

**FCS/STX/107/2017**

**3<sup>rd</sup> October, 2017**

To,

The Dept of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai: 400 001.

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

Dear Sir,

**Sub: - Annual Report of the 24<sup>th</sup> Annual General Meeting of the Company as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We attach herewith the Annual Report of the 24<sup>th</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.

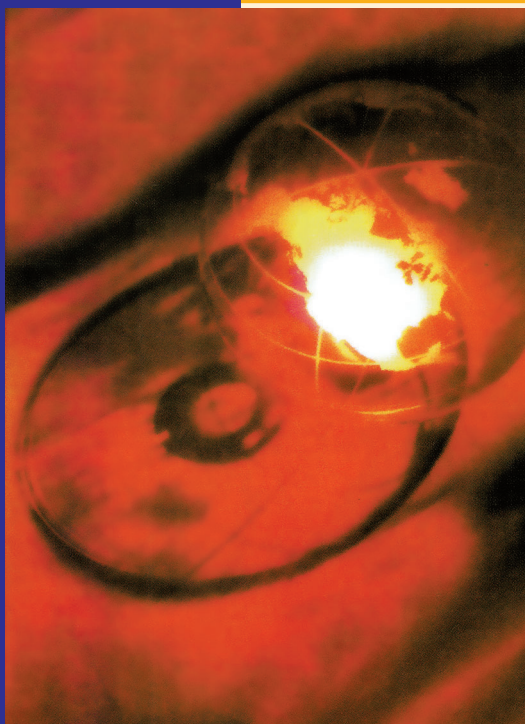
Thanking You,

Yours faithfully,  
For FCS Software Solutions Limited

**FCS Software Solutions Ltd.**

(Harsha Sharma)  
Company Secretary

*The efficiency catalyst*



**24th ANNUAL  
REPORT  
2016-2017**



The efficiency catalyst ●●●

## BOARD OF DIRECTORS

### **Dalip Kumar**

(Chairman & Managing Director)

### **Shayam Sunder Sharma**

(Non Executive Independent Director)

### **Shiv Nandan Sharma**

(Non Executive Independent Director)

### **Govinda Sahu**

(Whole Time Director)

### **Shweta Shatsri**

(Non-Executive Independent Director)

### **Sunil Sharma**

(Executive Director)

## CHIEF FINANCIAL OFFICER

Anil Kumar Sharma

## COMPANY SECRETARY & COMPLIANCE OFFICER

Harsha Sharma

### **Auditors**

M/S. SPMG & Company

Chartered Accountants

New Delhi - 110022

### **Registered Office**

205, 2nd Floor, Agrawal Chamber IV,  
27, Near 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](http://www.fcsltd.com)

### **CIN No:**

L72100DL1993PLC179154

### **Bankers**

Canara Bank

HDFC Bank

Wells Fargo Bank

Deutsche Bank

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### **Development Centers**

- (i) FCS House, Plot No. 83, NSEZ, Noida Dadri Road, Phase-II, Noida, Gautam Budha Nagar-201305, (U.P)
- (ii) Plot-J-7, Rajiv Gandhi Technology Park, Chandigarh – 160101
- (iii) FCS House, A-86, Sector – 57 Noida – 201301[U.P.]
- (iv) Plot No. 1A, Sector-73, Noida-201301

### **Subsidiaries**

#### **(a) Foreign Subsidiaries:-**

- (i) M/s.FCS Software Solutions GmbH GoethestraBe740237, Dusseldorf, Germany
- (ii) M/s. F.C.S. Software Solutions Middle East FZE, P.O. Box 16111, Ras Ai Khaimah, U.A.E.
- (iii) M/s. FCS Software (Shanghai) Co. Limitd Room B43, Floor 3 Building 6, No. 4299 Jindu Road, Minhang District, Shanghai, China
- (iv) M/s. FCS Software Solutions America Limited, 2375 Zanker Road, Suit 250 San Jose, CA 95131,U.S.A.

#### **(b) Indian Subsidiaries:-**

- (v) M/s.Insync Business Solutions Limited
- (vi) M/s.Innova e Services Private Limited
- (vii) M/s.Heimdahl Software Systems Private Limited
- (viii) M/s. Stablesecure Infraservices Private Limited
- (ix) M/s. cGain Analytics Private Limited
- (x) M/s. Zero Time Constructions Private Limited

### **Legal Advisors**

Mahendra & Associates

249, District Court,

Gautam Budha Nagar -201305, (UP)

## FROM THE CHAIRMAN

**Dear Fellow Stakeholders,**

It gives me immense pleasure to welcome you all on behalf of the Board of Directors, in the Company's 24th Annual General Meeting. 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.

The global economy continued its downfall in 2016. The slowdown in the advanced economies of the West adversely impacted growth levels, resulting in the slowing of the world economic growth to 3.1% from 3.4% in the earlier year. I would like to emphasize that your Company continues to work towards building a stronger base for the future through hard work, dedication and team efforts by demonstrating the ability to take tough decisions that are in the long term interest of your Company and all its Stakeholders.

It has been the endeavor of your Company to pursue and sustain the excellent levels in Corporate Governance and is committed to the Corporate Governance Norms stipulated in the Companies Act and those laid down by the stock exchange and MCA as well.

I would like to express my sincere gratitude and acknowledge the assistance, support and guidance to our management team, staff, bankers, and business associates for the hard work in enabling to achieve success.

And, finally, I would like to place on record our appreciation and sincere thanks to the "Team FCS", for their immense contribution in our forward march.

I would like to cordially invite all the shareholders of the Company to attend the 24th Annual General Meeting (AGM) of the Company on 28th September, 2017 at 9:00 A.M. at The Executive Club, 439, Village, Sahoopur, Fatehpur Beri, New Delhi-110074.

**Place:** Noida  
**Date:** 25/08/2017

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

# NOTICE

NOTICE is hereby given that the 24th ANNUAL GENERAL MEETING OF THE MEMBERS OF M/s. FCS SOFTWARE SOLUTIONS LIMITED will be held at The Executive Club, 439, Village Sahoorpur, Fatehpur Beri, New Delhi- 110074 on Thursday, 28th September, 2017 at 9:00 A.M. to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended as on 31st March, 2017 together with the reports of the Directors and Auditors thereon.
2. To consider re-appointment of Mr. Sunil Sharma (DIN-05359128), Executive Director of the Company, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment as an Executive Director of the Company, on the same terms and conditions.
3. To consider appointment of M/s. Aadit Sanyam & Associates, Chartered Accountants (Firm Registration No. 23685N) as auditor of the Company in place of retiring auditor M/s. SPMG & Company, Chartered Accountant (Firm Registration No. 509249C)

To consider and if thought fit, to pass with or without modification(s) the following resolution as an

## Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 140, 141, 142 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules 2014 [including statutory modification(s) or re-enactments(s) thereof, for the time being in force] and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s Aadit Sanyam & Associates, Chartered Accountants (Firm Registration No. 23685N), be appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s. SPMG & Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 29th Annual General Meeting (subject to ratification of their appointment by the members at every intervening AGM held after this AGM as may be required under the Act), at a remuneration to be determined by the Board of Directors of the Company in addition to the out of pocket expenses as may be incurred by them during the course of Audit.

**FURTHER RESOLVED THAT** the approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

**By order of the Board of Directors  
For FCS Software Solutions Limited**

**Place:** Noida  
**Date:** 25/08/2017

sd/-  
Harsha Sharma  
**(Company Secretary)**

## NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. Pursuant to Section 105 of Companies Act, 2013 and rules made there under, a person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
6. The Register of Members and Shares Transfer Books of the Company will remain closed from September 22, 2017 to September 23, 2017 (both days inclusive) for the purpose of Annual General Meeting.
7. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.

## Voting through electronic means

8. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company has provided a facility to the members to exercise their vote electronically through the electronic voting service facility arranged by Central Depository Services Limited (CDSL). The facility for voting, through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are prescribed below :

## The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2017 at 09:00 A.M. and ends on 27th September, 2017 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### General

- (A) The voting period begins on 25th September, 2017 (9:00 am) and ends on 27th September, 2017 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st September, 2017 may follow the same instructions as mentioned above for e-voting.
- (C) Mr. Shashi Shekhar, Practicing Company Secretary (Membership No. 37987) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (D) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 21st September, 2017.

**By order of the Board of Directors  
For FCS Software Solutions Limited**

**Place:** Noida  
**Date:** 25/08/2017

sd/-  
**Harsha Sharma**  
(Company Secretary)

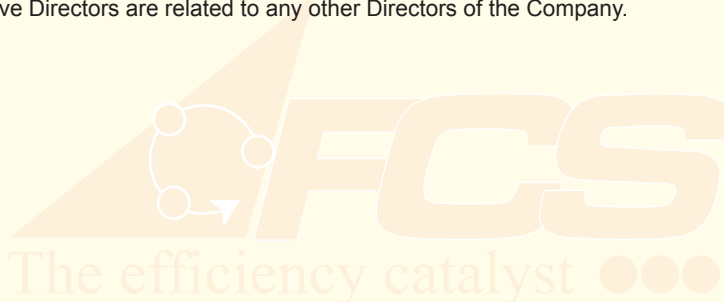


**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT  
AS PER REGULATION 36 OF LISTING REGULATIONS WITH  
THE STOCK EXCHANGE;**

<b>Name Of Directors</b>	Mr. Sunil Sharma
<b>Date of Birth</b>	10th May, 1975
<b>Category/Designation</b>	Director
<b>Nationality</b>	Indian
<b>Date of Appointment on the Board</b>	13/08/2016
<b>Expertise in specific functional area</b>	More than 16 years of experience as electronics and communication engineer.
<b>Other Directorship in the Other Listed Companies</b>	NIL
<b>Committee position in other Listed entities</b>	NIL

**Inter-se relationship between directors as required under Regulation 36 (3) (e) of Listing Regulation:**

None of the above Directors are related to any other Directors of the Company.



