to "the Group") incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective board of directors of the Holding company and its subsidiaries incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the

prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Holding company and its subsidiaries incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

**Place :** New Delhi  
**Dated :** 30.05.2016

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

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	Note No.	As on 31-03-2016 AMOUNT (₹)	As on 31-03-2015 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	1,659,553,100	1,659,553,100
Less: held by Subsidiary company		(150,000,000)	
(b) Advance Preferential Share Warrants		72,500,000	35,000,000
(c) Reserves and Surplus	2	2,264,971,841	3,237,613,628
<b>(2) Minority Interest</b>		11,833,900	-
<b>(3) Share application money pending allotment</b>		1,17,200,000	-
<b>(4) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	11,028,031	2,485,309
(b) Deferred tax liabilities (Net)	-	-	
(c) Long-term provisions	4	6,633,617	6,414,198
<b>(5) Current Liabilities</b>			
(a) Short-term borrowings	5	-	57,850,274
(b) Trade payables		59,315,057	62,164,444
(c) Other current liabilities	6	232,236,762	40,078,799
(d) Short-term provisions	7	8,454,896	11,607,219
<b>Total</b>	I	<b>4,282,630,162</b>	<b>5,112,766,972</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>			
(i) Tangible assets	8	370,708,994	290,729,636
(ii) Intangible assets	9	1,739,587,670	2,100,977,434
(iii) Capital work-in-progress -Tangible		185,085,855	167,988,919
(iv) Capital work-in-progress - Intangible		-	-
(b) Non-current investments	10	283,237,216	969,448,400
(c) Deferred tax assets (net)		12,879,977	10,837,025
(d) Long term loans and advances	11	584,801,129	566,868,337
(e) Preliminary & other Misc Expenses	12	304,020,746	380,956,142
<b>(2) Goodwill</b>		211,472,882	
<b>(3) Current assets</b>			
(a) Work-in -Process	13	-	-
(b) Trade receivables	14	90,426,683	94,284,144
(c) Cash and cash equivalents	15	331,939,592	427,643,005
(d) Short-term loans and advances	16	86,964,988	20,883,956
(e) Other current assets	17	81,504,431	82,149,975
<b>Total</b>		<b>4,282,630,162</b>	<b>5,112,766,972</b>

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/-  
**Shiv Nandan Sharma**  
Director

Place : Noida  
Date : May 30, 2016

Sd/-  
**Anil Sharma**  
Chief Financial Officer

Sd/-  
**Harsha Sharma**  
Company Secretary

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE  
YEAR ENDED 31ST MARCH 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As on 31-03-2016 AMOUNT (₹)</b>	<b>As on 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	18	424,902,853	765,555,224
II. Other Income	19	108,889,556	63,279,842
<b>III. Total Revenue (I +II)</b>		<b>533,792,409</b>	<b>828,835,066</b>
<b>IV. EXPENSES</b>			
Employee benefit expense	20	335,763,249	575,979,515
Financial costs	21	50,441,721	8,421,219
Depreciation and amortization expense		465,655,824	484,815,623
Other expenses	22	136,319,916	202,018,926
<b>Total Expenses</b>		<b>988,180,710</b>	<b>1,271,235,283</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>(454,388,300)</b>	<b>(442,400,217)</b>
<b>VI. Exceptional Items</b>		<b>525,781,722</b>	<b>22,419</b>
<b>VII. Profit before tax (V - VI)</b>		<b>(980,170,022)</b>	<b>(442,422,636)</b>
<b>VIII. Tax expense:</b>			
(1) Current tax		7,187,683	10,030,000
(2) Deferred tax		(2,086,090)	(2,824,646)
(3) Income Tax paid	-	-	-
<b>IX. Profit/(Loss) from the period from continuing operations (VII - VIII)</b>		<b>(985,271,615)</b>	<b>(449,627,990)</b>
<b>X. Earning per equity share:</b>			
(1) Basic		-0.59	-0.27
(2) Diluted		-0.55	-0.25

For **SPMG & COMPANY**  
Chartered Accountants  
Firm Registration Number: 509249C

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

Place : Noida  
Date : May 30, 2016

**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/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED  
31st MARCH, 2016**

<b>PARTICULARS</b>	<b>Year Ended 31.03.2016 ( ` )</b>	<b>Year Ended 31.03.2015 ( ` )</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	(980,170,022)	(442,422,636)
<b>Adjustments For :</b>		
Depreciation and Amortization	388,639,572	405,711,473
GDR/Deferred Business Development Expenses W/o	77,016,252	79,104,150
Minority Interest	105,136	-
Exceptional Items	525,781,722	22,419
Finance Charges	50,441,721	8,421,219
<b>Cash from Operations before Working Capital Changes</b>	<b>61,814,381</b>	<b>50,836,625</b>
<b>Adjustments for changes in Working Capital:</b>		
Sales of Assests Net	-	-
(Increase)/Decrease in Work-in-Process	-	28,564,864
(Increase)/Decrease in Trade Receivables	3,857,461	200,461,709
(Increase)/Decrease in Loans and Advances	(84,013,824)	(240,660,834)
(Increase)/Decrease in Other Current Assets	645,544	(2,088,503)
Increase/(Decrease) in Trade Payables	(2,849,387)	11,950,700
Increase/(Decrease) in Current Liabilities	192,157,962	(3,503,993)
Increase/(Decrease) in Provisions	(90,587)	1,048,606
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (1)</b>	<b>171,521,550</b>	<b>46,609,175</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and change in Capital Work-In-Progress	124,326,102	(74,442,104)
Increase/(Decrease) in Investments	(536,211,184)	54,672,500
Increase/(Decrease) in Prelimenary Exp	80,856	-
Increase/(Decrease) in Goodwill	211,472,882	-
(Increase)/Decrease in Minority Interest	(736,858)	-
<b>NET CASH FROM IN INVESTING ACTIVITIES (2)</b>	<b>(201,068,202)</b>	<b>(19,769,604)</b>

<b>PARTICULARS</b>	<b>Year Ended 31.03.2016 ( ' )</b>	<b>Year Ended 31.03.2015 ( ' )</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Share Capital	-	-
Proceed from Share application money pending allotment	117,200,000	-
Advance pursuant to Pref. Share Warrant	37,500,000	35,000,000
Proceed from Long Term Borrowings	(55,714,274)	(23065345)
Increase in Foreign Currency transaction Reserve	12,902,133	33032197
Repayment of Long Term Borrowings	6,406,722	(4401142)
Income Tax Paid	(10,364,303)	(6908790)
Exceptional Items	(525,781,722)	(22419)
Finance Charges	(50,441,721)	(8421219)
<b>NET CASH USED IN FINANCING ACTIVITIES (3)</b>	<b>(468,293,165)</b>	<b>25,213,283</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1-2+3)</b>	<b>(95,703,414)</b>	<b>91,592,022</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>427,643,005</b>	<b>336,050,983</b>
<b>Adjusted cash flow of Subsidiaries</b>	<b>-</b>	<b>-</b>
<b>CLOSING BALANCE OF CASH EQUIVALENTS</b>	<b>331,939,592</b>	<b>427,643,005</b>

**Notes :**

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3, Notified u/s 129 of Companies Act, 2013.
- 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 30, 2016

**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/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2016

	2015-2016 (`)	2014-2015 (`)
<b>1. SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
Authorised Share capital		
185,00,00,000 Equity Shares of Rs. 1/- each	1,850,000,000	1,850,000,000
	<u>1,850,000,000</u>	<u>1,850,000,000</u>
<b>A. Issued, subscribed &amp; fully paid share capital</b>		
1,659,553,100 EQUITY SHARES OF Rs 1/- EACH	1,659,553,100	1,659,553,100
[Out of the above 30,00,000 shares of Rs. 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 Rs. 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 Rs. 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 Rs. 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]		
[Out of the above 10,00,00,000 shares of Rs. 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09]		
[Out of the above 26,47,76,550 shares of Rs. 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 Rs. 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]		
<b>Total</b>	<u>1,659,553,100</u>	<u>1,659,553,100</u>
<b>B. Shareholders holding more than 5% of the Ordinary Shares in the Company</b>		
	<b>2015-2016</b>	<b>2014-2015</b>
	<u>(No. of Shares)</u>	<u>(No. of Shares)</u>
	<u>%</u>	<u>%</u>
Mr. Dalip Kumar	185,916,060	185,790,060
	11.20	11.20
<b>C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five immediately preceding Years</b>		
<b>PARTICULARS</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>(`)</b>	<b>(`)</b>
No Bonus Shares allotted for the period of five immediately preceding Years		

<b>PARTICULARS</b>	<b>2015-2016</b> <b>( ` )</b>	<b>2014-2015</b> <b>( ` )</b>
<b>2 RESERVES AND SURPLUS</b>		
<b>Surplus in Statement of Profit &amp; Loss</b>		
At the beginning of the Year	68,238,414	523,877,984
Add: opening Surplus fund-newly accrued subsy.		-
Profit & loss account for the year	(985,271,615)	(449,627,990)
Add/(Less): Minority interest during the year	105,136	
Add/(Less): Depreciation Adjustments	-	(2,139,153)
Add/(Less):IT Provision Adjustment Last Year	(377,441)	(3,872,427)
		68,238,414
Capital Reserves	188,103,250	188,103,250
<b>Share Premium Account</b>	2,509,944,010	2,509,944,010
<b>General Reserve</b>		
At the beginning of the Year	325,789,411	325,789,411
Add : Transferred during the Year	-	325,789,411
Foreign Currency Transalation Reserve	158,440,677	145538544
<b>Total</b>	<b>2,264,971,841</b>	<b>3,237,613,628</b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
HSIIDC AUTHORITY - ( <i>pledged against first charge over Land situated at Plot No. 11, sector, 22, it park, panchkula</i> )	2,136,000	-
<b>Unsecured</b>		
Loans From Directors & Others*	8,892,031	2,485,309
<b>Total</b>	<b>11,028,031</b>	<b>2,485,309</b>
<i>*represents non-interest bearing borrowings</i>		
<b>4 LONG-TERM PROVISIONS</b>		
Provisions for employee benefits		
Retirement benefits	6,633,617	6,414,198
<b>Total</b>	<b>6,633,617</b>	<b>6,414,198</b>

<b>PARTICULARS</b>	<b>2015-2016 (₹)</b>	<b>2014-2015 (₹)</b>
<b>5 SHORT-TERMS BORROWINGS</b>		
Secured		
Canara Bank OD Account - ( <i>Secured against fixed deposit</i> )	-	57,850,274
Canara Bank-Working capital ( <i>Secured against Land &amp; Building situated at 54, EHTP Gurgaon, Export Receivables and A-86/Sec-57, NOIDA land &amp; building and Plant &amp; Machineries at NOIDA and personal guarantee of the Directors</i> )	-	-
<b>Total</b>	<b>-</b>	<b>57,850,274</b>
<b>6 OTHER CURRENT LIABILITIES</b>		
Other payables	35,313,199	40,078,799
Advance from customer	196,923,563	-
<b>Total</b>	<b>232,236,762</b>	<b>40,078,799</b>
<b>7 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	1,267,213	1,577,219
Others	7,187,683	10,030,000
<b>Total</b>	<b>8,454,896</b>	<b>11,607,219</b>

## 8. Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 1, 2015	ADDITIONS	Deductions	As at March 31, 2016	Upto March 31, 2015	For the Year	Deductions/ Adjustments	As at April 1, 2015	As at March 31, 2016
Land									
Freehold	139,435,856	96,183,943	-	235,619,799	-	-	-	139,435,856	235,619,799
Buildings	87,398,831	-	-	87,398,831	25,553,360	3,011,878	-	61,845,471	58,833,593
Furniture, fixtures and office equipment				-					
Furniture & Fixtures	41,582,791	424,244	-	42,007,035	28,697,928	3,274,465	-	12,884,863	10,034,642
Office Equipment	70,959,328	2,141,998	-	73,101,326	51,959,141	8,441,566	-	19,000,187	12,700,619
Vehicles	3,853,675	3,850,000	-	7,703,675	3,573,389	1,284,608	-	280,286	2,845,678
Computers	658,831,408	4,628,983	-	663,460,391	601,548,435	11,237,292	-	57,282,973	50,874,664
Total (Tangible)	1,002,061,889	107,229,168	-	1,109,291,057	711,332,253	27,249,809	-	290,729,636	370,708,994
Capital WIP (Tangible)	167,988,919	17,096,936	-	185,085,855	-	-	-	167,988,919	185,085,855