## Years at a Glance

(Rs. In Lakhs)

For the year	2017	2016
Revenue from operations	3660.14	4,249.03
Operating profit (EBITDA)	(758.30)	(471.80312)
Other Income	1021.29	1088.90
Profit before tax (PBT)	(4495.83)	4543.87
Profit after tax (PAT)	(4550.00)	(4594.89)
EPS (par value of Rs. 1 each)	-	-
Basic	(0.25)	(0.59)
Diluted	(0.25)	(0.59)
Dividend	-	-
<b>At the end of the year</b>	-	-
Fixed assets – net	22260.03	25068.55
Investment	3706.56	2958.22
Non current assets	11923.49	10265.85
Net current assets	1696.69	4530.73
<b>Total assets</b>	<b>39586.77</b>	<b>42823.35</b>
Debt	35.75	110.28
Liabilities and short term borrowings	3688.55	2931.34
(Net of deferred tax assets)		
Pending allotment & non controlling interest	312.42	1179.37
<b>Total liabilities &amp; Debts</b>	<b>4036.72</b>	<b>4220.99</b>
<b>Equity (Shareholder funds)/Net worth</b>	<b>35550.05</b>	<b>38602.36</b>

## CMD / CFO Certification

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 31st March, 2017 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 2016-17, 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 2016-17, 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**

**Place:** Noida  
**Date:** 25/08/2017

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

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

### **Declaration by the Chairman & Managing Director under Para D of Schedule V of The SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015**

To,  
The Members of FCS Software Solutions Limited,

I, Dalip Kumar, Chairman & 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 year ended 31st March, 2017.

**Place:** Noida  
**Date:** 25/08/2017

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

## Directors' Report

(For the Year 2016-2017)

### Dear Stakeholders,

Your Directors are pleased to present their 24th Directors Report on business and operations, together with the Audited Statement of Accounts, for the financial year ended March 31, 2017.

Financial Highlights		(Figures in Lakh)
Particulars	Year	
	2017 (Rs.)	2016 (Rs.)
Revenue from Operations	3,660.14	4,249.03
Operating Profit (EBITDA)	(758.30)	(471.80)
Misc. Income	1021.29	1088.90
Depreciation	4692.15	4656.55
Interest	66.67	504.42
Profit before tax (PBT)	(4495.83)	(4543.87)
Tax Expenses	54.17	51.02
Profit After Tax (PAT)	(4550.00)	(4594.89)

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. The Company has adopted the Indian Accounting Standards (Ind AS) from 1st April, 2016. The comparative financial information of the Company for the year ended 31st March, 2016 have also been reinstated to comply with Ind AS.

### Overview

For the financial year ended March 31, 2017, the Company reported a total revenue of Rs.3660.14 lakhs.

### Changes in nature of business

During the year under review, there were no changes in nature of business of the company.

### Changes in the Capital Structure

During the year under review, the company has allotted 5,00,00,000 equity shares of Re. 1/- each fully paid up, pursuant to the conversion of warrants into equity shares on 12th April, 2016.

Consequent to the above, the issued, subscribed and paid up Equity Share Capital of the Company as on 31st March, 2017 is Rs. 1,70,95,53,100/- comprising of 1,70,95,53,100 equity shares of Re. 1/- each.

### 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

Due to losses in the Company your directors do not recommend any dividend for the financial year 2016-17 under review.

### **Director and Key Managerial Personnel (KMP)**

Mr. Govinda Sahu, Executive Director of the Company, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 was appointed as Executive Director of the Company in the Annual General Meeting held on 22nd September, 2016.

During the year Mr. Rohit Pratap Singh, Non Executive Director of the Company has resigned from the post of non executive director w.e.f. 30th May, 2016 which was accepted by the Board.

Mr. Sunil Sharma was appointed by the Board as an additional director of the Company in its meeting held on 13th August, 2016 and was regularized as an Executive Director of the Company in its Annual General Meeting held on 22nd September, 2016.

Mr. Sunil Sharma, Executive Director of the Company is proposed to be retired by rotation in the forthcoming annual general meeting and being eligible, offers himself for re-appointment.

Mr. Dalip Kumar (Chairman & Managing Director), Mr. Govinda Sahu (Whole Time Director), Mr. Anil Kumar Sharma (Chief Financial Officer) and Ms. Harsha Sharma (Company Secretary) are Key Managerial Personnel of the Company. There were no change in KMP's during the Financial Year 2016-17.

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

The Board met Nine times during the financial year 2016-17, the details of the Board Meeting with regard to their dates and attendance of each director have been provided in the Corporate Governance Report that forms a part of this Annual Report. The maximum interval between any two consecutive meetings did not exceeded 120 days.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors. The manner in which such formal annual evaluation was made by the Board is given below:

- Performance evaluation policy for Board, Committees of the Board and Directors were approved by the Board at its meeting held on 16th March 2017 and the same were placed on the Company's website [www.fcslltd.com](http://www.fcslltd.com)
- The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the board.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 16th March 2017.
- Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

During the year under review, SEBI vide its circular dated 5th January 2017 came out with a Guidance Note of Board Evaluation, which was to be adopted by the Company, as considered appropriate. The performance evaluation criteria for the Board, Committees of the Board, Chairperson and Directors were accordingly modified by the Board at its meeting held on 16th March 2017, as approved and recommended by the Nomination and Remuneration Committee. The updated policy is placed on the Company's website [www.fcslltd.com](http://www.fcslltd.com) and will be applicable for evaluation from the year 2016-17.

### **Declaration By Independent Directors**

The Company maintains the requisite number of Independent Directors as required under Section 149(4) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as provided in sub-Section(6) of Section 149 of the Act.

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. In accordance with the third proviso of the Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing there in its standalone and consolidated financial statements have been placed on the website of the Company, [www.fcsltd.com](http://www.fcsltd.com)

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

In accordance with third proviso of Section 136(1) of Companies Act, 2013, the Annual Report of the company containing there in its 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.

### **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(3) of the Companies (Accounts) Rules, 2014, are set out in the "Annexure- C" to this Board Report.

### **Subsidiaries and Consolidated Financial Statements**

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. FCS has one Wholly Owned Subsidiary Company in India i.e. Insync Business Solutions Limited and five Subsidiary Company in India i.e. Innova e Services Private Limited, Heimdahl Software Systems Private Limited, Stablesecure Infraservices Private Limited, cGain Analytics Private Limited, and Zero Time Constructions Private Limited.

M/s. Enstaserv Eservices Limited is now associate company of FCS Software Solutions Limited which was earlier the subsidiary company.

The consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) forms part of the Annual Report and are reflected in consolidated financial statement of the Company.

### **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.

### **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. The Company has not made any loans/advances and investment in its associates during the year.

### **Particulars of employees**

During the year ended March 31, 2017, no employee is drawing remuneration in excess of the amount prescribed under section 197(12) of the Companies Act, 2013, read with Rule 5 of 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 for the Financial Year ended 31st March 2017, 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 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**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, the timely preparation of reliable disclosures.

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 Financial Year 2016-17.

### **The extract of Annual Return**

Extract of Annual Return of the Company in the prescribed Form MGT-9, is provided as "Annexure-D" to Director's Report.

### **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 Section 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 have transferred the balance of unpaid dividend account of Rs. 1,07,209 on 12th October, 2016 in the IEPF Account.

### **Board Committee**

The Company has the following committees 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**

The report on Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is annexed and form part of 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 2016-17 company has not received any complaints of sexual harassment.

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

The Company has a vigil mechanism through Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the policy is explained in the Corporate Governance Report and is also placed on the website of the Company.

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

Your Company's approach is to spend on activities for the welfare of society. CSR is a means 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 net loss from three immediately preceding financial year company has not spent any amount towards CSR activities.

Annual Report on CSR is Annexed as Annexure-E of the Director's Report.

### **Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as Annexure-F.

### **Corporate Governance**

FCS is endeavoring to implement every norm, which is promulgated by legislation, or any of the statutory bodies.

Your Company has established and maintained a strong ethical environment, overseen by Board of Directors, where 3 out of 6 Directors are Independent. The Company's practices and policies reflect true spirit of Corporate Governance initiatives.

Your Company is in compliance of all mandatory requirements of Corporate Governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015. Compliance status is provided in the Corporate Governance section of the Annual Report. A certificate issued by the Statutory Auditors of the Company under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations 2015, confirming compliance of the conditions of Corporate Governance, is provided as Annexure G to this Directors' Report. The auditors' certificate for Financial Year 2017 does not contain any qualifications, reservations or adverse remark.

A detailed report on Corporate Governance for the year forms part of this Annual Report.

## **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**

### **Statutory Auditors**

M/s. SPMG & Co., Chartered Accountant, the existing statutory auditor of the Company were appointed at 21st Annual General Meeting held on 24th September, 2014 to hold the office till conclusion of our forthcoming 24th Annual General Meeting for a period of 3 years.

Accordingly, they will retire at this Annual General Meeting. In accordance with the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant rules framed thereunder, the Board of Directors have proposed to appoint M/s. Aadit Sanyam & Associates, Chartered Accountant as a statutory auditor of the Company for a term of 5 consecutive years at the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting in place of retiring auditors, SPMG & Co., Chartered Accountant.

### **Secretarial Auditor**

The Board of Directors of the Company appointed M/s. Vikas Gandhi & Associates, Practising Company Secretary, to conduct Secretarial Audit for the F.Y. 2016-17. The Secretarial Audit Report of M/s. Vikas Gandhi & Associates, Practising Company Secretary for the financial year ended 31st March, 2017, is annexed herewith as Annexure-H.

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

### **Internal Auditor**

The Board of Directors of the Company has appointed M/s. Mahajan Rajeev & Co., Chartered Accountants as internal auditor of the Company for financial year 2017-18.

### **Listing Fees**

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 532666 and on National Stock Exchange of India Limited (NSE) with scrip code of FCSSOFT. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2017-18 have been paid.

### **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:** 25/08/2017

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

“Annexure-A”

Form AOC-1

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)

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.	Innovate Private Limited	Heimdahl Software Systems Private Limited	Stablesecure Infraservices Private Limited	cGain Analytics Private Limited	Zero Time Constructions Private Limited
2	Reporting period for the subsidiary concerned	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017
3	Reporting currency	USD	AED	EURO	YUAN	INR	INR	INR	INR	INR	INR
4	Share capital	7,01,000	270,600,000	25,000	123,210	500,000	14,60,000	97,15,380	1376,00,000	248,00,000	20,80,00,000
5	Reserves & surplus	(809,454)	(142,321,521)	(25,357)	(123,210)	25,555,463	10,647,945	(57,587,080)	(5,492,178)	12,976,854	(20,89,90,378)
6	Total assets	301,687	128,424,207	1,696	123,210	54,498,386	3,984,230	67,362,404	132,146,962	12,879,743	881,369
7	Total Liabilities	301,687	128,424,207	1,696	123,210	54,498,386	3,984,230	67,362,404	132,146,962	12,879,743	881,369
8	Investments	-	-	-	-	9,979,403	1,723,771	66,473,268	30,677,839	-	-
9	Turnover	991,814	-	-	58,802	52,733,606	592,000	566,730	720,000	363,000	-
10	Profit before taxation	(6,783)	(34,511,321)	7,378	58,802	4,151,891	(311,833)	285,549	(1,715,441)	(598,778)	(2,294,305)
11	Provision for taxation	-	-	-	-	1,556,000	-	-	-	-	-
12	Profit after taxation	(6,783)	(34,511,321)	7,378	58,802	2,595,891	(311,833)	285,549	(1,715,441)	(598,778)	(2,294,305)
13	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
14	% of shareholding	100	100	100	100	100	99.31	98.97	99.92	99.56	99.95

## **Form AOC-2**

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

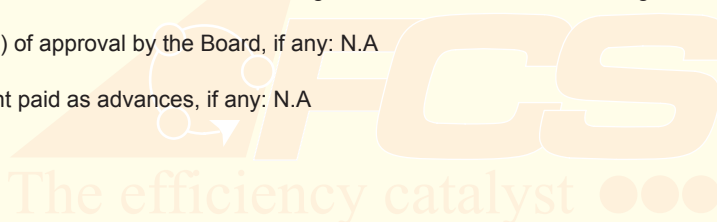
This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**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, 2017, 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  
For **FCS Software Solutions Limited**

**Place:** Noida  
**Date:** 25/08/2017

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

## “Annexure C”

### 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, company has partnered with market leaders in technology. The senior management of your Company is focused on the on going 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 substantial 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 75% of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was Rs. 2697.18 lakhs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings) was Rs 906.13 Lakhs.

Foreign exchange earned and used	(Rs. In lakhs)	
	2016-17	2015-16
<b>Earnings</b>	2697.18	3042.98
<b>Outflows</b>	906.13	991.09
<b>Net foreign exchange earnings</b>	1791.05	2051.90

**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, Shakarpur, 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, 2nd 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 AL KHAIMAH, U.A.E	U72900DL2009PLC196146	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	NA	Wholly owned subsidiary	100	2(87)(ii)
3	M/s. FCS Software Solutions GmbH GeothestraBe 740237, Dusseldorf	NA	Wholly owned subsidiary	100	2(87)(ii)
4	FCS Software Solutions America Limited 2375 Zanker Road, Suit 250 San Jose, CA-95131	NA	Wholly owned subsidiary	100	2(87)(ii)

5	M/s Insync Business Solutions Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Near SawarkerBlock, Vikas Marg, Shakerpur, New Delhi-110092	U72900DL2009PLC196146	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	U72200DL2010PTC199231	Associate Company	50	2(6)
7	Enstaserv e Services Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakerpur, Delhi -110092	U72200DL1997PLC090518	Associate Company	48.94	2(6)
8	Innova e Services Private Limited 16/10 First Floor New Rohtak Road, Karol Bagh Delhi Central Delhi -110005	U72300DL2006PTC156858	Subsidiary Company	99.31	2(87)(ii)
9	Heimdahl Software Systems Private Limited 16/10, First Floor, New Rohtak Road, Karol Bagh, Delhi-110005.	U72200DL2006PTC156952	Subsidiary Company	98.97	2(87)(ii)
10	Stablesecure Infraservices Private Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Veer SawarkerBlock,Vikas Marg, Shakerpur, Delhi -110092	U74210DL2010PTC207678	Subsidiary Company	99.92	2(87)(ii)
11	cGain Analytics Private Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Veer SawarkerBlock,Vikas Marg, Shakerpur, Delhi -110092	U72300DL2008PTC178410	Subsidiary Company	99.56	2(87)(ii)
12	Zero Time Constructions Private Limited 205, 2nd Floor, Agarwal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakerpur, Delhi -110092	U45400DL2009PTC188964	Subsidiary Company	99.95	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 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	185962450	0	185962450	11.2056	185962450	0	185962450	10.8778	-0.3278
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	9.0386	150000000	0	150000000	8.7742	-0.2644
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>20.2442</b>	<b>335962450</b>	<b>0</b>	<b>335962450</b>	<b>19.6521</b>	<b>-0.5921</b>
<b>(2) 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
d) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A)</b>	<b>335962450</b>	<b>0</b>	<b>335962450</b>	<b>20.2442</b>	<b>335962450</b>	<b>0</b>	<b>335962450</b>	<b>19.6521</b>	<b>-0.5921</b>
<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	0	0	0	0.00	-0.0003
c) Central Govt	568300	0	568300	0.0342	568300	0	568300	0.0332	-0.0010
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>	<b>573300</b>	<b>0</b>	<b>573300</b>	<b>0.0372</b>	<b>568300</b>	<b>0</b>	<b>568300</b>	<b>0.0332</b>	<b>-0.0013</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0.00%	0	2300000	2300000	95.83	95.83
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	505721890	178113	505900003	30.4841	495283477	179477	495462954	28.9820	-1.5021

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	288814016	320000	289134016	17.4224	312016641	320000	312336641	18.2701	0.8477
c) Others (specify)									
Trusts	4000	0	4000	0.0002	4000	0	4000	0.0002	'0.0000
Hindu Undivided Family	13036721	0	13036721	0.7856	14218528	0	14218528	0.8317	'0.0461
Non Resident Indians (Non Repat)	2387351	0	2387351	0.1439	2099423	0	2099423	0.1228	'-0.0211
Non Resident Indians (Repat)	15955161	0	15955161	0.9614	14660391	0	14660391	0.8576	'-0.1038
Clearing Members	7923483	0	7923483	0.4774	5849809	0	5849809	30.9081	'-0.1352
Bodies Corporate	488676615	0	488676615	29.4463	528390604	0	528390604	30.9081	'1.4618
<b>Sub-total (B) (2):-</b>	1322519237	498113	1323017350	79.7213	1372522873	0	1373022350	80.3147	0.5934
<b>Total Public (B)</b>	1323092537	498113	1323590650	79.7558	1373091173	499477	1373590650	80.3479	0.5921
<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>	1659054987	498113	1659553100	100.00	1709053623	499477	1709553100	100.00	0

## (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	185916060	11.2028	0	185916060	10.8751	0.00	-0.3277
2	Neelam Sharma	46390	0.0028	0	46390	0.0027	0.00	-0.0001
3	Enstaserv Eservices Ltd.	150000000	9.0386	0	150000000	8.7742	0.00	-0.2644

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	1/04/2016					
	Changes during the year		NO CHANGE				
	At the end of the year	31/03/2017					