## 9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at April 1, 2015	ADDITIONS	Deductions	As at March 31, 2016	Upto March 31, 2015	For the Year	Deductions/ Adjustments	As at April 1, 2015	As at March 31, 2016
Software & IPR	3,582,419,243	-	-	3,582,419,243	1,481,441,809	361,389,763	-	2,100,977,434	1,739,587,670
Total (Intangible)	3,582,419,243	-	-	3,582,419,243	1,481,441,809	361,389,763	-	2,100,977,434	1,739,587,670
Capital WIP (Intangible)	-	-	-	-	-	-	-	-	-

<b>PARTICULARS</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>(₹)</b>	<b>(₹)</b>
<b>10 NON-CURRENT INVESTMENTS</b>		
<b>(AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments - Non Traded Unquoted		
<b>In Associates</b>		
<i>M/s.Enstaserv eServices Ltd 9980</i>		
<i>Equity shares of Rs. 10/- each fully paidup</i>	-	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity</i>		
<i>Shares of Rs. 10/- fully paid</i>	50,000	50,000
<b>Others</b>		
<i>M/s. Pumarth Prperties &amp; Holdings Private 400000</i>		
<i>equity shares @ Rs. 10 each at premium of Rs 215</i>	90,000,000	90,000,000
<i>M/s Indian Durobuild Private Limited, 250000 Equity</i>		
<i>Shares of Rs. 10 each fully paid up</i>	2,500,000	2,500,000
<i>M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity</i>		
<i>Shares of Rs.1700/- at premium i.e. Rs. 10 each per</i>		
<i>Share and premium @ Rs.1690</i>	-	612,000,000
<i>M/s Master Talant Eduservices Pvt. Ltd. 155000 Equity</i>		
<i>Shares of Rs.80/- at premium i.e. Rs. 10 each per</i>		
<i>Share and premium @ Rs.70</i>	12,400,000	-
<i>M/s Confluo Eservices Pvt. Ltd. 234000 Equity Shares</i>		
<i>of Rs.50/- at premium i.e. Rs. 10 each per Share and</i>		
<i>premium @ Rs.40</i>	11,700,000	-
<i>M/s Readystate Infraservices Private Limited 1,44,000</i>		
<i>Equity Shares of Rs.1500/- at premium i.e. Rs. 10 each</i>		
<i>per Share and premium @ Rs.1490 and 47500</i>		
<i>Equity Shares of Rs.1151/- at premium i.e. Rs. 10 each</i>		
<i>per Share and premium @ Rs.1141</i>	120,672,500	264,672,500
<i>M/s. Karma Lakelands Pvt Ltd, 137000 equity shares</i>		
<i>@ Rs. 10 each at premium of Rs 62.99*</i>	10,975,600	-
<i>M/s. Competent Infoways Pvt. Ltd. 31000 equity shares</i>		
<i>@ Rs. 10 each at premium of Rs 92*</i>	3,470,484	
<i>M/s. Maksad Infracon Pvt. Ltd. 75000 equity shares</i>		
<i>@ Rs. 10 each at premium of Rs 94*</i>	7,560,965	
<i>M/s Indian Durobuild Private Limited, 175000</i>		
<i>Equity Sharesof Rs. 10 each and premium of Rs.0.5*</i>	2,017,315	
<i>M/s Indian Probuild Private Limited, 800000</i>		
<i>Equity Sharesof Rs. 10 each fully paid*</i>	8,780,480	
<i>M/s RPG Securities &amp; Finacial Services Llimited, 34900</i>		
<i>Equity Sharesof Rs. 10 each and premium of Rs.92.9</i>	3,591,000	
<i>M/s Passion IT Solutions Pvt Ltd, 21,890 Equity</i>		
<i>Sharesof Rs. 10 each and premium of Rs.90</i>	2,189,000	
<i>M/s Trimurti Petrochemicals &amp; Allied Services Pvt. Ltd,</i>		
<i>80,000 Equity Sharesof Rs. 10 each and premium of Rs.46</i>	4,480,000	
<i>Others Investment</i>	1,723,771	
<i>Good will M/s Insync Business Solutions Limited**</i>	126,100	126,100
<b>Total</b>	<b>283,237,216</b>	<b>969,448,400</b>

Note:

\*Investment includes Rs. 30,04,845/- as interest paid toward on loan during the year.

\*\*Represents the amount paid over and above NAV by FCS Software Solutions Ltd commensurate with the AS-23 issued by ICAI

<b>PARTICULARS</b>	<b>2015-2016 (`)</b>	<b>2014-2015 (`)</b>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Advances to others	580,541,342	562,754,195
Security Deposits	4,254,243	4,108,598
Excise Deposits (PLA)	5,544	5,544
<b>Total</b>	<b>584,801,129</b>	<b>566,868,337</b>
<b>12 PRELIMINERY &amp; OTHER MISC EXPENSES</b>		
Deferred Business Development Exp	380,020,945	456,025,133
Preliminary Exp	80,856	4,857
GDR Expenses	935,197	4,030,301
<b>Sub total</b>	<b>381,036,998</b>	<b>460,060,291</b>
Less: Deferred Business Development Exp W/o	76,004,189	76,004,189
Less: Preliminary Exp W/o	76,866	4,857
Less: GDR Expenses W/o	-	1,067,404
Less: Capital Enhancement Exp W/o	935,197	2,027,700
<b>Total</b>	<b>304,020,746</b>	<b>380,956,142</b>
<b>13 INVENTORIES</b>		
Work-in-Process	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>14 TRADE RECEIVABLES</b>		
Unsecured		
Sundry Debtors	90,426,683	94,284,144
<b>Total</b>	<b>90,426,683</b>	<b>94,284,144</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	251,638,612	353,776,323
Cash on hand	10,388,278	1,288,247
Others	69,912,702	72,578,435
<b>Total</b>	<b>331,939,592</b>	<b>427,643,005</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
Other Loans and Advances (Employees, unexpired expenses etc.)	4,526,409	6,159,325
Advance to Suppliers	9,707,209	8,437,959
Advances to others	72,731,370	6,286,672
<b>Total</b>	<b>86,964,988</b>	<b>20,883,956</b>



<b>PARTICULARS</b>	<b>2015-2016 (₹)</b>	<b>2014-2015 (₹)</b>
<b>17 OTHER CURRENT ASSETS</b>		
Interest Accrued on Fixed Deposit	1,160,079	6,427,008
With Statutory Authorities <i>(Includes earlier years)</i>	66,565,450	73,725,728
CENVAT Credits	2,725,707	830,720
Income accrued, but not due	11,053,194	1,166,519
<b>Total</b>	<b>81,504,431</b>	<b>82,149,975</b>
<b>18 REVENUE FROM OPERATIONS (FOR COMPANIES OTHER THAN A FINANCE COMPANY)</b>		
Revenue from - Software Development & Other Services	424,902,853	794,120,088
- Decrease/Increase in Work-in -Process	-	(28,564,864)
<b>Total</b>	<b>424,902,853</b>	<b>765,555,224</b>
<b>19 OTHE INCOME</b>		
Interest income	86,732,973	46,930,394
Applicable net gain foreign currency transactions	944,935	3,096,721
Rent Income	20,173,662	13,080,080
Amount Written Back	1,037,986	172,648
<b>Total</b>	<b>108,889,556</b>	<b>63,279,842</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, Bouns & Subcontracting exp	313,995,532	553,349,904
Contribution to provident and other funds	6,807,285	7,497,481
Software Consultancy Charges	9,152,997	7,622,080
Staff welfare expenses	5,807,435	7,510,050
<b>Total</b>	<b>335,763,249</b>	<b>575,979,515</b>
<b>21 FINANCE COSTS</b>		
Interest expenses	50,441,721	8,421,219
<b>Total</b>	<b>50,441,721</b>	<b>8,421,219</b>

<b>PARTICULARS</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>(₹)</b>	<b>(₹)</b>
<b>22 OTHER EXPENSES</b>		
Salaries & Staff Benefits	19,260,054	30,568,037
Advertisement Expenses	94,112	100,861
Bank Charges/Interest	1,463,936	3,598,559
Travelling & Conveyance	27,358,848	28,070,836
Power & Fuel	16,008,631	21,264,667
Computer Consumables	109,892	65,166
Telephone, Postage & Telegraph	29,774,054	46,993,845
Rent	759,123	2,619,230
Legal & Professional charges	7,916,840	11,933,551
Insurance Charges	2,952,410	3,094,028
Meeting Fees	240,000	246,000
<u>Auditor's Remuneration</u>		
-Audit Fees	989,175	885,591
-Tax Audit Fee	142,500	142,500
Printing & Stationary	2,412,780	3,587,207
Repair And Maintenance	7,601,318	9,719,073
Security Charges	3,143,334	3,709,534
Rates & Taxes	230,169	550,034
Filing Fee/ Other Roc Expenses	242,935	87,658
News Papers, Books & Periodicals	17,885	18,233
Office Maintenance	4,639,667	5,807,116
Amount Written Off	8,172,470	690,297
Bad & Doubtful Debts	2,789,785	28,266,903
<b>Total</b>	<b>136,319,916</b>	<b>202,018,926</b>

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**23.0** FCS Software Solutions Limited ('FCS' or 'the Company' or 'the holding Company') was incorporated on 05<sup>th</sup> May, 1993. The initial public offer was made in 2005, the company is listed on two stock exchanges in India namely National Stock exchange and Bombay stock exchange.

The Company has its wholly owned subsidiaries in USA, China, Germany, UAE and India (the Company and its subsidiaries constitute 'the group'). The group business consists of software product development and marketing and providing support services mainly for corporate business entities in the BPO, software development and e-learning service sector.

### **23. Significant Accounting Policies**

#### **23.1 Basis for preparation.**

The consolidated financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") and mandatory accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("2013 Act"), as applicable and guidelines issued by

the Securities and Exchange Board of India (“SEBI”). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

## 23.2 Principles of consolidation

**These consolidated financial statements relate to the holding company and its subsidiaries (hereinafter collectively referred as “the Group”), which are as follows:**

<b>Name of the Company</b>	<b>% Shareholding</b>	<b>Country of incorporation</b>
FCS Software Solutions America Ltd.	100	USA
FCS SOFTWARE MIDDLE EAST FZE	100	UAE
FCS Software (Shanghai) Co., Ltd	100	China
FCS SOFTWARE SOLUTIONS GmbH	100	Germany
Insync Business Solutions Limited	100	India
Innova Eservcies Pvt. Ltd.	99.31	India
Stablesecure Infraservices Pvt. Ltd	99.92	India
Zero time constructions Pvt. Ltd	99.95	India
cGain Analytics Pvt. Ltd	99.56	India
Heimdahl Software Systems Pvt. Ltd	98.97	India

The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on “Consolidated Financial Statements” specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“2013 Act”), as applicable.

The financial statements of all the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.

The financial statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating intercompany balances/transactions and resulting unrealised profits in full. Unrealised losses resulting from intercompany transactions have also been eliminated except to the extent that the recoverable value of related assets is lower than their cost to the Group. The amount shown in respect of reserves comprise the amount of relevant reserves as per the Consolidated Balance Sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

The consolidated financial statements are prepared, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

The consolidated financial statements are prepared using uniform accounting policies for the transaction and other events in similar circumstances, except as disclosed otherwise.

## 23.3 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 239.

#### **23.4 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

#### **23.5 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **23.6 Foreign exchange transactions and translation of financial statements of foreign subsidiaries**

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Consolidated Statement of Profit and Loss. Monetary current assets and monetary current liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of Consolidated Balance Sheet. The resulting difference is recorded in the Consolidated Statement of Profit and Loss.

The Group follows Accounting Standard (AS) 30 – “Financial Instruments: Recognition and Measurement” to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

The financial statements of the foreign subsidiaries being integral operations are translated into Indian rupees as follows:

- a) Income and expense items are translated at the weighted average exchange rates.
- b) Monetary assets and liabilities denominated in foreign currencies as at the Consolidated Balance Sheet date are translated at the exchange rates on that date.
- c) Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.
- d) All resulting exchange differences are recognised in the Consolidated Statement of Profit and Loss of the reporting period.
- e) Contingent liabilities are translated at the closing rate.

The financial statements of the foreign subsidiaries being non-integral operations are translated into Indian rupees as follows:

- a) Income and expense items are translated at the weighted average exchange rates.
- b) Assets and liabilities, both monetary and non-monetary are translated at the closing rate.
- c) All resulting exchange differences are accumulated in a foreign currency translation reserve which is reflected under reserves and surplus.
- d) Contingent liabilities are translated at the closing rate.

### **23.7 Other Income**

Interest income is accounted on accrual basis. Rental income comprising of rent and other related services from operating lease is recognised in the Consolidated Statement of Profit and Loss on accrual basis.

### **23.8 Expenditure**

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

### **23.9 Depreciation**

Depreciation on fixed assets is provided using the written down value method, as rates specified in schedule II of the Companies Act, 2013. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

### **23.10 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 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.

### **23.11 Investment**

Investments are classified into long-term and current investments based on the intent of management at the time of acquisition. Long-term investments including investment in subsidiaries are stated at cost. Current investments are stated at the lower of cost and the fair value.