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

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

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Prahlad Estates And Properties Private Limited	250000000	14.6327	260000000	15.2087
2	SLG Softech Private Limited	180000000	10.529	220000000	12.8689
3	Anahita Khanna	00000	00.00	35500000	2.0766
4	Pankaj Khanna	49500000	2.8955	23000000	1.3454
5	Divya Khanna	12500000	0.7312	12500000	0.7312
6	Karvy Stock Broking Limited	5432131	0.3178	4985282	0.2916
7	Sanjay R Makwana	3950240	0.2311	4857220	0.2841
8	Raju P	3737596	0.2186	4137535	0.2420
9	Master Commodity Services Limited	4131338	0.2417	4016212	0.2349
10	Bonanza Portfolio Limited	4405953	0.2577	3948608	0.2310

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

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Dalip Kumar</b>						
	At the beginning of the year	01/04/2016	-	185916060	11.20208	185916060	10.8751
	Changes during the year		-				
	At the end of the year	31/03/2017	-	185916060	11.20208	185916060	10.8751
2	<b>Anil Kumar Sharma</b>						
	At the beginning of the year	01/04/2016	-	460	0.0001	460	0.0001
	Changes during the year		-				
	At the end of the year	31/03/2017	-	460	0.0001	460	0.0001

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	-	0	0	0

## 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/WTD/ Manager		Total Amount (Rs/Lac)
		Dalip Kumar	Govinda Sahu	
	Name	Managing Director	Whole-time Director	
	Designation			
-	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2530000	2530000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	2530000	2530000
	Ceiling as per the Act	-	-	-

### B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Shayam Sunder Sharma	Shiv Nandan Sharma	Shweta Shastri	
1	Independent Directors				
	Fee for attending board & committee meetings	180000	120000	90000	390000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	180000	120000	90000	390000
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	390000
	Total Managerial Remuneration	-	-	-	390000
	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)
		-	Anil Kumar Sharma	Harsha Sharma	
	Name	-	CFO	CS	
	Designation	-			
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1217200	630667	1847867
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	0	0	0
2	Stock Option	-	0	0	0
3	Sweat Equity	-	0	0	0
	Commission	-	0	0	0
4	- as % of profit	-	0	0	0
	- others, specify	-	0	0	0
5	Others, please specify	-	0	0	0
	Total	-	1217200	630667	1847867

## 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.

## Annual Report on CSR

S No.	Particulars	Remarks										
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	<p>Corporate Social Responsibility has always been an integral part of FCS's vision. FCS believes that corporations must reach out to the society and help in improving the quality of education and healthcare through various community development programs.</p> <p>Web link: <a href="http://www.fcsltd.com">www.fcsltd.com</a></p>										
2.	The Composition of the CSR Committee.	<p>The present constitution of CSR Committee is as follows:</p> <table><tr><th>Name of Member</th><th>Designation</th></tr><tr><td>Mr. Shayam Sunder Sharma</td><td>Chairman</td></tr><tr><td>Mr. Shiv Nandan Sharma</td><td>Member</td></tr><tr><td>Mr. Govinda Sahu</td><td>Member</td></tr></table>	Name of Member	Designation	Mr. Shayam Sunder Sharma	Chairman	Mr. Shiv Nandan Sharma	Member	Mr. Govinda Sahu	Member		
Name of Member	Designation											
Mr. Shayam Sunder Sharma	Chairman											
Mr. Shiv Nandan Sharma	Member											
Mr. Govinda Sahu	Member											
3.	Average net profit of the Company for last three financial years.	<p>Average net profit of the company for last three financial years:</p> <table><tr><th>Financial Year</th><th>Net Profit Before Tax (Amount in Rs.) / OCI / expenses</th></tr><tr><td>2013-14</td><td>(38919191)</td></tr><tr><td>2014-15</td><td>13159257</td></tr><tr><td>2015-16</td><td>6669888</td></tr><tr><td>Average Profit of 3 years</td><td>(6363348)</td></tr></table>	Financial Year	Net Profit Before Tax (Amount in Rs.) / OCI / expenses	2013-14	(38919191)	2014-15	13159257	2015-16	6669888	Average Profit of 3 years	(6363348)
Financial Year	Net Profit Before Tax (Amount in Rs.) / OCI / expenses											
2013-14	(38919191)											
2014-15	13159257											
2015-16	6669888											
Average Profit of 3 years	(6363348)											
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	Due to the average net losses in preceeding financial years, the company is not required to spent any amount on CSR Activities										
5.	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	N.A.										

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: (1) Direct expenditure on rojects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
	NA	NA	NA	NA	NA	NA	NA

## “Annexure- F”

**As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board’s Report:**

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

- Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2016-17.

S. No.	Name of Directors/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Sunil Sharma	Executive Director	5.13	15%
2	Govinda Sahu	Whole Time Director	14.55	NIL
3	Anil Kumar Sharma	Chief Financial Officer	10.48	NIL
4	Harsha Sharma	Company Secretary and Compliance Officer	3.32	44.45%

- The Company has 402\*\* permanent Employees on the rolls of Company as on 31st March,2017.
- Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 7.2% whereas the increase in the managerial remuneration was 14.75%.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

### Note:

The Non-Executive Directors of the Company are entitled for sitting fee only. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

## **Independent Auditor’s Certificate on Corporate Governance**

To

### **The Members of FCS Software Solutions Limited**

We have examined the compliance of conditions of Corporate Governance by FCS Software Solutions Limited (‘the Company’) for the year ended 31 March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

### **Restrictions on use**

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For **SPMG & Company**  
Chartered Accountants  
Firm’s registration No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
Membership No.: 090687

**Place:** Noida  
**Dated:** May 30, 2017



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial 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 in respect 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Management Responsibility for Secretarial Compliances**

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

**Opinion**

Based on my 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period for the financial year ended on March 31, 2017 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 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, 2017 according to the provisions of: -

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under 'the Securities and Exchange Board of India Act, 1992' (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Substantial Acquisition of Shares and Takeovers) (Amendments) Regulations; 2013
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;Not Applicable
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;Not Applicable
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008 and Chapter V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015-  
**Not Applicable**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009- **Not Applicable**
  - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 - **Not Applicable**
  - (vi) The Company has identified following laws specifically applicable on the Company: -
    - 1. Special Economic Zones Act, 2005 and the rules made there under;
    - 2. Policy related to Software Technological Parks of India and its regulations;
- I have also examined compliance with the applicable provisions of the following: -
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) SEBI (Listing Obligations and Disclosure Requirements)Regulation, 2015 listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

**I further report that** the Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year.

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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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, standards and guidelines.

**I further report that** during the audit period the Company has no specific events/ actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, etc.

Thanking You,

Yours Faithfully,

Sd/-

**CS Vikas Gandhi**

Membership No: 35924

C.P. No:13266

**Date:** 25th August, 2017

**Place:** Noida

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

**‘Annexure A of 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 record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Further, my verification to the compliance of the laws applicable specifically to the Company is limited to test check on random basis without going into the detailed technical scrutiny.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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 the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking You,

Yours Faithfully,

Sd/-

**CS Vikas Gandhi**

**Date:** 25th August, 2017

Membership No: 35924

**Place:** Noida

C.P. No:13266

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY:

Corporate governance is meant to run companies ethically in a manner such that all stakeholders including creditors, distributors, customers, employees, the society at large, governments and even competitors are dealt with in a fair manner. Good corporate governance should look at all stakeholders and not just the shareholders alone.

A business organization has to compete for a share in the global market on its own internal strength, in particular on the strength of its human resource, and on the goodwill of its other stakeholders. While its state-of-the-art technologies and high level managerial competencies could be of help in meeting the quality, cost, volume, speed and break even requirements of the highly competitive global market, it is the value-based management and ethics that the organization has to use in its governance. This would enable the organization to establish productive relationship with its internal customers and lasting business relationship with its external customers.

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 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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

### 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, 2017, the Board consists of 3 Independent Directors including 1 Woman Director and 3 Executive Directors. The Chairman & Managing Director is an Executive Director. The Board periodically evaluates the need for change in its composition and size.

#### a. Composition, Category of Directors and their other Directorship as on 31st March, 2017

Name of Director	Category of Directorship	No. of Directorship in other Public & Private Ltd. Companies
Mr. Dalip Kumar	Executive (Chairman & Managing Director)	6
Mr. Shayam Sunder Sharma	Non-Executive (Independent Director)	3
Mr. Shiv Nandan Sharma	Non-Executive (Independent Director)	1
Mr. Govinda Sahu	Executive (Whole Time Director)	8
Ms. Shweta Shatsri	Non-Executive (Independent Director)	6
Mr. Sunil Sharma	Executive Director	5

### Number of Board Meetings

The Board met Nine times during the financial year 2016-17 and dates for the Board meetings are:

1. April 12, 2016
2. May 30, 2016
3. August 13, 2016
4. August 26, 2016
5. September 09, 2016
6. September 14, 2016
7. December 14, 2016
8. February 13, 2017
9. March 16, 2017

### Director's attendance record:

Name of Director	Board Meeting attended during the year	Whether attended last AGM
Mr. Dalip Kumar	7	No
Mr. Shayam Sunder Sharma	9	No
Mr. Shiv Nandan Sharma	7	Yes
Mr. Govinda Sahu	9	Yes
Ms. Shweta Shatsri	5	No
Mr. Sunil Sharma	6	Yes

### 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	Category
Mr. Shiv Nandan Sharma	Independent Director
Mr. Shayam Sunder Sharma	Independent Director
Ms. Shweta Shatsri	Independent Director

During the year under review, the Independent Directors met on 16th March, 2017, 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.