### **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.

### **23.14 Taxation**

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Minimum Alternate Tax (MAT) considered in accordance with the tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Consolidated Balance Sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

### **23.15 Impairment**

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.

### **23.16 Service tax /VAT input credit**

Service tax/VAT input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **23.17 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”, on ‘Segment Reporting’ specified as per section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The segment is based on the Geographies in which group operates and internal reporting systems.

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

**For the Year Ended 31st March 2016** (Amount in Lacs)

Description	INDIA	USA	CHINA	Total
Revenue from external customers	1,206.04	2,954.59	88.40	4,249.03
Expenses	444.07	3,001.91	78.22	3,524.20
Segment Result	761.98	(47.32)	10.18	724.83
Unallocated Expenses				5,853.19
Operating Profit Before Taxation				(5,128.36)
Other Income				1,088.90
Finance Charges				504.42
Profit Before Tax & Prior Period Adj.				(4,543.88)
Prior Period Adjustment (Income)/ Expenses				4.94
Provision for Taxation				71.88
Provision for Deferred Tax				(20.86)
<b>Net Profit After Tax</b>				<b>(4,599.83)</b>
Extraordinary Items				5,252.88
<b>Net Profit(+)/ Loss(-) for the period</b>				<b>(9,852.71)</b>

**For the Year Ended 31st March 2015** (Amount in Lacs)

Description	INDIA	USA	CHINA	Total
Revenue from external customers	1,852.69	5,825.05	263.46	7,941.20
Expenses	708.65	5,131.01	205.79	6,045.44
Segment Result	1,144.03	694.05	57.68	1,895.76
Unallocated Expenses				6,868.35
Operating Profit Before Taxation				(4,972.59)
Other Income				632.80
Finance Charges				84.21
Profit Before Tax & Prior Period Adj.				(4,424.00)
Prior Period Adjustment (Income)/ Expenses				0.22
Provision for Taxation				100.30
Provision for Deferred Tax				(28.25)
<b>Net Profit After Tax</b>				<b>(4,496.27)</b>

**23.18 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.

	(Amt. in `)	
	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
Profit After taxation available to equity shareholders (rupees)	(985,271,115)	(449,628,029)
Weighted average number of equity shares used in Calculating basic earnings per share	1659553100	1659553100
Add: Effect of diluted issue of shares	-	Nil
Weighted average number of equity shares used in Calculating diluted earnings per share	1799553100	1799553100
<b>Face Value of Shares (Rupees)</b>	Rs. 1/-	Rs. 1/-
Basic earnings per share (Rupees)	(0.59)	(0.27)
Diluted earnings per share (Rupees)	(0.55)	(0.25)

### **23.19. Related Party Transactions:**

	(Amt. in `)	
	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
<b>Lord Buddha Educational Society:</b>		
- Loans & Advances	Nil	193,699,560/-
- REPAYMENT OF LOAN	36,524,157/-	Nil
- DONATION Paid	Nil	Nil
- INTERES Received	54,447,083/-	33,891,401/-
<b>Outstanding Balances as at year end:</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
1. Lord Buddha Educational Society	424,264,513/-	460,788,670/-

### **23.20 Material Events.**

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

### **23.21 Contingent liabilities**

The company has no letters of credit outstanding issued to various vendors as at March 31, 2016.

### **23.22 Payment to Auditors.**

	<b>Current Year</b>	<b>Previous Year</b>
Audit Fee	939,175/-	835,591/-
Tax Audit Fee	142,500/-	142,500/-
Internal Audit	50,000/-	50,000/-
In other capacity	NIL	NIL

### **23.23 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.



**23.24 Imports On CIF basis.**
*(Amt. in Rs.)*

	31/03/2016	31/03/2015
Capital Goods	Nil	Nil
Software Packages	Nil	Nil

**23.25 Expenditure in Foreign Currency.**

	31/03/2016	31/03/2015
Expenditure incurred overseas:		
- By USA	88,938,931	285,848,405
- By UAE	0	2,751,826
- By China	9,713,050	27,314,456
- By Germany	456,894	480,814
- By India Office	Nil	Nil

**23.26 Earning in foreign exchange**

	31/03/2016	31/03/2015
Income from software development services and products	304,298,489	608,851,452

**23.27** As explained to us, during the year the Corporate Social Responsibility (CSR) committee has been formed by the Company, however the Company does not qualified the norms specified as required under section 135 of Companies Act, 2013 to contribute towards CSR.

**23.28** Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

**AUDITOR'S REPORT**

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 : New Delhi  
Date : May 30, 2016

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

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

Sd/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF FCS SOFTWARE SOLUTIONS LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **FCS SOFTWARE SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This Responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing under Section-143(10) of the Act. 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 misstatements.

An audit involves performing procedures to obtain audit evidences 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditors consider internal financial controls relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016 and its Loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act and Companies (Audit and Auditors) Rule 2014, we report that:
  - (a) We have sought and 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 and the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2016 and taken on record by the board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amount required to be transferred to the investor education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the order.

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

Place : New Delhi  
Dated : 30.05.2016

Sd/-  
**Vinod Gupta**  
FCA (Partner)

## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **FCS SOFTWARE SOLUTIONS LIMITED** ('the Company') as of 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "internal Control over financial reporting criteria established by the Company considering essential components of internal control stated in guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Place : New Delhi  
Dated : 30.05.2016

Sd/-  
**Vinod Gupta**  
FCA (Partner)

### **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In

respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

2. The Company does not have any inventory and hence reporting under Clause 3 (ii) of the Order are not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and accordingly, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the Company.
7. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for Customs Duty and Excise Duty.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes.
8. According to the information and explanations given to us and the records examined by us, the Company has not taken any loans from financial institutions, banks and government nor has it issued any debentures. Accordingly, the provisions of clause 3(Viii) of the Order are not applicable to the Company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : New Delhi  
Dated : 30.05.2016

Sd/-  
**Vinod Gupta**  
FCA (Partner)

## BALANCE SHEET AS AT 31ST MARCH 2016

PARTICULARS	Note No.	As on 31-03-2016 AMOUNT (₹)	As on 31-03-2015 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	1,659,553,100	1,659,553,100
(b) Advance Prefrential Share Warrants		72,500,000	35,000,000
(c) Reserves and Surplus	2	3,683,617,626	4,192,298,222
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	2,136,000	-
(b) Long-term provisions	4	6,589,750	6,349,641
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	-	57,850,274
(b) Trade payables		9,769,390	15,620,131
(c) Other current liabilities	6	223,485,861	35,397,646
(d) Short-term provisions	7	5,797,066	8,963,824
<b>Total</b>		<b>5,663,448,793</b>	<b>6,011,032,838</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	274,179,184	290,540,622
(ii) Intangible assets	9	11,781,163	19,408,835
(iii) Capital work-in-progress -Tangible		183,551,133	167,988,919
(iv) Capital work-in-progress - Intangible		-	-
(b) Non-current investments	10	4,102,895,009	4,396,195,509
(c) Deferred tax assets (net)		12,831,534	10,791,071
(d) Long term loans and advances	11	584,736,129	566,853,337
(e) Preliminary & other Misc Expenses	12	-	935,197
<b>(2) Current assets</b>			
(a) Work-in -Process	13	-	-
(b) Trade receivables	14	78,804,170	84,264,727
(c) Cash and cash equivalents	15	262,318,818	386,898,374
(d) Short-term loans and advances	16	85,030,738	13,998,452
(e) Other current assets	17	67,320,915	73,157,795
<b>Total</b>		<b>5,663,448,793</b>	<b>6,011,032,838</b>

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

Place : New Delhi  
Date : May 30, 2016

For and on behalf of the board of directors  
**For FCS Software Solutions Limited**

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

Sd/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary



**PROFIT & LOSS STATEMENT FOR THE  
YEAR ENDED 31ST MARCH 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As on 31-03-2016 AMOUNT (₹)</b>	<b>As on 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	18	264,566,147	548,496,819
II. Other Income	19	97,896,334	63,978,077
<b>III. Total Revenue (I +II)</b>		<b>362,462,481</b>	<b>612,474,897</b>
<b>IV. EXPENSES</b>			
Employees benefit expenses	20	211,796,624	397,514,760
Financial costs	21	4,594,440	8,421,219
Depreciation and amortization expense		35,292,157	54,933,889
Other expenses	22	104,077,790	138,423,354
<b>Total Expenses</b>		<b>355,761,011</b>	<b>599,293,221</b>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		6,701,470	13,181,676
VI. Exceptional Items		525,781,722	22,419
<b>VII. Profit before tax (V - VI)</b>		<b>(519,080,252)</b>	<b>13,159,257</b>
<b>VIII Tax expense:</b>			
Current tax		4,543,597	7,412,000
Deferred tax		(2,040,463)	(2,810,423)
<b>IX. Profit/(Loss) from the peroid from continuing operations (VII - VIII)</b>		<b>(521,583,386)</b>	<b>8,557,680</b>
X. Earning per equity share:			
(1) Basic		(0.31)	0.01
(2) Diluted		(0.29)	0.01

For **SPMG & COMPANY**  
Chartered Accountants  
Firm Registration Number: 509249C

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

Place : New Delhi  
Date : May 30, 2016

For and on behalf of the board of directors  
**For FCS Software Solutions Limited**

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

Sd/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED  
31st MARCH, 2016**

<b>PARTICULARS</b>	<b>Year Ended 31.03.2016 ( ' )</b>	<b>Year Ended 31.03.2015 ( ' )</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	(519,080,252)	13,159,257
Adjustments For :		
Depreciation and Amortization	34,356,960	51,838,785
GDR/Deferred Business Development Expenses W/o	935,197	3,095,104
Prior Period Expenditure	525,781,722	22,419
Finance Charges	4,594,440	8,421,219
<b>Cash from Operations before Working Capital Changes</b>	<b>46,588,067</b>	<b>76,536,784</b>
Adjustments for changes in Working Capital:		
(Increase)/Decrease in Work-in-Process	-	28,564,864
(Increase)/Decrease in Trade Receivables	5,460,557	160,958,974
(Increase)/Decrease in Loans and Advances	(88,915,078)	(233,914,911)
(Increase)/Decrease in Other Current Assets	5,836,879	(10,069,918)
Increase/(Decrease) in Trade Payables	(5,850,741)	(1,925,226)
Increase/(Decrease) in Current Liabilities	188,088,214	(4,758,385)
Increase/(Decrease) in Provisions	(58,246)	1,451,687
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (1)</b>	<b>151,149,652</b>	<b>16,843,869</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and change in Capital Work-In-Progress	25,930,065	(74,442,104)
(Increase)/Decrease in Investments	(293,300,500)	55,888,940
<b>NET CASH FROM IN INVESTING ACTIVITIES (2)</b>	<b>(267,370,435)</b>	<b>(18,553,164)</b>

<b>PARTICULARS</b>	<b>Year Ended 31.03.2016 ( ' )</b>	<b>Year Ended 31.03.2015 ( ' )</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance pursuant to Pref. Share Warrant	37,500,000	35,000,000
Proceed from Long Term Borrowings	(55,714,274)	(23,065,345)
Increase in Foreign Currency transaction Reserve	13,452,159	33,009,558
Income Tax Paid	(7,961,367)	(4,514,947)
Prior Period Expenditure	(525,781,722)	(22,419)
Finance Charges	(4,594,440)	(8,421,219)
<b>NET CASH USED IN FINANCING ACTIVITIES (3)</b>	<b>(543,099,644)</b>	<b>31,985,628</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b>(124,579,557)</b>	<b>67,382,661</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>386,898,375</b>	<b>319,515,714</b>
<b>CLOSING BALANCE OF CASH EQUIVALENTS</b>	<b>262,318,818</b>	<b>386,898,375</b>

**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 : New Delhi  
Date : May 30, 2016

For and on behalf of the board of directors  
**For FCS Software Solutions Limited**

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

Sd/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary

## SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2016

Note No.	2015-2016 (`)	2014-2015 (`)
<b>1. SHARE CAPITAL</b>		
Equity Share Capital		
Authorised Share capital		
185,00,00,000 Equity Shares of Re. 1/- each	1,850,000,000	1,850,000,000
	<u>1,850,000,000</u>	<u>1,850,000,000</u>
<b>A. Issued, subscribed &amp; fully paid share capital</b>		
165,95,53,100 EQUITY SHARES OF Re. 1/- EACH	1,659,553,100	1,659,553,100
[Out of the above 30,00,000 shares of Rs. 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 Rs. 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 Rs. 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 Rs. 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]		
[Out of the above 10,00,00,000 shares of Rs. 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09]		
[Out of the above 26,47,76,550 shares of Rs. 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 Rs. 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]		
[Out of the above 40,00,00,000 shares of Rs. 1/- each have been issued upon conversion of preferential warrents dt. 26.02.2014]		
<b>Total</b>	<u>1,659,553,100</u>	<u>1,659,553,100</u>
<b>B. Shareholders holding more than 5% of the Ordinary Shares in the Company</b>		
	<b>2015-2016</b>	<b>2014-2015</b>
	<u>(No. of Shares)</u>	<u>(No. of Shares)</u>
	%	%
Mr. Dalip Kumar	185,916,060	185,790,060
	11.20	11.20
<b>C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five immediately preceding Years</b>		
<b>PARTICULARS</b>	<b>2015-2016</b>	<b>2014-2015</b>
	(`)	(`)
No Bonus Shares allotted for the period of five immediately preceding Years		

<b>PARTICULARS</b>	<b>2015-2016</b> <b>(₹)</b>	<b>2014-2015</b> <b>(₹)</b>
<b>2 RESERVES AND SURPLUS</b>		
<b>Surplus in Statement of Profit &amp; Loss</b>		
At the beginning of the Year	1,061,741,149	1,059,206,040
Profit & loss account for the year	(521,583,386)	8,557,680
Add/(Less): Adjustment on Dep. Previous year	-	(2,126,205)
Add/(Less): Excess Provision Made Last Year	(549,369)	(3,896,366)
	<u>539,608,395</u>	<u>-</u>
Capital Reserves	188,103,250	188,103,250
<b>Share Premium Account</b>	2,509,944,010	2,509,944,010
<b>General Reserve</b>		
At the beginning of the Year	290,430,982	290,430,982
Add : Transferred during the Year	<u>290,430,982</u>	<u>-</u>
Foreign Currency Transalation Reserve	155,530,990	142,078,831
<b>Total</b>	<b><u><u>3,683,617,626</u></u></b>	<b><u><u>4,192,298,222</u></u></b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
ICICI Bank Ltd. - ( <i>hypothecated against vehicle</i> )	-	-
HSIIDC AUTHORITY - ( <i>pledged against first charge over Land situated at (Plot No. 11, sector, 22, it park, panchkula)</i> )	2,136,000	-
<b>Unsecured</b>		
Loans From Directors & Others*	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u><u>2,136,000</u></u></b>	<b><u><u>-</u></u></b>
<i>*represents non-interest bearing borrowings</i>		
<b>4 LONG-TERM PROVISIONS</b>		
Provisions for employee benefits		
Retirement benefits	<u>6,589,750</u>	<u>6,349,641</u>
<b>Total</b>	<b><u><u>6,589,750</u></u></b>	<b><u><u>6,349,641</u></u></b>

PARTICULARS	2015-2016 (₹)	2014-2015 (₹)
<b>5 SHORT-TERMS BORROWINGS</b>		
Secured		
Canara Bank-Working capital (Secured against Land & Building situated at 54, EHTP Gurgaon, Export Receivables and A-86/Sec-57, NOIDA land & building and Plant & Machineries at NOIDA and personal guarantee of the Directors)	-	-
Canara Bank OD Account - ( <i>Secured against fixed deposit</i> )	-	57,850,274
<b>Total</b>	<b>-</b>	<b>57,850,274</b>
<b>6 OTHER CURRENT LIABILITIES</b>		
Other payables	26,562,298	35,397,646
Advance from Customer	196,923,563	
<b>Total</b>	<b>223,485,861</b>	<b>35,397,646</b>
<b>7 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	1,253,469	1,551,824
Others	4,543,597	7,412,000
<b>Total</b>	<b>5,797,066</b>	<b>8,963,824</b>

## 8. Tangible

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2015	ADDITIONS	Deductions	As at March 31, 2016	Upto March 31, 2015	For the Year	Deductions/ Adjustments	As at March 31, 2016	As at April 1, 2015	As at March 31, 2016
Land										
Freehold	139,435,856	513,984	-	139,949,840	-	-	-	-	139,435,856	139,949,840
Buildings	87,398,831	-	-	87,398,831	25,553,360	3,011,878	-	28,565,238	61,845,471	58,833,593
Furniture, fixtures and office equipment:										
Furniture & Fixtures	41,448,891	176,760	-	41,625,651	28,603,551	3,200,130	-	31,803,681	12,845,340	9,821,970
Office Equipment	70,959,328	1,776,866	-	72,736,194	51,959,141	8,278,743	-	60,237,884	19,000,187	12,498,310
Vehicles	3,853,675	3,850,000	-	7,703,675	3,573,389	1,284,608	-	4,857,997	280,286	2,845,678
Computers	658,038,808	4,050,241	-	662,089,049	600,905,326	10,953,929	-	611,859,255	76,542,317	50,229,794
Total (Tangible)	1,001,135,389	10,367,851	-	1,011,503,240	710,594,767	26,729,288	-	737,324,055	309,949,457	274,179,185
Capital WIP (Tangible)	167,988,919	15,562,214	-	183,551,133	-	-	-	-	167,988,919	183,551,133

## 9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 1, 2015	ADDITIONS	Deductions	As at March 31, 2016	Upto March 31, 2015	For the Year	Deductions/ Adjustments	As at April 1, 2015	As at March 31, 2016
Software & IPR	36,867,259	-	-	36,867,259	17,458,424	7,627,672	-	19,408,835	11,781,163
Total (Intangible)	36,867,259	-	-	36,867,259	17,458,424	7,627,672	-	19,408,835	11,781,163

<b>PARTICULARS</b>	<b>2015-2016 (`)</b>	<b>2014-2015 (`)</b>
<b>10 NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments - Non Traded Unquoted		
<b>In Associates</b>		
M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000	50,000
<b>Others</b>		
M/s. Pumarth Properties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000	90,000,000
M/s Readystate Infraservices Private Limited 44,000 Equity Shares of Rs.1500/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1490 and 47500 Equity Shares of Rs.1151/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1141	120,672,500	264,672,500
M/s Indian Durobuild Private Limited, 250000 Equity Shares of Rs. 10 each fully paid up	2,500,000	2,500,000
M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of Rs.1700/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1690	-	612,000,000
<b>In Subsidiaries</b>		
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.10/- fully paid	626,100	626,100
M/s Cgain Analytics Pvt. Ltd. 2300000 Equity Shares of Rs.10/- fully paid	23,000,000	
M/s Heimdahl Software Systems Pvt. Ltd. 961538 Equity Shares of Rs.26/- at premium i.e. Rs. 10 each per Share and premium @ Rs.16	25,000,000	
M/s Innova Eservices Pvt. Ltd. 1450000 Equity Shares of Rs.10/-	14,500,000	
M/s Stablesecure Infraservices Pvt. Ltd. 12750000 Equity Shares of Rs.10/-	127,500,000	
M/s Zero time constructions Pvt. Ltd. 19000000 Equity Shares of Rs.10/-	190,000,000	
M/s.Enstaserv eServices Ltd 9980 Equity shares of Rs.10/- each fully paidup.	82,799,300	8,279,930
100000 Equity shares of AED 1/- each fully paidup in 2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE USD 1.00 PAR VALUE OF 701,000 COMMON STOCK In FCS Software Solutions America Ltd.	3,378,045,643	3,378,045,643
100000 Equity shares of EURO 1/- each fully paidup in 2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE SOLUTIONS GmbH FCS Software (Shanghai) Co., Ltd	44,858,742	44,858,742
	2,126,285	2,126,285
	1,216,440	1,216,440
<b>Total</b>	<b>4,102,895,009</b>	<b>4,396,195,509</b>



<b>PARTICULARS</b>	<b>2015-2016 (`)</b>	<b>2014-2015 (`)</b>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Advances to others	580,541,342	562,754,195
Security Deposits	4,189,243	4,093,598
Excise Deposits (PLA)	5,544	5,544
<b>Total</b>	<b>584,736,129</b>	<b>566,853,337</b>
<b>12 PRELIMINERY &amp; OTHER MISC EXPENSES</b>		
Deferred Business Development Exp		
GDR Expenses & Capital Enhancement Exp	935,197	4,030,301
<b>Sub total</b>	<b>935,197</b>	<b>4,030,301</b>
Less: GDR Expenses W/o	-	1,067,404
Less: Capital Enhancement Exp W/o	935,197	2,027,700
<b>Total</b>	<b>-</b>	<b>935,197</b>
<b>13 INVENTORIES</b>		
Work-in-Process	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>14 TRADE RECEIVABLES</b>		
Unsecured		
Sundry Debtors	78,804,170	84,264,727
<b>Total</b>	<b>78,804,170</b>	<b>84,264,727</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	187,458,952	314,149,258
Cash on hand	4,947,164	610,682
Deposits Account	69,912,702	72,138,435
<b>Total</b>	<b>262,318,818</b>	<b>386,898,374</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
Other Loans and Advances		
(Employees, unexpired expenses etc.)	4,522,159	5,560,493
Advance to Suppliers	9,707,209	8,437,959
Advances to others	70,801,370	-
<b>Total</b>	<b>85,030,738</b>	<b>13,998,452</b>

<b>PARTICULARS</b>	<b>2015-2016 (₹)</b>	<b>2014-2015 (₹)</b>
<b>17 OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	1,077,550	6,365,156
With Statutory Authorities <i>(Includes earlier years)</i>	56,996,197	64,975,027
CENVAT Credits	1,243,704	651,092
Income accrued, but not due	8,003,464	1,166,519
<b>Total</b>	<b>67,320,915</b>	<b>73,157,795</b>
<b>18 REVENUE FROM OPERATIONS</b>		
Revenue from - Software Development & Other Services	264,566,147	577,061,683
- (Decrease)/Increase in Work-in -Process	-	(28,564,864)
<b>Total</b>	<b>264,566,147</b>	<b>548,496,819</b>
<b>19 OTHE INCOME</b>		
Interest income	74,250,958	46,077,181
Net gain\ (Loss) on foreign currency transactions	944,935	3,096,721
Rent Income	21,733,662	14,640,080
Amount Written Back	966,779	164,096
<b>Total</b>	<b>97,896,334</b>	<b>63,978,077</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, Bouns & Subcontracting exp	196,949,191	374,245,322
Contribution to provident and other funds	4,554,395	5,723,968
Gratuity	2,834,820	2,414,340
Software Consultancy Charges	1,752,997	7,622,080
Staff welfare expenses	5,705,221	7,509,050
<b>Total</b>	<b>211,796,624</b>	<b>397,514,760</b>
<b>21 FINANCE COSTS</b>		
Interest expenses	4,594,440	8,421,219
<b>Total</b>	<b>4,594,440</b>	<b>8,421,219</b>

<b>PARTICULARS</b>	<b>2015-2016</b> <b>(₹)</b>	<b>2014-2015</b> <b>(₹)</b>
<b>22 OTHER EXPENSES</b>		
Salaries & Staff Benefits (Administrative)	15,717,882	20,831,444
Advertisement Expenses	94,112	100,861
Bank Charges/Interest	828,837	1,048,824
Travelling & Conveyance	25,158,476	25,940,309
Power & Fuel	16,008,631	21,264,667
Computer Consumables	109,892	65,166
Telephone, Postage & Telegraph	12,911,977	30,675,824
Rent	504,881	1,725,890
Legal & Professional charges	5,481,905	9,140,697
Insurance Charges	2,946,207	3,078,915
Meeting Fees	240,000	246,000
<u>Auditor's Remuneration:</u>		
-Audit Fees	857,500	857,500
-Tax Audit Fee	142,500	142,500
Printing & Stationary	2,269,189	3,521,293
Repair And Maintenance	7,601,318	9,719,073
Security Charges	3,143,334	3,709,534
Rates & Taxes	81,872	1,320
Filing Fee/ Other Roc Expenses	140,535	68,386
News Papers, Books & Periodicals	17,885	18,233
Office Maintenance	4,438,423	5,576,622
Amount Written Off	5,382,435	690,297
<b>Total</b>	<b>104,077,790</b>	<b>138,423,354</b>

## **NOTE-23: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

### **Company Overview**

FCS Software Solutions Limited ('FCS or 'the Company') was incorporated on 5 May, 1993 in India. The Company made an initial public offer in September 2005. As at 31 March, 2016, the Company is listed on two stock exchanges in India namely National Stock Exchange and Bombay Stock Exchange. The Company has its wholly owned subsidiaries in USA, China, Germany, UAE and India (the Company and its subsidiaries constitute 'the group'). The group business consists of software product development and marketing and providing support services mainly for corporate business entities in the BPO, software development and e-learning service sector.

### **23. Significant Accounting Policies**

#### **23. 1 Basis for preparation.**

- (i) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("2013 Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Accounting policies have been

consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. All Income and expenditure having a material bearing on the financial statements are recognized on the accrual Basis.