### 3. COMMITTEES OF THE BOARD:

The Board has constituted various committees with specific terms of reference and scope. The details of the committees constituted by the Board are given below:

#### a. Audit Committee:

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations.

The terms of reference to the Audit Committee inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;

- Approval or pre approval or any subsequent modification of transactions of the Company with related parties except the transactions with a wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower mechanism.

The composition of the Audit Committee, meetings held, and attendance of the members are given below:

The Audit Committee consists of three Independent Directors i.e., Mr. Shiv Nandan Sharma, Mr. Shayam Sunder Sharma, Ms. Shweta Shatsri and a Whole Time Director, Mr. Govinda Sahu. The Committee met 7 times during the financial year 2016-17. The attendance record of the members at the meeting were as follows:

Name of the Member	Category	No. of Audit Committee Meetings Attended
Mr. Shiv Nandan Sharma	Chairperson–Independent Director	5
Mr. Shayam Sunder Sharma	Independent Director	7
Mr. Govinda Sahu	Executive Director	7
Ms. Shweta Shatsri	Independent Director	3

The Company Secretary acts as the Secretary of the Audit Committee.

**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.

The terms of reference to the Nomination & Remuneration Committee are as given below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors, Committees of Board and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- The Committee will develop and review induction procedures for new appointees to the Board to enable them to become aware of and understand the Company's policies and procedures and to effectively discharge their duties.

The composition of the Nomination & Remuneration Committee and particulars of meetings attended by the members are given below:

Name of Members	Category	Number of meeting during the financial year 2016-2017	
		HELD	ATTENDED
Mr. Shiv Nandan Sharma (Chairperson)	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

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

### Remuneration of Directors:

The details of remuneration paid to the Directors are given in Form MGT-9 forming part of the Directors Report.

### 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.

### 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.

The terms of reference to the Stakeholders Relationship Committee consists inter-alia the following:

- Look into the redressing of the shareholders complaints and queries and to focus on the strengthening of investor relations;
- To monitor and review the performance and service standards of the Registrar and Transfer Agents (RTA) of the Company and provides continuous guidance to improve the service levels for investors;
- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and Chief Compliance Officer and RTA of the Company.

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

Name of Directors	Category	Status	No. of Meetings	
			Held	Attended
Mr. Shiv Nandan Sharma	Independent- Non Executive Director	Chairperson	1	1
Mr. Shayam Sunder Sharma	Independent- Non Executive Director	Member	1	1
Mr. Govinda Sahu	Executive Director	Member	1	1

Numbers of Shareholder's complaints received by Company from its RTA, BSE, NSE, SEBI and Shareholders, during the financial year ended March 31, 2017 are as under:

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

The Company Secretary acts as the Secretary of the Stakeholder Relationship Committee.

### 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:



Terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR policy indicating the activities from the specified list of activities in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred for the chosen activities;
- Monitor the CSR Policy and activities from time to time;
- To carry on such task and activities as may be assigned by the board of directors from time to time.

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)

The Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

#### 4. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings areas under:

Financial Year	Venue	Day & Date	Time	No. of Special Resolutions passed
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
2015-2016	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi –110 074.	Thursday, September 22, 2016	9.00 A.M	1

#### Special Resolution passed through Postal Ballot

For the year ended March 31, 2017 there have been no special resolutions passed by the Company's Shareholders through postal ballot.

#### 5. 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.

Newspaper wherein results are normally published: 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.

## 6. SUBSIDIARY COMPANIES

The Company has following Non-Listed Indian Subsidiary Companies i.e. Insync Business Solutions 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

The Company's Indian unlisted subsidiaries do not fall under the definition of "material unlisted Indian subsidiaries".

The Audit Committee of directors of the Company reviews the financial statements and in particular investments made by the unlisted subsidiaries.

Material Subsidiaries Policy:

The board has duly formulated a policy for determining 'material' subsidiaries. A subsidiary is considered as "a material subsidiary", if its income or networth exceeds 20% of the consolidated income or networth of the Company during the previous financial year.

Copy of the said policy is available on the Company's website in the following link

[http://www.fcsltd.com/home/Policy\\_criteria\\_determining\\_materiality\\_events.pdf](http://www.fcsltd.com/home/Policy_criteria_determining_materiality_events.pdf)

## 7. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

Date and Time : 28th September, 2017, 9:00 A.M.  
 Venue : The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi-110 074  
 Financial Calendar : 1st April 2016 to 31st March 2017  
 Dividend Payment Date : No Dividend is recommended for the financial year 2016-17.  
 Date of Book Closure : September 21, 2017 to September 22, 2017(Both days inclusive)

### Name of Stock Exchange where shares are listed

Bombay Stock Exchange : BSE Limited  
 Phiroze Jeejeebhoy Towers  
 Dalal Street  
 Mumbai- 400001

National Stock Exchange : National Stock Exchange of India Ltd  
 Exchange Plaza, Plot No. C/1,G Block, Bandra Kurla Complex, Bandra (E),  
 Mumbai: 400051

**Listing fee for 2016-17** : Paid for both the above stock exchanges.

**ISIN No.** : INE512B01022 (for fully paid up shares)

**ISIN No.** : IN9512B01020 (for partly paid up shares)

Name of the Stock Exchange	Exchange code
BSE	532666
NSE	FCSSOFT

### 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			Total Volume (Nos.)
	High	Low	Volume	High	Low	Volume	
Apr-16	0.41	0.30	5290875	0.40	0.30	7502271	12793146
May-16	0.38	0.30	4002060	0.40	0.35	4955247	8957307
Jun-16	0.33	0.28	6688041	0.35	0.25	14416702	21104743
Jul-16	0.38	0.30	8878466	0.40	0.30	7043251	15921717
Aug-16	0.33	0.29	7502052	0.35	0.25	9751788	17253840
Sep-16	0.32	0.28	4501664	0.35	0.25	12901329	17402993
Oct-16	0.33	0.29	7679407	0.35	0.25	9069541	16748948
Nov-16	0.33	0.25	10219092	0.35	0.25	16061587	26280679
Dec-16	0.39	0.25	13961892	0.40	0.25	14917333	28879225
Jan-17	0.32	0.28	6726334	0.35	0.25	10187098	16913432
Feb-17	0.33	0.29	5424309	0.35	0.25	8776075	14200384
Mar-17	0.30	0.25	6974157	0.30	0.25	4657407	11631564
<b>Total</b>		87848349			120239629		208087978

Chart-A

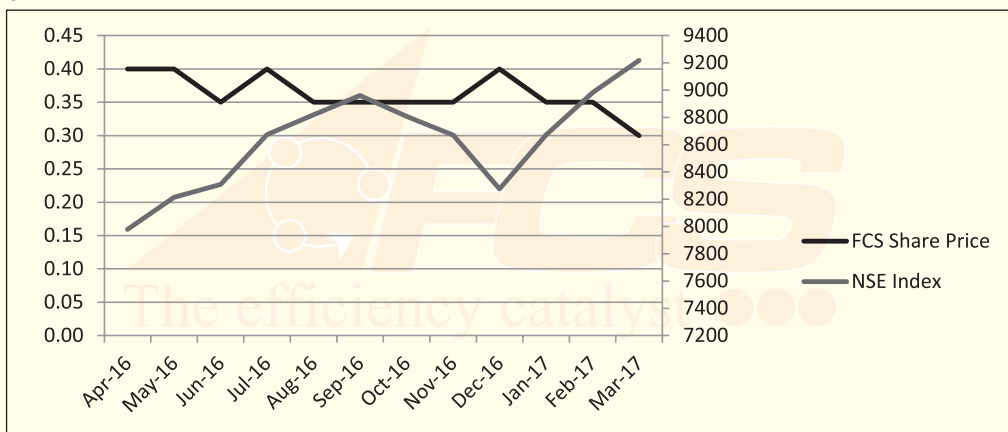
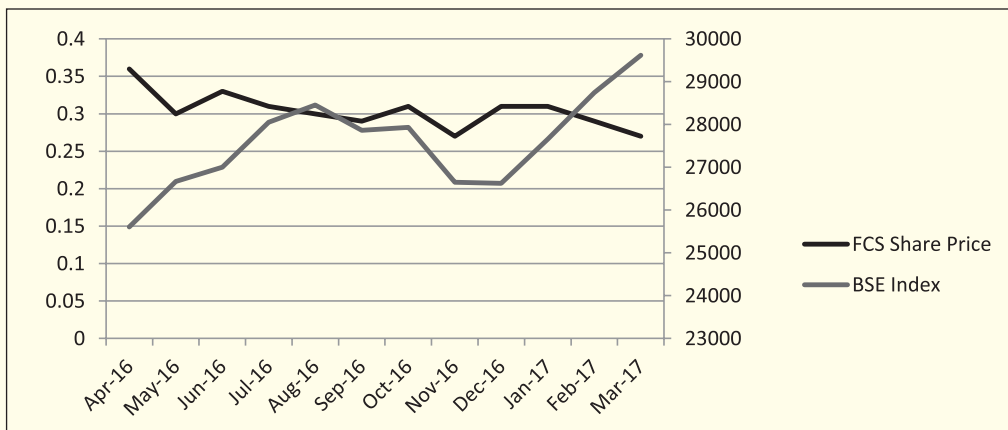


Chart-B



### 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, 2017.

#### Shareholding pattern by size

As on 31st March, 2017

Shareholding of Normal Value (Rs.)	No. of shareholder	% of total shareholder	No. of shares held	% of Total shares
Upto 500	34530	29.9225	8275877	0.4841
501-1000	22396	19.4076	20530550	1.2009
1001-2000	18140	15.7195	31708523	1.8548
2001-3000	7666	6.6431	20804893	1.2170
3001-4000	5008	4.3398	18900735	1.1056
4001-5000	5831	5.0529	28364369	1.6592
5001-10000	10049	8.7081	80269597	4.6954
10001- & above	11778	10.2064	1500698556	87.7831
<b>Total</b>	<b>115398</b>	<b>100.00</b>	<b>1709553100</b>	<b>100.00</b>

#### Shareholding Pattern By Ownership

Categories	As on March 31, 2017		As on March 31, 2016	
	No of share	% of holding	No of share	% of holding
Promoter-Indian	335962450	19.6521	335962450	20.24
Foreign	0	0	0	0
Mutual Fund & UTI	0	0	0	0
Banks and Financial Institution and Insurance Companies	0	0	5000	0
Central Government/State Government	568300	0.0332	568300	0.03
Foreign Institutional Investor	0	0	0	0
Private Bodies Corporate	528390604	30.9081	488676615	29.45
Indian Public-Individual	807799595	47.2521	795034019	47.91
NRI/OCB's	16759814	0.9804	18342512	1.11
Clearing Member	5849809	0.3422	7923483	0.48
Other (Director & their relatives , HUF)	14222528	0.8319	13040721	0.78
<b>Total</b>	<b>1709553100</b>	<b>100</b>	<b>1659553100</b>	<b>100</b>

### **Dematerialization of the shares and liquidity:**

As on March 31, 2017, 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, 2017 is as under:

<b>Segment</b>	<b>No. of Shareholders</b>	<b>% of Total No. of Shareholders</b>	<b>No. of Shares</b>	<b>% of Total No. of Shares</b>
Physical	103	00.089	499477	00.03
Demat	115295	99.911	1709053623	99.97
Total	115398	100	1709553100	100

### **Plant Locations**

The Company has 8 offices as on 31st March, 2017 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

### **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 BSE Listing Centre.

### **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.

### **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 31st March, 2017.

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

## 8. DISCLOSURES

**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**

There were no related party transaction during the financial year 2016-17.

**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)

### **Compliance with mandatory / non-mandatory requirements**

The Company has complied with all applicable mandatory requirements in terms of SEBI (LODR) Regulations. The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

### **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 under section 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.

### **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.

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of the financial condition and results of operations include forward-looking statements based on certain assumptions and expectations of future events. The Company cannot assure that these assumptions and expectations are accurate.

As Management of the FCS Software Solutions Limited, we offer the readers of the FCS's financial statements this narrative overview and analysis of the financial activities of the FCS Software Solutions Limited for the financial year ended 31st March, 2017. 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 Indian Accounting Standards.

### A. Industry Structure and Developments

In this competitive era, the economy and business conditions are not static one and hence, it tempts the organizations to make to rapid technological innovations that is driving corporations to transform their operations. The year 2016-17 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 and 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-

- Software development marketing and providing support services
- IT enabled services
- Infra management
- Education

#### Software development, marketing and providing support services

FCS provides development of effective & Unique Software solutions or Custom Software Application Development, projected to meet the client's exclusive requirements. FCS Specialists are equipped with skills to understand the motive of customer's business requirements & provide successful Software solution that excels all the requirements in most efficient manner. FCS offers Professional Software Development & marketing & Support services; We design Simple to use, highly efficient & Productive Software with impressive outputs. We help handle the core business at ease, with our fully integrated software solutions. We operate as fully functional Software Consultancy Services firm with optimum Goal achievements in the favor of the organization.

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

#### Infra Management

The company has developed its infrastructure accordingly to cope with the increased demand of its services, and in view of providing the best standards for the existing as well as new services introduced by the Company. Infra Structure Management offers the full suite of tools and technologies across the value chain of data.

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. 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. However for mitigating these risks FCS is trying to keep proper mechanisms at place.

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. 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.

## **C. Outlook**

FCS is striving to strengthen its position in 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. Software development, marketing Services and BPO
2. Education/E –Learning Division
3. Infrastructure management

### **Software development, marketing Services and BPO**

This financial year software development, marketing Services and BPO segment becomes major contributor in the revenue. 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, FCS also provides training and education services to big corporates. FCS has developed over 10,000 learning hours of content for various Corporate, Educational Institutes, and universities across the Country.

### **Infrastructure Management**

FCS has developed its infrastructure accordingly to cope with the increased demand of its services. 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. Risk and Concern**

The Risk Management framework of your Company ensures regular review by management to proactively identify the emerging risks, to do risk evaluation and risk prioritization along with development of risk mitigation plans and action taken to minimize the impact of the risk. These processes are also periodically reviewed by management.



**F. 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.

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. 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.

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

The Company's total income has been reported for the year ended as on 31st March, 2017 is Rs 3246.94 lakhs.

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

Our culture and reputation 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. FCS has inbuilt HR strategic planning in its overall business plan. Satisfaction of our more than 400 employees is important for FCS, because it is the key factor on which productivity depends.

**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 conditions, Government policies and other incidental factors.

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

**Place:**Noida  
**Date:** 25/08/2017

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

# Independent Auditors' Report

## To the Members of FCS Software Solutions Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of FCS Software Solutions Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Company' or 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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

including the Ind AS, of the consolidated financial position of the Group, as at 31 March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

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

1. As required by Section 143(3) of the Act, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. With respect to the other matters to be included in the Auditors' 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.
  - iv. The company has provided requisite disclosure in the financial statement as regards its holding and dealing in specified bank notes as defined in notification S.O. 3407 dated 08th November, 2016 of the Ministry of Finance during the period from 08th November, 2016 to 30th December, 2016. Based on audit procedure performed and representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the company and produced to us by the management.

For **SPMG & Company**  
Chartered Accountants  
Firm's registration No.: 509249C

Sd/-

**Vinod Gupta**

Partner

Membership No.: 090687

**Place:** Noida  
**Dated:** May 30, 2017

## **Annexure A to the 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 Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of FCS Software Solutions Limited ('the Holding Company') and its subsidiary companies which are companies 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 subsidiary companies, which are companies 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 (ICAI). 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 the 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') issued by ICAI 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 issued by the ICAI. 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 Ind AS 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**

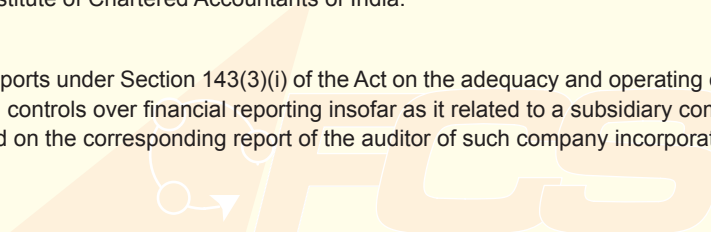
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 explanation given to us, the Holding Company and its subsidiary companies, which are companies 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 31 March 2017, 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 related to a subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.



The efficiency catalyst

For **SPMG & Company**  
Chartered Accountants  
Firm's registration No.: 509249C

**Place:** Noida  
**Dated:** May 30, 2017

Sd/-  
**Vinod Gupta**  
Partner  
Membership No.: 090687

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

ASSETS	Note no.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>Non-current assets</b>				
Property, plant and equipment	1	382,814,618	370,708,994	290,729,636
Capital work-in-progress		252,513,818	185,085,855	167,988,919
Goodwill		209,478,840	211,472,882	-
Intangible assets		1,381,195,581	1,739,587,670	2,100,977,434
Financial assets				
- Non-Current investments	2	370,655,607	295,821,510	969,448,400
- Long-term loans and advances	3 (a)	964,336,502	653,272,712	569,040,867
- Other financial Assets	4 (i)	-	4,259,787	4,114,142
Deferred tax assets (Net)		16,147,324	12,879,977	10,837,025
Other non-current assets		228,012,567	373,311,903	455,512,590
<b>Current assets</b>				
Financial assets				
- Trade and other receivables	6	35,212,769	90,426,683	94,284,144
- Lease Receivables		8,799,997	-	-
- Cash and cash equivalents	7	54,581,813	262,026,890	355,064,570
- Short term loans and advances	3 (b)	1,416,250	4,526,409	6,159,325
- Other Current Financial Assets	4(ii)	58,391,872	71,072,781	79,005,443
<b>Other current assets</b>	5	11,267,134	20,760,403	9,604,478
<b>TOTAL</b>		<b>3,974,824,692</b>	<b>4,295,214,457</b>	<b>5,112,766,972</b>
<b>EQUITY AND LIABILITIES</b>	<b>Note no.</b>			
Equity				
Equity Share capital	8 (ii)	1,709,553,100	1,659,553,100	1,659,553,100
Less: Share Held by Subsidiary Company			(150,000,000)	
Other equity				
- Security Premium Reserve		2,509,944,010	2,509,944,010	2,509,944,010
- Retained earnings	8 (iii)			
- Reserves	8 (iii)	(852,595,065)	(419,865,022)	539,566,368
- Capital reserves	8 (iii)	188,103,250	188,103,250	188,103,250
Others (Preferential Share warrants)		-	72,500,000	35,000,000
<b>Non Controlling Interest</b>		31,241,974	736,857	-
<b>Share application money pending allotment</b>		-	117,200,000	-
<b>Non-current liabilities</b>				
Financial liabilities				
- Long term borrowings	9 (i)	3,574,667	11,028,031	2,485,309
- Other financial liabilities	10 (i)	7,533,009	-	-
Long term provisions	11 (i)	7,740,171	6,007,516	6,414,198
Current liabilities				
Financial liabilities				
- Short term borrowings	9 (ii)	79,169,350	-	57,850,274
- Trade and other payables	10 (ii)	33,105,662	59,315,057	62,164,444
- Other financial liabilities	10 (ii)	10,823,941	-	-
Other current liabilities	12	236,361,201	232,236,762	40,078,799
Short-term provisions	11 (ii)	10,269,422	8,454,896	11,607,219
<b>TOTAL</b>		<b>3,974,824,692</b>	<b>4,295,214,457</b>	<b>5,112,766,972</b>