(ii) **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, 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 is recognized in accordance with the completion method. Income accrued but not due represents revenue recognized on contracts to be billed in the subsequent period, in accordance with terms of the contract. Further 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 as per 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.

**23.3. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**23.4. 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.

**23.5. 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.

**23.6. Depreciation**

Depreciation on fixed assets is provided using the written down value method, as rates specified in schedule II of the Companies Act, 2013. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

**23.7. 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.

**23.8. 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 as per 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.

**23.9. Investment**

Investments are classified into long-term and current investments based on the intent of management at the time of acquisition. Long-term investments including investment in subsidiaries are stated at cost. Current investments are stated at the lower of cost and the fair value.

Particulars	2015-16 (`)	2014-15 (`)
<b>NON-CURRENT INVESTMENTS</b>		
<b>(AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments - Non Traded Unquoted		
<b>In Associates</b>		
M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000	50,000
<b>Others</b>		
M/s. Pumarth Properties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000	90,000,000
M/s Readystate Infraservices Private Limited 44,000 Equity Shares of Rs.1500/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1490 and 47500 Equity Shares of Rs.1151/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1141	120,672,500	264,672,500
M/s India Durobuild Private Limited 250,000 Equity Shares of Rs. 10 each fully paid	2,500,000	2,500,000
M/s Master Talent Eduservices Pvt. Ltd. 360000 Equity Shares of Rs.1700/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1690	-	612,000,000
<b>In Subsidiaries</b>		
2706 Equity shares of AED 100000/- each fully paid up in M/s.FCS SOFTWARE MIDDLE EAST FZE	3,378,045,643	3,378,045,643
M/s.Enstaserv eServices Ltd 82,79,930 Equity shares of Rs.10/- each fully paid up.	82,799,300	99,800
M/s Innova Eservcies Pvt. Ltd. 1450000 Equity Shares of Rs.10/-	14,500,000	-
M/s Stablesecure Infraservices Pvt. Ltd. 12750000 Equity Shares of Rs.10/-	127,500,000	-
M/s Zero time constructions Pvt. Ltd. 19000000 Equity Shares of Rs.10/-	190,000,000	-
M/s Cgain Analytics Pv t. Ltd. 2300000 Equity Shares of Rs.10/- fully paid	23,000,000	-
M/s Heimdahl Software Systems Pvt. Ltd. 961538 Equity Shares of Rs.26/- at premium i.e. Rs. 10 each per Share and premium @ Rs.16	25,000,000	-
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.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	44,858,742
25000 Equity shares of EURO 1/- each fully paid up in M/s.FCS SOFTWARE SOLUTIONS GmbH	2,126,285	2,126,285
M/s. FCS Software (Shanghai) Co., Ltd	1,216,440	1,216,440
	<b>4,102,895,510</b>	<b>4,396,195,510</b>

### 23.10 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.

### 23.11 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 31.03.2016	Year Ended 31.03.2015
Profit After taxation available to equity shareholders (rupees)	(521,582,886)	8,557,640
Weighted average number of equity shares used in Calculating basic earning per share	1,659,553,100	1,659,553,100
Add: Effect of diluted issue of shares		Nil
Weighted average number of equity shares used in Calculating diluted earning per share	1,799,553,100	1,799,553,100
Face Value of Shares (Rupees)	Re. 1/-	Re. 1/-
Basic earnings per share (Rupees)	(0.31)	(0.01)
Diluted earnings per share (Rupees)	(0.29)	(0.01)

### 23.12 Income Tax

- 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.
- In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of Rs. 2,040,463/- for the year ended March 31, 2016, has been provided and the post tax profit has accordingly increased

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

	Year Ended 31.03.2016 ( )	Year Ended 31.03.2015 ( )
Deferred Tax( Liability)/Assets		
(1) Depreciation	10,751,514	8,802,407
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
-For Gratuity	883,623	792,267
-Leave Encashment	1,196,397	1,196,397
<b>Deferred Tax (Liability)/Assets (Net)</b>	<b>12,831,534</b>	<b>10,791,071</b>

### 23.13 Employees Stock Option Plan (ESOP).

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

### 23.14 Managerial Remuneration\*

	Year Ended 31.03.2016 (`)	Year Ended 31.03.2015 (`)
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	2,938,813	3,677,254
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	280,000	246,000
	<b>3,218,813</b>	<b>3,923,254</b>

### 23.15 Research & Development

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

### 23.16 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 31<sup>st</sup> March 2016 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.

### 23.17 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 2016**

(Amount in Lacs)

<b>Description</b>	<b>India</b>	<b>USA</b>	<b>Total</b>
Revenue from external customers	610.13	2035.63	2645.66
Expenses	140.70	2108.41	2249.11
Segment Result	469.43	(72.88)	396.55
Unallocated Expenses			1262.55
Operating Profit Before Taxation			(866.00)
Other Income			978.96
Finance Charges			45.94
Profit Before Tax & Prior Period Adj.			67.02
Prior Period Adjustment (Income)/ Expenses			4.94
Provision for Taxation			45.44
Provision for Deferred Tax			(20.40)
<b>Net Profit After Tax</b>			<b>37.05</b>
Extraordinary Items			5252.88
<b>Net Profit(+)/ Loss(-) for the period</b>			<b>5215.83</b>

**For the Year Ended 31st March 2015**

(Amount in Lacs)

<b>Description</b>	<b>India</b>	<b>USA</b>	<b>Total</b>
Revenue from external customers	1,365.95	4,404.67	5,770.62
Expenses	545.43	3,715.36	4,260.80
Segment Result	820.52	689.30	1,509.82
Unallocated Expenses			1,933.57
Operating Profit Before Taxation			(423.75)
Other Income			639.78
Finance Charges			84.21
Profit Before Tax & Prior Period Adj.			131.82
Prior Period Adjustment (Income)/ Expenses			0.22
Provision for Taxation			74.12
Provision for Deferred Tax			(28.10)
<b>Net Profit After Tax</b>			<b>85.58</b>

**23.18 Provision and contingencies**

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect management's current estimates. Contingent assets are not recognised in the financial statements.

**23.19 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

## 23.20 Related Party Transactions:

	(Amt. in `)	
	31.03.2016	31.03.2015
<b>A. List of Related parties-Where control exists</b>		
<b>Wholly owned subsidiary companies</b>		
<b>Insync Business Solutions Limited:</b>		
- Provision for Services	20,466,500/-	26,412,050/-
<b>Investments in Subsidiaries:</b>		
- M/s Innova Eservcies Pvt. Ltd	14,500,000/-	Nil
- M/s Enstaserv eServices Ltd	82,700,000/-	Nil
- M/s FCS Software (Shanghai) Co., Ltd	Nil	1,216,440/-
- M/s Stablesecure Infraseservices Pvt. Ltd.	1,27,500,000/-	Nil
- M/s Zerotime constructions Pvt. Ltd.	1,90,000,000/-	Nil
- M/s Cgain Analytics Pv t. Ltd.	23,000,000/-	Nil
- M/s Heimdahl Software Systems Pvt. Ltd.	25,000,000/-	Nil
<b>B. Others</b>		
<b>Lord Buddha Educational Society:</b>		
- Loans & Advances	222,978,215/-	193,699,560/-
- REPAYMENT OF LOAN	259,502,372/-	Nil -
- InteresReceived	54,447,083/-	33,891,401/-
<b>Outstanding Balances as at year end:</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
1. Lord Buddha Educational Society	424,264,513/-	460,788,670/-
2. Insync Business Solutions Limited	20,230,368/-	26,217,159/-
3. FCS Software Solutions GmbH	2,126,285/-	2,126,285/-
4. FCS Software Solutions America Ltd	44,746,824/-	44,746,824/-
5. FCS Software (Shanghai) Co., Ltd	1,216,440/-	1,216,440/-
6. M/s Innova Eservcies Pvt. Ltd	14,500,000/-	Nil
7. M/s Enstaserv eServices Ltd	82,700,000/-	Nil
8. M/s Stablesecure Infraseservices Pvt. Ltd.	1,27,500,000/-	Nil
9. M/s Zerotime constructions Pvt. Ltd.	1,90,000,000/-	Nil
10. M/s Cgain Analytics Pv t. Ltd.	23,000,000/-	Nil
11. M/s Heimdahl Software Systems Pvt. Ltd.	25,000,000/-	Nil

## 23.21 Material Events.

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

## 23.22 Payment to Auditors.

	Current Year	Previous Year
Audit Fee	807,500/-	807,500/-
Tax Audit Fee	142,500/-	142,500/-
Internal Audit	50,000/-	50,000/-
In other capacity	NIL	NIL

**23.23 Imports On CIF basis.**

(Amt. in Rs.)

	Current Year	Previous Year
1. Capital Goods	Nil	Nil
2. Software Packages	Nil	Nil

**23.24 Expenditure in Foreign Currency**

	Current Year	Previous Year
Expenditure incurred overseas:		
- Incurred by US Branch	Nil	142,645,494
- By India Office	Nil	Nil

**23.25 Earning in foreign exchange**

	Current Year	Previous Year
Income from software development services and products including US Branch	203,553,154	440,466,528

**23.26** As explained to us, during the year the Corporate Social Responsibility (CSR) committee has been formed by the Company, however the Company does not qualified the norms specified as required under section 135 of Companies Act, 2013 to contribute towards CSR.

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

**AUDITOR'S REPORT**

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 : New Delhi  
Date : May 30, 2016

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

Sd/-  
**Dalip Kumar**  
Chairman & Managing Director

Sd/-  
**Anil Kumar Sharma**  
Chief Financial Officer

Sd/-  
**Shiv Nandan Sharma**  
Director

Sd/-  
**Harsha Sharma**  
Company Secretary

**FCS SOFTWARE SOLUTIONS AMERICA LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2016**

**ASSETS**

	Schedule	As at Mar 31, 2016 (Amt. in USD)	As at Mar 31, 2016 (Amt. in `)	As at Mar 31, 2015 (Amt. in USD)	As at Mar 31, 2015 (Amt in `)
<b>Current Assets</b>					
Cash and Bank Balances	4	292,880	19,426,758	200,347	12,539,736
Sundry Debtors	3	15,982	1,060,086	74,163	4,641,852
Other current assets	5	16,711	1,108,408	17,269	1,080,836
<b>Total current assets</b>		<b>325,573</b>	<b>21,595,252</b>	<b>291,779</b>	<b>18,262,424</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current liabilities**

Accounts payables	6	427,244	28,339,116	387,212	24,235,601
Accounts payable- expenses		-	-	-	-
<b>Total current liabilities</b>		<b>427,244</b>	<b>28,339,116</b>	<b>387,212</b>	<b>24,235,601</b>
Accounts Payable - FCS USA		-	-	-	-
Share Capital	1	701,000	44,858,742	701,000	44,858,742
Reserves and surplus	2	(802,671)	(51,602,605)	(796,433)	(50,831,919)
<b>Total liabilities and stockholder's equity</b>		<b>325,573</b>	<b>21,595,252</b>	<b>291,779</b>	<b>18,262,424</b>

For FCS Software Solutions America Limited

Sd/-

**Director**

Place: Noida

Date: 23rd May 2016

**FCS SOFTWARE SOLUTIONS AMERICA LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENED**  
**31ST MARCH 2016**

		As at Mar 31, 2016 (Amt. in USD)	As at Mar 31, 2016 (Amt. in `)	As at Mar 31, 2015 (Amt. in USD)	As at Mar 31, 2015 (Amt in `)
Schedule					
<b>Income</b>					
Software Development Services		1,352,438	88,530,591	2,322,791	142,038,676
<b>TOTAL</b>		<b>1,352,438</b>	<b>88,530,591</b>	<b>2,322,791</b>	<b>142,038,676</b>
<b>Expenses</b>					
Software Development, Delivery and Support Expenses	7	1,192,127	78,036,633	2,149,184	131,422,602
Adminstration, Selling and Other Expenses	8	166,549	10,902,298	192,646	11,780,308
<b>Total Operating Expenses</b>		<b>1,358,676</b>	<b>88,938,930</b>	<b>2,341,830</b>	<b>143,202,910</b>
<b>Operating Profit/ (Loss)</b>		<b>(6,238)</b>	<b>(408,339)</b>	<b>(19,039)</b>	<b>(1,164,234)</b>
Financial Expenses		-	-		
Income (loss) before income taxes		(6,238)	(408,339)	(19,039)	(1,164,234)
Provosion for income taxes		-	-	-	-
Net Income (loss)		(6,238)	(408,339)	(19,039)	(1,164,234)
Retained earnings, beginning of period		(796,433)	(37,372,045)	(777,394)	(36,207,811)
Distribution		-	-	-	-
<b>Retained earnings, end of period &amp; transfered to balance sheet</b>		<b>(802,671)</b>	<b>(37,780,384)</b>	<b>(796,433)</b>	<b>(37,372,045)</b>

For FCS Software Solutions America Limited

Sd/-

**Director**

Place: Noida

Date: 23rd May 2016

**F.C.S SOFTWARE MIDDLE EAST FZE RAS AL KHAIMAH, U.A.E.**  
**BALANCE SHEET AS ON MARCH 31, 2016**

	Notes	31-03-2016 USD	31-03-2016 AED	31-03-2016 INR	31-03-2015 USD	31-03-2015 AED	31-03-2015 INR
<b>NON-CURRENT ASSETS</b>							
<b>FIXED ASSETS - INTANGIBLE</b>							
Computer Software & IPR Products		37,540,660	137,774,221	1,727,806,507	45,226,128	165,979,888	2,081,568,599
<b>CURRENT ASSETS</b>							
Trade receivables	5	-	-	-	0	0	0
Other receivables & Pre-paid bus. Dev. Exp.	6	6,872,650	25,222,636	304,016,756	8,590,814	31,528,297	380,020,945
Cash and cash equivalents	7	-	-	-	0	0	0
		<b>6,872,650</b>	<b>25,222,636</b>	<b>304,016,756</b>	<b>8,590,814</b>	<b>31,528,297</b>	<b>380,020,945</b>
<b>TOTAL ASSETS</b>		<b>44,413,310</b>	<b>162,996,857</b>	<b>2,031,823,263</b>	<b>53,816,942</b>	<b>197,508,185</b>	<b>2,461,589,544</b>
<b>CURRENT LIABILITIES</b>							
Trade payables	8	-	-	-	0	0	0
Other payables	9	16,711	61,328	1,108,408	16,711	61,328	1,045,911
		<b>16,711</b>	<b>61,328</b>	<b>1,108,408</b>	<b>16,711</b>	<b>61,328</b>	<b>1,045,911</b>
<b>NON-CURRENT LIABILITIES</b>							
Long term liabilities	10	-	-	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>16,711</b>	<b>61,328</b>	<b>1,108,408</b>	<b>16,711</b>	<b>61,328</b>	<b>1,045,911</b>
<b>SHAREHOLDERS' FUNDS</b>							
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	(30,163,015)	(110,698,254)	(1,385,323,049)	(20,759,383)	(76,186,926)	(955,345,764)
<b>Equity fund</b>		<b>44,356,891</b>	<b>162,789,801</b>	<b>2,028,081,023</b>	<b>53,760,523</b>	<b>197,301,129</b>	<b>2,458,058,308</b>
Shareholders' current account	13	39,708	145,728	2,633,832	39,708	145,728	2,485,324
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,413,310</b>	<b>162,996,857</b>	<b>2,031,823,263</b>	<b>53,816,942</b>	<b>197,508,185</b>	<b>2,461,589,543</b>
		(0)	(0)	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.

**INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015**

	Notes	01-04-2015 to 31-03-2016 USD	01-04-2015 to 31-03-2016 AED	01-04-2015 to 31-03-2016 INR	28-10-2014 to 31-03-2015 USD	28-10-2014 to 31-03-2015 AED	28-10-2014 to 31-03-2015 INR
Sales		-	-	-	-	-	-
Cost of sales	14	-	-	-	-	-	-
<b>Gross profit</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deduct</b>							
General & administrative expenses	15	1,718,164	6,305,660	76,004,189	2,196,396	8,060,772	105,248,080
Finance costs	16	-	-	-	28,856	105,903	1,764,561
Amortisation of intangible assets		7,685,468	28,205,668	353,762,092	7,685,468	28,205,668	353,762,092
<b>Total expenses</b>		<b>9,403,632</b>	<b>34,511,328</b>	<b>429,766,281</b>	<b>9,910,720</b>	<b>36,372,343</b>	<b>460,774,733</b>
<b>Net Profit for the period</b>		<b>(9,403,633)</b>	<b>(34,511,328)</b>	<b>(429,766,281)</b>	<b>(9,910,721)</b>	<b>(36,372,343)</b>	<b>(460,774,733)</b>

Approved by the directors on May 15, 2016  
For F.C.S. Software Middle East FZE

Sd/-  
Dalip Kumar  
Managing Director  
Place: Noida

**INSYNC BUSINESS SOLUTIONS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	500,000	500,000
(b) Advance Preferential Share Warrants		-	-
(c) Reserves and Surplus	2	23,240,170	18,246,343
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liability (Net)		-	-
(c) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		28,879,743	27,612,603
(c) Other current liabilities	3	2,830,604	4,364,194
(d) Short-term provisions	4	2,436,647	2,707,952
<b>Total</b>		<b>57,887,164</b>	<b>53,431,092</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	5	119,842	189,014
(b) Deferred Tax Assets (Net)		42,910	45,973
(c) Preliminary & other Misc Expenses	6	-	-
(d) Investments		10,260,000	-
<b>(2) Current assets</b>			
(a) Trade receivables	7	19,785,620	28,293,788
(b) Cash and cash equivalents	8	15,518,205	9,606,146
(c) Short-term loans and advances	9	19,250	54,781
(d) Other current Assets	10	12,141,337	15,241,390
<b>Total</b>		<b>57,887,164</b>	<b>53,431,092</b>

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

Sd/-  
**Dalip Kumar**  
Director

For and on behalf of the board of directors  
**Insync Business Solutions Limited**

Sd/-  
**Govinda Sahu**  
Director

**Place** : New Delhi  
**Date** : 23rd May, 2016

**INSYNC BUSINESS SOLUTIONS LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2016**

PARTICULARS	Note No.	As at 31-03-2016 AMOUNT (₹)	As at 31-03-2015 AMOUNT (₹)
<b>GROSS REVENUE</b>			
I. Revenue from operations	11	76,522,625	75,085,530
II. Other Income		337,914	861,765
<b>Total Revenue (I +II)</b>		<b>76,860,539</b>	<b>75,947,295</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	12	54,930,637	53,628,185
Financial costs		-	-
Depreciation and amortization expense		69,172	110,596
Other expenses	13	14,636,820	14,402,417
<b>Total Expenses</b>		<b>69,636,629</b>	<b>68,141,198</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		7,223,910	7,806,097
V. Exceptional Items (Prior period)		-	-
<b>VI. Profit before tax (VI - V)</b>		<b>7,223,910</b>	<b>7,806,097</b>
VII. Tax expense:			
Current tax		2,379,036	2,618,000
Deferred tax		3,063	(14,223)
VIII. Profit/(Loss) from the peroid from continuing operations (VI - VII)		<b>4,841,811</b>	<b>5,202,320</b>
IX. Earning per equity share:			
(1) Basic		96.84	104.05
(2) Diluted		96.84	104.05

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

Sd/-  
**Dalip Kumar**  
Director

For and on behalf of the board of directors  
**Insync Business Solutions Limited**

Sd/-  
**Govinda Sahu**  
Director

**Place :** New Delhi  
**Date :** 23rd May, 2016



**cGAIN ANALYTICS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note No.	As at 31-03-2016 AMOUNT (₹)	As at 31-03-2015 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	23,100,000	100,000
(b) Reserves and Surplus	2	(12,378,076)	(12,479,080)
<b>(2) Share application money pending allotment</b>		1,700,000	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	1,000,000	23,500,000
(b) Deferred Tax Liability (Net)		41,597	88,281
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	-	-	-
(b) Trade payables	-	-	-
(c) Short-term provisions	4	91,984	22,755
(d) Other Current Liabilities	5	233,545	17,100
<b>Total</b>		<b>13,789,050</b>	<b>11,249,056</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	6	450,320	707,695
(b) Investments	7	-	-
(c) Preliminary & other Misc Expenses	8	-	-
<b>(2) Current assets</b>			
(a) Trade receivables		5,115,481	1,740,480
(b) Cash and cash equivalents	9	7,952,922	1,871,996
(c) Short-term loans and advances	10	270,327	6,928,885
<b>Total</b>		<b>13,789,050</b>	<b>11,249,056</b>

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

**Place** : New Delhi  
**Date** : 27th May, 2016

Sd/-  
**Dalip Kumar**  
Director  
**DIN:00103292**

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

For and on behalf of the board of directors  
**cGain Analytics Pvt. Ltd**

Sd/-  
**Ashutosh Acharya**  
Director  
**DIN:03145815**

**Add:** B-1, Plot No.  
294, Gyan Khand-I  
Indirapuram-201010

**cGAIN ANALYTICS PRIVATE LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	11	3,375,000	861,111
II. Other Income	12	641,970	-
<b>Total Revenue (I)</b>		<b>4,016,970</b>	<b>861,111</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	13	1,343,090	376,000
Financial costs		-	-
Depreciation		257,375	413,673
Other expenses	14	2,270,201	98,295
<b>Total Expenses</b>		<b>3,870,666</b>	<b>887,968</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		146,304	(26,857)
<b>V. Profit before tax (III - IV)</b>		<b>146,304</b>	<b>(26,857)</b>
VI. Tax expense:			
Current tax		91,984	22,755
Deferred tax		(46,684)	(60,781)
VII. Profit/(Loss) from the peroid from continuing operations (VII - VIII)		<b>101,004</b>	<b>11,169</b>
VIII. Earning per equity share:			
(1) Basic		0.04	1.12
(2) Diluted		0.04	1.12

For **SPMG & COMPANY**  
Chartered Accountants  
Firm Registration Number: 509249C  
Sd/-

**(Vinod Gupta)**

Partner

M.No. : 090687

Sd/-

**Dalip Kumar**

Director

**DIN:00103292**

For and on behalf of the board of directors  
**cGain Analytics Pvt. Ltd**

Sd/-

**Ashutosh Acharya**

Director

**DIN:03145815**

**Place** : New Delhi

**Date** : 27th May, 2016

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

**Add:** B-1, Plot No.  
294, Gyan Khand-I  
Indirapuram-201010

**ENSTASERV eSERVICES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	83,200,000	500,000
(b) Reserves and Surplus	2	(18,799,218)	(2,003,691)
<b>(2) Share application money pending allotment</b>		<b>86,000,000</b>	
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	5,258,133	5,258,133
(b) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	-	168,300,000
(b) Trade payables		-	-
(c) Short-term provisions	5	-	220,750
(d) Other Current Liabilities	6	1,609,686	33,954
<b>Total</b>		<b>157,268,601</b>	<b>172,309,146</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	7	68,031	94,097
(b) Long term loans and advances	8	-	2,137,535
(c) Deferred Tax Assets		71,270	73,706
(d) Investments		150,000,000	150,000,000
<b>(2) Current assets</b>			
(a) Trade receivables		-	-
(b) Cash and cash equivalents	9	4,978,139	1,311,317
(c) Short-term loans and advances	10	2,151,161	18,692,491
<b>Total</b>		<b>157,268,601</b>	<b>172,309,146</b>

For **SPMG & COMPANY**  
Chartered Accountants

For and on behalf of the board of directors  
**ENSTASERV eSERVICES LIMITED**

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

Sd/-  
**Dalip Kumar**  
Director  
**DIN: 00103292**

Sd/-  
**Govinda Sahu**  
Director  
**DIN: 02528967**

**Place :** New Delhi  
**Date :** 20th May, 2016

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

**Add:** G-9, Block- III  
Express Garden,  
Vaibhav Khand,  
Indrapuram  
Ghaziabad, 201014, (UP)

**ENSTASERV eSERVICES LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	11	899,082	120,000
II. Other Income	12	1,677,590	1,517
<b>Total Revenue (I)</b>		<b>2,576,672</b>	<b>121,517</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	13	498,930	68,928
Financial costs	-	-	-
Depreciation		26,066	43,790
Other expenses	14	18,844,768	48,770
<b>Total Expenses</b>		<b>19,369,764</b>	<b>161,488</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		(16,793,092)	(39,971)
<b>V. Profit before tax (V - VI)</b>		<b>(16,793,092)</b>	<b>(39,971)</b>
VI. Tax expense:			
Current tax		-	220,750
Deferred tax		2,436	(1,471)
VII. Profit/(Loss) from the period from continuing operations (VII - VIII)		<b>(16,795,528)</b>	<b>(259,250)</b>
VIII. Earning per equity share:			
(1) Basic		(2.02)	(5.19)
(2) Diluted		(2.02)	(5.19)