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Note no.	As at March 31, 2017	As at March 31, 2016
<b>Revenue from operations</b>	<b>13</b>	366,014,315	424,902,853
<b>Other income</b>	<b>14</b>	102,129,330	108,889,556
<b>Total Income</b>		<b>468,143,645</b>	<b>533,792,409</b>
<b>Expenses</b>			
Employee benefit expense	<b>15</b>	300,844,327	326,610,252
Finance cost	<b>16</b>	6,666,638	50,441,721
Depreciation and amortisation expense	<b>17</b>	469,215,398	465,655,824
Other Operating expense	<b>18</b>	140,999,620	145,472,913
<b>Total expenses</b>		<b>917,725,982</b>	<b>988,180,710</b>
<b>Profit/ (loss) before exceptional items and tax</b>		(449,582,337)	(454,388,301)
Exceptional items			
<b>Profit/ (loss) before tax</b>		(449,582,337)	(454,388,301)
<b>Tax expense</b>			
a) Current tax		8,756,000	7,187,683
b) Deferred tax		(3,338,636)	(2,086,090)
<b>Profit/ (loss) for the period from continuing operations</b>		<b>(454,999,701)</b>	<b>(459,489,894)</b>
<b>Other comprehensive income</b>			
- Items that will be reclassified to profit or loss		-	-
- Items that will not be reclassified to profit or loss		-	-
1 Remeasurement of defined employee benefits plan		49,086	626,101
2 Changes in Fair Values of Investment in Equities carried at Fair Value through Other Comprehensive Income		1,143,176	12,584,295
3 An item of Income not recognised in profit or loss account			-
a) Forfeiture of Share Application Money		22,500,000	-
b) Revaluation of Land		-	-
c) Creditors Written Back		769,059	-
4 An item of Expense not recognised in profit or loss account		-	-
a) Profit/(Loss) on Valuation of Shares			(525,288,000)
b) Advances Written Off		(410,998)	-
c) Prior period expenses		(461,669)	(493,721)
<b>Total comprehensive income for the period</b>		<b>(431,411,046)</b>	<b>(972,061,219)</b>
(Profit/ loss + other comprehensive income)			
<b>Earnings per equity share (for continuing operations)</b>			
a) Basic		(0.25)	(0.59)
b) Diluted		(0.25)	(0.59)

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary



## Consolidated Cash Flow Statement for the Year Ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016
	(Amount in Rs.)	(Amount in Rs.)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	(449,582,337)	(454,388,301)
Adjustments For :		
Remeasurement of Investment Fair Value	-	-
Non Controlling Interest	30,505,117	105,136
Foreign Currency Translation Reserves		12,902,133
Other Adjustments due to OCI	12,584,296	
Depreciation and Amortization	469,215,398	388,639,572
GDR/Deferred Business Development Expenses W/o	-	77,016,252
Finance Charges	6,666,638	50,441,721
<b>Cash from Operations before Working Capital Changes</b>	<b>69,389,111</b>	<b>74,716,513</b>
Increase/(Decrease) in Trade Receivables	46,413,917	3,857,461
Increase/(Decrease) in Long Term Loans and Advances	(311,063,790)	-
Increase/(Decrease) in Loans and Advances	3,110,159	(84,013,824)
Increase/(Decrease) in Other Current Financial Assets	(44,415,626)	-
Increase/(Decrease) in Other Non Current Assets	145,299,336	-
Increase/(Decrease) in Other Financial Assets	-	-
Increase/(Decrease) in Other Current Assets	9,493,269	645,544
Increase/(Decrease) in Trade Payables	(18,586,000)	(2,849,387)
Increase/(Decrease) in Short Term Borrowings	79,169,350	-
Increase/(Decrease) in Current Liabilities	16,590,649	192,157,962
Increase/(Decrease) in other Liab & Provisions	246,209	(90,587)
<b>NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES (1)</b>	<b>(4,353,416)</b>	<b>184,423,682</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and change in Capital Work-In-Progress	(114,970,677)	124,326,102
Increase/(Decrease) in Investments	(9,600,000)	(10,429,463)
Increase/(Decrease) in Preliminary Expense	-	80,856
Increase/(Decrease) in Goodwill	(1,994,042)	211,472,882
Increase/(Decrease) in Non Controlling Interest	-	(736,858)
<b>NET CASH GENERATED/(USED IN) BY INVESTING ACTIVITIES (2)</b>	<b>(137,883,263)</b>	<b>324,713,519</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		



Proceed from Issue of Share Capital	50,000,000	-
Proceed from Share Application money pending allotment	(117,200,000)	117,200,000
Advance pursuant to Pref. Share Warrant	(72,500,000)	37,500,000
Proceed from Long Term Borrowings	22,500,000	(55,714,274)
Repayment of Long Term Borrowings	(7,453,364)	6,406,722
Income Tax Paid	(7,247,013)	(10,364,303)
Others Liabilities	683,751	-
Finance Charges	(6,666,638)	(50,441,721)
<b>NET CASH GENERATED/(USED IN) BY FINANCING ACTIVITIES (3)</b>	<b><u>(137,883,263)</u></b>	<b><u>44,586,424</u></b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b><u>(268,801,398)</u></b>	<b><u>(95,703,413)</u></b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b><u>331,939,592</u></b>	<b><u>427,643,005</u></b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b><u>63,138,194</u></b>	<b><u>331,939,592</u></b>

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in Ind AS - 7
2. Cash and cash equivalents consist of cash in hand and balances & deposit with scheduled/non scheduled banks.
3. The previous year's figures have been recast/restated, wherever necessary, to confirm to current year's classification

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary

## Statement of changes in equity for the period ended 31st March 2017

Equity share capital	Opening balance as at 1 Apr 2015	Changes in equity share capital during the year	Closing balance as at 31 March 2016	Opening balance as at 1 Apr 2016	Changes in equity share capital during the year	Closing balance as at 31 March 2017
Equity shares of Rs.1 each	1,659,553,100		1,659,553,100	1,659,553,100	50,000,000	1,709,553,100
	1,659,553,100	-	1,659,553,100	1,659,553,100	50,000,000	1,709,553,100

### Other Equity

For the year ended 31 March, 2017

	Share premium	Capital reserve	Retained earnings	General reserve	Foreign currency translation reserve	Investment revaluation reserve	Total Equity
As at 1 April 2016	2,509,944,010	188,103,250	(904,095,110)	325,789,411	158,440,677	-	2,278,182,238
Profit for the period			(454,999,701)				(454,999,701)
Other comprehensive income			23,588,654				23,588,654
Total comprehensive income	2,509,944,010	188,103,250	(1,335,506,156)	325,789,411	158,440,677	-	1,846,771,192
Addition/ Deletion during year			(12,911,369)		(1,376,647)		(1,703,720)
Acquisition of non-controlling interests (Note			384,723			12,584,296	384,723
TOTAL	2,509,944,010	188,103,250	(1,348,032,802)	325,789,411	157,064,030	12,584,296	1,845,452,195

For the year ended 31 March, 2016

	Share premium	Capital reserve	Retained earnings	General reserve	Foreign currency translation reserve	Investment revaluation reserve	Total Equity
As at 1 April 2015	2,509,944,010	188,103,250	68,238,414	325,789,411	145,538,544		3,237,613,629
Profit for the period			(459,489,894)				(459,489,894)
Other comprehensive income			(512,571,325)				(512,571,325)
Total comprehensive income	2,509,944,010	188,103,250	(903,822,805)	325,789,411	145,538,544	-	2,265,552,410
Addition/ Deletion during year			(377,441)		12,902,133		12,524,692
Acquisition of non-controlling interests (Note			105,136				105,136
TOTAL	2,509,944,010	188,103,250	(904,095,110)	325,789,411	158,440,677	-	2,278,182,238

- Debit balance of Statement of Profit and loss shall be shown as a negative figure under the head 'Retained Earnings'.