For **SPMG & COMPANY**  
Chartered Accountants

For and on behalf of the board of directors  
**ENSTASERV eSERVICES LIMITED**

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

Sd/-  
**Dalip Kumar**  
Director  
**DIN: 00103292**

Sd/-  
**Govinda Sahu**  
Director  
**DIN: 02528967**

**Place** : New Delhi  
**Date** : 27th May, 2016

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

**Add:** G-9, Block- III  
Express Garden,  
Vaibhav Khand,  
Indrapuram  
Ghaziabad, 201014, (UP)

**STABLESECURE INFRA SERVICES PVT. LTD.**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	Note No.	As at 31-03-2016 AMOUNT (₹)	As at 31-03-2015 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	127,600,000	100,000
(c) Reserves and Surplus	2	(528,982)	(1,008,452)
<b>(2) Share application money pending allotment</b>		10,000,000	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	-	195,763,042
(b) Deferred Tax Liability (Net)		24,140	28,582
(c) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	4	1,900,081	33,708
(d) Short-term provisions	5	106,059	-
<b>Total</b>		<b>139,101,298</b>	<b>194,916,880</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	6	95,891,617	88,618,808
(b) Capital WIP		1,534,722	1,534,722
(c) Long term loans and advances	7	50,000	50,000
(d) Preliminary & other Misc Expenses	8	-	6,420
(e) Investment		33,804,845	
<b>(2) Current assets</b>			
(a) Trade receivables	9	-	-
(b) Cash and cash equivalents	10	6,731,265	1,470,830
(c) Short-term loans and advances	11	-	103,100,000
(d) Other current Assets	12	1,088,849	136,100
<b>Total</b>		<b>139,101,298</b>	<b>194,916,880</b>

**For Aadit Sanyam & Associates**  
Chartered Accountants

For and on behalf of the board of directors  
**STABLESECURE INFRA SERVICES PVT. LTD.**

Sd/-  
**(Sanyam Jain)**  
Partner  
M.No. : 531388

Sd/-  
**Dalip Kumar**  
Director  
**DIN:00103292**

Sd/-  
**Ashutosh Acharya**  
Director  
**DIN:03145815**

**Place :** New Delhi  
**Date :** 24th May, 2016

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

**Add:** B-1, Plot No.  
294, Gyan Khand-I  
Indirapuram-201010

**STABLESECURE INFRA SERVICES PVT. LTD.**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	13	-	-
II. Other Income		10,663,665	2,194
<b>Total Revenue (I + II)</b>		<b>10,663,665</b>	<b>2,194</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	14	714,454	-
Financial costs		-	-
Depreciation and amortization expense		167,908	300,801
Other expenses	15	9,224,705	61,856
<b>Total Expenses</b>		<b>10,107,067</b>	<b>362,657</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		556,598	(360,463)
V. Exceptional Items (Prior period)	-	-	-
<b>VI. Profit before tax (VI - V)</b>		<b>556,598</b>	<b>(360,463)</b>
VII. Tax expense:			
Current tax		106,059	-
Deferred tax		(4,442)	-
VIII. Profit/(Loss) from the period from continuing operations (VI - VII)		<b>454,981</b>	<b>(360,463)</b>
IX. Earning per equity share:			
(1) Basic		0.04	(36.05)
(2) Diluted		0.04	(36.05)

**For Aadit Sanyam & Associates**  
Chartered Accountants

For and on behalf of the board of directors  
**STABLESECURE INFRA SERVICES PVT. LTD.**

Sd/-  
**(Sanyam Jain)**  
Partner  
M.No. : 531388

Sd/-  
**Dalip Kumar**  
Director  
**DIN:00103292**

Sd/-  
**Ashutosh Acharya**  
Director  
**DIN:03145815**

**Place :** New Delhi  
**Date :** 24th May, 2016

**Add:** 229, Sector-15-A,  
Noida, 201301  
(UP)

**Add:** B-1, Plot No.  
294, Gyan Khand-I  
Indrapuram-201010

**ZERO TIME CONSTRUCTIONS PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	190,100,000	100,000
(b) Reserves and Surplus	2	(206,696,073)	(188,127,452)
<b>(2) Share application money pending allotment</b>		19,500,000	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	-	188,300,000
<b>(4) Current Liabilities</b>			
(a) Other Current Liabilities	4	1,917,085	44,402
<b>Total</b>		<b>4,821,012</b>	<b>316,950</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	-	-	
(b) Preliminary & other Misc Expenses	5	-	69,116
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	6	4,821,012	247,834
(b) Short-term loans and advances	-	-	
<b>Total</b>		<b>4,821,012</b>	<b>316,950</b>

**For KRA & Company**  
Chartered Accountants

For and on behalf of the board of directors  
**ZERO TIME CONSTRUCTIONS PRIVATE LIMITED**

Sd/-  
**(Kapil Garg)**  
Partner  
M.No. : 505760

Sd/-  
**Mthilesh kumar**  
Director  
**DIN: 01477609**

Sd/-  
**Mrigesh Kumar Shastri**  
Director  
**DIN: 00768669**

**Place :** New Delhi  
**Date :** 25th May, 2016

**Add:** B - 1, South Ganesh  
Nagar, Delhi-110092

**Add:** 8 A. R. Complex,  
1st Floor, R K Puram,  
Sec. 13, New Delhi-110066

**ZERO TIME CONSTRUCTIONS PRIVATE LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	7	-	42,430
<b>Total Revenue (I)</b>		<b>-</b>	<b>42,430</b>
<b>II. EXPENSES</b>			
Employees benefit expenses	8	-	-
Other expenses	9	18,568,621	17,100
<b>Total Expenses</b>		<b>18,568,621</b>	<b>17,100</b>
III. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		(18,568,621)	25,330
<b>IV. Profit before tax (V - VI)</b>		<b>(18,568,621)</b>	<b>25,330</b>
V. Tax expense:			
Current tax		-	4,830
Deferred tax		-	-
VI. Profit/(Loss) from the peroid from continuing operations (VII - VIII)		<b>(18,568,621)</b>	<b>20,500</b>
VII. Earning per equity share:			
(1) Basic		(0.98)	2.05
(2) Diluted		(0.98)	2.05

**For KRA & Company**  
Chartered Accountants

For and on behalf of the board of directors  
**ZERO TIME CONSTRUCTIONS PRIVATE LIMITED**

Sd/-  
**(Kapil Garg)**  
Partner  
M.No. : 505760

Sd/-  
**Mthilesh kumar**  
Director  
**DIN: 01477609**

Sd/-  
**Mrigesh Kumar Shastri**  
Director  
**DIN: 00768669**

**Place :** New Delhi  
**Date :** 25th May, 2016

**Add:** B - 1, South Ganesh  
Nagar, Delhi-110092

**Add:** 8 A. R. Complex,  
1st Floor, R K Puram,  
Sec. 13, New Delhi-110066



**HEIMDAHL SOFTWARE SYSTEMS PVT. LTD**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	9,715,380	100,000
(b) Reserves and Surplus	2	15,517,057	163,341
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	-	-	-
(c) Long-term provisions	-	-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	3	-	24,200,000
(b) Trade payables	-	-	-
(c) Other current liabilities	4	85,722	39,572
(d) Short-term provisions	5	67,007	65,836
<b>Total</b>		<b>25,385,166</b>	<b>24,568,749</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	-	-	-
(d) Investments	6	24,100,000	24,100,000
(c) Preliminary & other Misc Expenses	7	3,990	5,320
<b>(2) Current assets</b>			
(a) Trade receivables	-	1,000	-
(b) Cash and cash equivalents	8	1,191,268	373,429
(c) Short-term loans and advances	-	-	-
(d) Other current Assets	9	89,908	89,000
<b>Total</b>		<b>25,385,166</b>	<b>24,568,749</b>

**For SPMG & COMPANY**  
Chartered Accountants

Sd/-  
**(VINOD GUPTA)**  
Partner  
M.NO. 090687

**Place :** New Delhi  
**Date :** 21st May, 2016

For and on behalf of the board of directors  
**HEIMDAHL SOFTWARE SYSTEMS PVT. LTD**

Sd/-	Sd/-
<b>(Govinda Sahu)</b>	<b>(Ashutosh Acharya)</b>
<b>Director</b>	<b>Director</b>
<b>DIN: 02528967</b>	<b>DIN: 03145815</b>

Add: G-9, Block- III  
Express Garden,  
Vaibhav Khand,  
Indrapuram  
Ghaziabad, 201014, (UP)

Add: B-1, Plot No. 294,  
Gyan Khand-I, Indira-  
puram, 201010 (UP)

**HEIMDAHL SOFTWARE SYSTEMS PVT. LTD**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>GROSS REVENUE</b>			
I. Revenue from operations	10	899,082	890,000
II. Other Income	11	806	2,994
<b>Total Revenue (I +II)</b>		<b>899,888</b>	<b>892,994</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	12	486,600	628,455
Financial costs		-	-
Depreciation and amortization expense		-	-
Other expenses	13	377,185	171,984
<b>Total Expenses</b>		<b>863,785</b>	<b>800,439</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		36,103	92,555
V. Exceptional Items (Prior period)		-	-
<b>VI. Profit before tax (VI - V)</b>		<b>36,103</b>	<b>92,555</b>
VII. Tax expense:			
Current tax		67,007	65,836
Deferred tax		-	-
VIII. Profit/(Loss) from the peroid from continuing operations (VI - VII)		<b>(30,904)</b>	<b>26,719</b>
IX. Earning per equity share:			
(1) Basic		(0.03)	2.67
(2) Diluted		(0.03)	2.67

**For SPMG & COMPANY**

Chartered Accountants

Sd/-

**(VINOD GUPTA)**

**Partner**

**M.NO. 090687**

**Place :** New Delhi

**Date :** 21st May, 2016

For and on behalf of the board of directors  
**HEIMDAHL SOFTWARE SYSTEMS PVT. LTD**

Sd/-

**(Govinda Sahu)**

**Director**

**DIN: 02528967**

Sd/-

**(Ashutosh Acharya)**

**Director**

**DIN: 03145815**

Add: G-9, Block- III

Express Garden,

Vaibhav Khand,

Indrapuram

Ghaziabad, 201014, (UP)

Add:B-1, Plot No. 294,

Gyan Khand-I, Indira-

puram, 201010 (UP)

**M/S INNOVA E SERVICES PRIVATE LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2016**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2016 AMOUNT (₹)</b>	<b>As at 31-03-2015 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	14,600,000	100,000
(b) Reserves and Surplus	2	(10,262,406)	(8,076,253)
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	-	13,745,000
(b) Deferred Tax Liability		-	-
(c) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Short-term provisions	4	-	8,158
(d) Other Current Liabilities	5	20,141	33,954
<b>Total</b>		<b>4,357,735</b>	<b>5,810,859</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets		-	-
(b) Preliminary & other Misc Expenses		-	-
(c) Investement		1,723,772	1,723,771
<b>(2) Current assets</b>			
(a) Trade receivables		187,200	2,529,194
(b) Cash and cash equivalents	6	2,074,769	249,736
(c) Short-term loans and advances	7	371,994	1,308,158
<b>Total</b>		<b>4,357,735</b>	<b>5,810,859</b>

**For KRA & Company**  
Chartered Accountants

For and on behalf of the board of directors  
**For INNOVA e SERVICES PRIVATE LIMITED**

Sd/-  
**(Kapil Garg)**  
Partner  
M.No. : 505760

Sd/-  
**Mrigesh Kumar Shastri**  
Director  
**DIN: 00768669**

Sd/-  
**Mthilesh kumar**  
Director  
**DIN: 01477609**

**Place:** New Delhi  
**Date :** 20th May, 2016

**Add:** 8 A. R. Complex,  
1st Floor, R K Puram,  
Sec. 13, New Delhi-110066

**Add:** B - 12 A, South Ganesh  
Nagar, Delhi - 110092

**M/S INNOVA E SERVICES PRIVATE LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

PARTICULARS	Note No.	As at 31-03-2016 AMOUNT (₹)	As at 31-03-2015 AMOUNT (₹)
<b>GROSS REVENUE</b>			
I. Revenue from operations	8	838,000	-
II. Other Income	9	130,360	61,030
<b>Total Revenue (I)</b>		<b>968,360</b>	<b>61,030</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	10	600,085	-
Financial costs		-	-
Depreciation		-	-
Other expenses	11	2,554,429	26,833
<b>Total Expenses</b>		<b>3,154,514</b>	<b>26,833</b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax (II-III)		(2,186,154)	34,197
<b>V. Profit before tax (III - IV)</b>		<b>(2,186,154)</b>	<b>34,197</b>
VI. Tax expense:			
Current tax		-	8,158
Deferred tax		-	-
VII. Profit/(Loss) from the peroid from continuing operations (VII - VIII)		<b>(2,186,154)</b>	<b>26,039</b>
VIII. Earning per equity share:			
(1) Basic		(1.50)	2.60
(2) Diluted		(1.50)	2.60

**For KRA & Company**  
Chartered Accountants

Sd/-  
**(Kapil Garg)**  
Partner  
M.No. : 505760

**Place:** New Delhi  
**Date :** 20th May, 2016

For and on behalf of the board of directors  
**For INNOVA e SERVICES PRIVATE LIMITED**

Sd/-  
**Mrigesh Kumar Shastri**  
Director  
**DIN:** 00768669

**Add:** 8 A. R. Complex,  
1st Floor, R K Puram,  
Sec. 13, New Delhi-110066

Sd/-  
**Mthilesh kumar**  
Director  
**DIN:** 01477609

**Add:** B - 12 A, South Ganesh  
Nagar, Delhi - 110092

**FCS Software Solutions GmbH It-Dienstleistungen, Düsseldorf**  
**BALANCE SHEET AS AT 31ST MARCH 2016**

**ASSETS**

	AS AT 31.03.2016 EUR	AS AT 31.03.2016 INR	AS AT 31.03.2015 EUR	AS AT 31.03.2015 INR
<b>A. Current assets</b>				
I. Receivables and other assets			555	37,462
2. Other assets	-	-	-	-
II. Cash-in-hand, central bank balances, bank balances and cheques	1,970.87	681,010	15,407	1,040,139
	-	-	-	-
<b>Total assets</b>	<b>9,073</b>	<b>681,010</b>	<b>15,962</b>	<b>1,077,601</b>
	<b>EUR</b>	<b>INR</b>	<b>EUR</b>	<b>INR</b>
<b>A. Equity</b>				
I. Subscribed capital	25,000	2,126,285	25,000	2,126,285
II. Accumulated losses brought forward	(11,645)	(941,350)	(5,439)	(460,537)
III. Net loss for the financial year	(6,334)	(456,895)	(6,206)	(480,813)
IV. Foreign currency transation		(201,068)		(283,339)
<b>B. Provisions</b>				
1. Other provisions	2,052	154,037	2,500	168,775
<b>C. Liabilities</b>				
1. Trade payables	-	-	107	7,230
-of which due within one year EUR 107,10				
<b>Total equity and liabilities</b>	<b>9,073</b>	<b>681,010</b>	<b>15,962</b>	<b>1,077,601</b>

For **FCS Software Solutions GmbH**

**Date :** 26th May, 2016  
**Place :** Germany

Sd/-  
**Dalip Kumar**  
Director

**FCS Software Solutions GmbH, Düsseldorf**  
**Income statement from 01.04.2015 - 31.03.2016**

	AS AT 31.03.2016 EUR	AS AT 31.03.2016 INR	AS AT 31.03.2015 EUR	AS AT 31.03.2015 INR
<b>1. Other operating Income</b>				
<b>Operating Income</b>	-	-	-	-
<b>Total</b>	-	-	-	-
<b>2. Other operating expenses</b>				
a) Period-end closing and audit costs				
aa) Insurance premium fees & contributions	86.00	6,203	128	9,916
ab) Muscellaneous other oprating expenses	2,602.32	187,705	2,451	189,845
Legal and consulting costs	-	-	-	-
Period-end closing and audit costs	2,320.00	167,342	2,320	179,730
Bookkeeping cost	1,310.00	94,490	1,290	99,936
<b>Total</b>	<b>6,318.32</b>	<b>455,740</b>	<b>6,189</b>	<b>479,428</b>
Incidental monetary transaction cost	16.00	1,154	18	1,385
Ordinary operating expenses	-	-	-	-
Other operating expenses	-	-	-	-
<b>Total</b>	<b>16.00</b>	<b>1,154</b>	<b>18</b>	<b>1,385</b>
<b>3. Result from ordinary activities</b>	<b>6,334.32</b>	<b>456,895</b>	<b>6,206</b>	<b>480,813</b>
<b>4. Net loss for the financial year</b>	<b>(6,334.32)</b>	<b>(456,895)</b>	<b>(6,206)</b>	<b>(480,813)</b>

For FCS Software Solutions GmbH

Sd/-

**Dalip Kumar**

Director

Date : 26th May, 2016

Place : Germany

**Balance sheet as at 31st March, 2016**  
**Company: FCS Software(Shanghai) Co., Ltd.**

**ASSETS**

Item	Line	Closing Balance (Yuan)	Closing Balance (INR)
<b>Floating Assets</b>	<b>1</b>	—	—
Bank And Cash	2	609,309.79	6,032,167.00
Settlement Reserves	3	-	
Lending Funds	4	-	
Transactional Monetary Assets	5	-	
Bill Receivable	6	-	
Accounts Receivable	7	-	-
Prepayment	8	-	
Premiums Receivable	9	-	
Reinsurance Receivables	10	-	
Reinsurance Contract Reserve	11	-	
Interest Receivable	12	-	
Other Accounts Receivable	13	556,535.97	5,509,706.00
Buying Back The Sale Of Financial Assets	14	-	
Inventories	15	-	
Raw Material	16	-	
Goods In Stock	17	-	
Non-Floating Assets Within 1 Year	18	-	
Other Non-Floating Assets	19	-	
Sub-Total Floating Assets	20	1,165,845.76	11,541,873.00
<b>Non-Current Assets</b>	<b>21</b>	—	—
Loansreleased And Advance	22		
Financial Assets Available For Sale	23		
Held-To-Maturity Investments	24		
Long-Term Accounts Receivable	25		
Long-Term Equity Investments	26		
Investments In Real Estates	27		
Original Value Of Permanent Assets	28		
Less: Accumulative Depreciation	29		
Net V Alue Of Permanent Assets	30	-	-
Less: Provisions For Impairment	31		
Net Amount Of Permanent Assets	32	-	-
Construction In Progress	33		
Engineering Materials	34		
Liquidation Fixed Assets	35		
Production Of Biological Assets	36		
Oil And Gas Assets	37		
Intangible Assets	38		
Development Expenses	39		
Goodwill	40		
Long-Term Prepaid Expenses	41		
Deferred Income Tax Assets	42		
Other Non-Current Assets	43		
Physical Assets Reserve Specifically Authorized	44		
Sub-Total Non-Floating Assets	45	-	-
<b>Total assets</b>	<b>64</b>	1,165,845.76	11,541,873.00

**Balance sheet as at 31st March, 2016**  
**Company: FCS Software(Shanghai) Co., Ltd.**

**LIABILITIES**

Item	Line	Closing Balance (Yuan)	Closing Balance (INR)
Floating Liabilities	65	—	—
Short-Term Liability	66		
Debts With Central Bank	67		
Deposits From Customers And Inter Bank	68		
Loans From Other Banks And Financial Institutions	69		
Transactional Financial Liabilities	70		
Bills Payable	71		
Accounts Payable	72	1,225,091.05	12,128,401.00
Advance Payment	73		
Financial Assets Sold For Repurchase	74		
Handling Charges And Commissions Payable	75		
Salary Payable	76		
Therein: Salary	77		
Welfare	78		
Therein: Bonus And Welfare Funds	79		
Taxes Payable	80	-0.08	-1.00
Therein: Taxes Payable	81		
Interest Payable	82		
Other Accounts Payable	83		
Reinsurance Payable	84		
Reserves For Insurance Contract	85		
Acting Trading Securities	86		
Acting Underwriting Securities	87		
Non-Floating Debts Valid Within 1 Year	88		
Other Floating Liabilities	89		
Sub-Total Floating Liabilities	90	1,225,090.97	12,128,400.00
Non-Floating Liabilities	91	—	—
Long-Term Borrowings	92		
Bonds Payable	93		
Long-Term Accounts Payable	94		
Special Payables	95		
Liabilities In Advance	96		
Deferred Liabilities Of Income Tax	97		
Other Non-Floating Liabilities	98		
Therein: Funds Reserve Specifically Authorized	99		
<b>Sub-Total Non-Floating Liabilities</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>101</b>	<b>1,225,090.97</b>	<b>12,128,400.00</b>
Owners Equity (Or Shareholders Equity)	102	—	—
Paid-In Capital	103	123,210.36	1,216,440.00
Official Capital	104		
Collective Capital	105		
Legal Person Capital	106		
Therein: State-Owned Legal Person Capital	107		
Collective Legal Person Capital	108		
Individual Capital	109		
Foreign Capital	110		
Less: Investments Returned	111		



**Balance sheet as at 31st March, 2016**  
**Company: FCS Software(Shanghai) Co., Ltd.**

**LIABILITIES**

Item	Line	Closing Balance (Yuan)	Closing Balance (INR)
Net Paid-In Capital (Or Share Capital)	112	123,210.36	1,216,440.00
Capital Reserve	113		
Less: Treasury Stock	114		
Special Reserves	115		
Surplus Reserves	116		
Therein Legal Earned Surplus Reserve	117		
Optional Surplus Reserve	118		
Funds Reserve	119		
Development Funds	120		
Investment Returned With Profit	121		
N General Risk Preparation	122		
Un-Distributed Profit	123	-182,012.80	-1,811,171.00
Foreign Currency Translation Differences	124	-	8,204.00
Sub-Total Equity Attributable To Parent Company	125	-59,245.21	-586,527.00
Minority Interest	126		
Total Oners Equity	127	-59,245.21	-586,527.00
<b>Total liabilities and owners' equity</b>	<b>128</b>	<b>1,165,845.76</b>	<b>11,541,873.00</b>

**Profit Statement for the year 2015-16**  
**Company: FCS Software(Shanghai) Co., Ltd.**

Item	Line	Closing Balance (Yuan)	Closing Balance (INR)
<b>1. Total Business Revenue</b>	<b>1</b>	<b>857,395.18</b>	<b>8,771,153.00</b>
Including : Operating Revenue	2	857,395.18	8,771,153.00
Therein Main Business Revenue	3	857,395.18	8,771,153.00
Other Business Revenue	4		
Interes Received	5		
Premiums Earned	6		
Charges And Commissions Received	7		
<b>2. Total Business Cost</b>	<b>8</b>	<b>942,100.26</b>	<b>9,637,686.00</b>
Therein Business Cost	9	449,972.00	4,603,214.00
Therein Main Business Cost	10	942,100.26	9,637,684.00
Other Business Cost	11		
Interest Expense	12		
Charges And Commissions Paid	13		
Return Insurance Premium	14		
Compensation Expenses-Net	15		
Insurance Cocontract Reserve-Net	16		
Bond Insurance Expense	17		
Reinsuranse Expense	18		
Tax On Business And Attached	19	2,829.59	28,947.00
Operating Expense	20		
Management Expense	21	490,966.87	5,022,591.00
Therein Entertainment Expense	22		
Reserch And Decelopment Expense	23		
Financial Expense	24	-1,668.20	-17,066.00

**Profit Statement for the year 2015-16**  
**Company: FCS Software(Shanghai) Co., Ltd.**

Item	Line	Closing Balance (Yuan)	Closing Balance (INR)
ThereinInterest Expense	25		
Interest Revenue	26		
Net Exchange Loss	27		
Assets Impairment Loss	28		
Other Items	29		
Income From Changes In The Fair Value ( Losses Marked With "-")	30		
Investment Income (Losses Marked With "-")	31		
Therein: Investment Income From Joint Venture	32		
Currency Exchange Revenue	33		
3. Operating Profit	34	(84705.08)	(866,533.00)
Non-Operating Revenue	35		
Therein	36		
Non-Floating Assets Handling Revenue	37		
	38		
Non-Monetary Exchange Profits	39		
Government Subsidiaries	40	0.00	0.00
Income Of Debts Reorganization	41		
LessNon-Operating Expense	42		
Therein: Loss Of Non-Floating Asset Handling	43		
Non-Monetary Exchange Loss	44	(84705.08)	(866,533.00)
Loss Of Debts Reorganization	45	0.00	0.00
4. Total Profit (Total Loss Filled With "-")	46	(84705.08)	(866,533.00)
LessIncome Tax	47	(84705.08)	(866,533.00)
5. Net Profit (Net Loss Filled With "-")	48	0.00	0.00
Net Profit Attributable To Owners Of Parent Company	49		
Loss Or Interest Of Minority	50		
6. Earnings Per Share	51		
Basic Earnings Per Share	52		
Diluted Earnings Per Share	53	(84705.08)	(866,533.00)
7. Other Comprehensive Income	54		
8. Total Comprehensive Income	55		



### **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 Sawarker Block, Vikas Marg,  
Shakarpur, Delhi – 110 092  
Phone: 011-42418371  
Fax : 011-42418371  
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) Plot-J-7, Rajiv Gandhi Technology  
Park, Chandigarh – 160 10
- (iii) FCS House, A-86, Sector – 57,  
Noida – 201 301 [U.P.]
- (iv) I.T. Park, Plot. No. 24, Sahastradhara  
Road, Dehradun -248 001
- (v) Plot No. 1A, Sector-73,  
Noida-201301

### **Company Secretary & Compliance Officer**

**Harsha Sharma**  
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

REGISTERED BOOK-POST



**Registered Office**

205, 2<sup>nd</sup> 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.]