### As per our report of even date attached

For SPMG & Co.  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
Vinod Gupta  
Partner  
M. No. 090687

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

Sd/-  
Dalip Kumar  
Chairman & MD  
DIN-00103292

Sd/-  
Anil Kr. Sharma  
Chief Financial Officer

Sd/-  
Govinda Sahu  
Director  
DIN-02528967

Sd/-  
Harsha Sharma  
Company Secretary

**PROPERTY, PLANT AND EQUIPMENT:**

Property, plant and equipment consist of the following for the year ended March 31, 2017:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016:	235,619,799	87,398,831	73,101,326	663,460,391	42,007,035	7,703,675	1,109,291,057
Additions	44,297,716	-	1,160,786	1,466,240	-	-	46,924,742
Deletions	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2017:</b>	<b>279,917,515</b>	<b>87,398,831</b>	<b>74,262,112</b>	<b>664,926,631</b>	<b>42,007,035</b>	<b>7,703,675</b>	<b>1,156,215,799</b>
Accumulated depreciation as of April 1, 2016:	-	28,565,238	60,400,707	612,785,727	31,972,393	4,857,997	738,582,062
Depreciation	-	2,865,773	5,012,722	23,673,362	2,444,756	822,505	34,819,119
Accumulated depreciation on deletions	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2017:</b>	<b>-</b>	<b>31,431,011</b>	<b>65,413,429</b>	<b>636,459,089</b>	<b>34,417,149</b>	<b>5,680,502</b>	<b>773,401,181</b>
<b>Carrying value as of March 31, 2017 :</b>	<b>279,917,515</b>	<b>55,967,820</b>	<b>8,848,683</b>	<b>28,467,542</b>	<b>7,589,886</b>	<b>2,023,173</b>	<b>382,814,618</b>

**PROPERTY, PLANT AND EQUIPMENT:**

Property, plant and equipment consist of the following for the year ended March 31, 2016:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015:	139,435,856	87,398,831	70,959,328	658,831,408	41,582,791	3,853,675	1,002,061,889
Additions	96,183,943	-	2,141,998	4,628,983	424,244	3,850,000	107,229,168
Deletions	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2016 :</b>	<b>235,619,799</b>	<b>87,398,831</b>	<b>73,101,326</b>	<b>663,460,391</b>	<b>42,007,035</b>	<b>7,703,675</b>	<b>1,109,291,057</b>
Accumulated depreciation as of April 1, 2015:	-	25,553,360	51,959,141	601,548,435	28,697,928	3,573,389	711,332,253
Depreciation	-	3,011,878	8,441,566	11,237,292	3,274,465	1,284,608	27,249,809
Accumulated depreciation on deletions	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2016:</b>	<b>-</b>	<b>28,565,238</b>	<b>60,400,707</b>	<b>612,785,727</b>	<b>31,972,393</b>	<b>4,857,997</b>	<b>738,582,062</b>
<b>Carrying value as of March 31, 2016 :</b>	<b>235,619,799</b>	<b>58,833,593</b>	<b>12,700,619</b>	<b>50,674,664</b>	<b>10,034,642</b>	<b>2,845,678</b>	<b>370,708,995</b>

#### INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2017:

Particulars	Software & IPR	Total
Cost as at April 1, 2016 :	3,582,419,243	3,582,419,243
Additions	-	-
Deletions	-	-
<b>Cost as at March 31, 2017 :</b>	<b>3,582,419,243</b>	<b>3,582,419,243</b>
Accumulated amortization as of April 1, 2016:	1,842,831,572	1,842,831,572
Amortization expense	358,392,090	358,392,090
Deletion	-	-
<b>Accumulated amortization as of March 31, 2017:</b>	<b>2,201,223,662</b>	<b>2,201,223,662</b>
<b>Carrying Amount as of March 31, 2017 :</b>	<b>1,381,195,581</b>	<b>1,381,195,581</b>

#### INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2016:

Particulars	Software & IPR	Total
Cost as at April 1, 2015:	3,582,419,243	3,582,419,243
Additions	-	-
Deletions	-	-
<b>Cost as at March 31, 2016 :</b>	<b>3,582,419,243</b>	<b>3,582,419,243</b>
Accumulated amortization as of April 1, 2015:	1,481,441,809	1,481,441,809
Amortization expense	361,389,763	361,389,763
Deletion	-	-
<b>Accumulated amortization as of March 31, 2016:</b>	<b>1,842,831,572</b>	<b>1,842,831,572</b>
<b>Carrying Amount as of March 31, 2016 :</b>	<b>1,739,587,671</b>	<b>1,739,587,671</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>2. Non-current investments</b>			
a. Non Trade and unquoted - Investments in equity shares (Carried at FVTPL) of subsidiaries			
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.10/- fully paid	126,100.00	126,100	126,100
(I)	<b>126,100.00</b>	<b>126,100</b>	<b>126,100</b>
b. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI) of associate			
M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000.00	50,000	50,000
M/s Bloom Healthcare (P) Ltd. 9598 Equity Shares of Rs. 10 each with premium of Rs. 61/-	600,000.00		
(II)	<b>650,000.00</b>	<b>50,000</b>	<b>50,000</b>
c. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI)			
M/s. Pumarth Properties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000.00	90,000,000	90,000,000
M/s Readystate Infraseservices 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	120,672,500.00	120,672,500	264,672,500
M/s Indian Durobuild Private Limited, 250000 Equity Shares of Rs. 10 each fully paid up	2,500,000.00	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	-	-	-
M/s.Enstaserv eServices Ltd 9980 Equity shares of Rs.10/- each fully paidup.	64,085,381.00	-	99,800
Madoc Pharmaceuticals Pvt Limited	9,000,000.00		
M/s RPG Securities & Finacial Services Limited, 34900 Equity Shares of Rs. 10 each and premium of Rs.92.9	3,591,000.00	3,591,000	-
M/s Passion IT Solutions Pvt Ltd, 21,890 Equity Shares of Rs. 10 each and premium of Rs.90	2,189,000.00	2,189,000	-
M/s Trimurti Petrochemicals & Allied Services Pvt. Ltd, 80,000 Equity Shares of Rs. 10 each and premium of Rs.46	4,480,000.00	4,480,000	-
M/s Master Talant Eduservices Pvt. Ltd. 155000 Equity Shares of Rs.80/- at premium i.e. Rs. 10 each per Share and premium @ Rs.70	12,400,000.00	12,400,000	612,000,000
M/s Confluo Eservices Pvt. Ltd. 234000 Equity Shares of Rs.50/- at premium i.e. Rs. 10 each per Share and premium @ Rs.40	11,700,000.00	11,700,000	-
M/s. Karma Lakelands Pvt Ltd, 137000 equity shares @ Rs. 10 each at premium of Rs 62.99	10,975,600.03	10,975,600	-
M/s. Competent Infoways Pvt. Ltd. 31000 equity shares @ Rs. 10 each at premium of Rs 92	3,470,484.41	3,470,484	-
M/s. Maksad Infracon Pvt. Ltd. 75000 equity shares @ Rs. 10 each at premium of Rs 94	8,560,965.24	8,560,965	-
M/s Indian Durobuild Private Limited, 175000 Equity Shares of Rs. 10 each and premium of Rs.0.5	2,017,315.10	2,017,315	-
M/s Indian Probuild Private Limited, 800000 Equity Shares of Rs. 10 each fully paid	8,780,480.22	8,780,480	-
others	1,723,771.02	1,723,771	-
(III)	<b>356,146,497</b>	<b>283,061,115</b>	<b>969,272,300</b>
Less : Provision for diminution in value of investments	13,733,010	12,584,295	-
<b>Total (I+II+III)</b>	<b>370,655,606.53</b>	<b>295,821,510</b>	<b>969,448,400</b>

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>3 LOANS:</b>			
Loans (unsecured) consist of the following:			
<b>(a) Long-term loans</b>			
- Loans to related parties	893,470,132	580,541,342	562,754,195
- Inter-corporate deposits	70,866,370	72,731,370	6,286,672
<b>Total:</b>	<b>964,336,502</b>	<b>653,272,712</b>	<b>569,040,867</b>
<b>(b) Short-term loans</b>			
- Loans and advances to employees	1,416,250	4,526,409	6,159,325
<b>Total:</b>	<b>1,416,250</b>	<b>4,526,409</b>	<b>6,159,325</b>
<b>4 OTHER FINANCIAL ASSETS:</b>			
Other financial assets consist of the following:			
<b>(i) Non-current financial assets</b>			
- Security deposits	-	-	-
- Other Assets	-	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) Current financial assets</b>			
- Interest receivable	641,121	1,160,079	6,427,008
- Security deposits	4,869,091	4,259,787	4,114,142
- Long-term bank deposits	8,556,381	69,912,702	72,578,435
- Others	44,235,279	-	-
<b>Total:</b>	<b>58,391,872</b>	<b>75,332,568</b>	<b>83,119,585</b>
<b>5 OTHER ASSETS</b>			
Other assets consist of the following:			
(i) Other non-current assets			
Considered good			
- Prepaid expenses	3,995,157	-	-
- Preliminary & Other Misc Expense	228,012,567	304,020,746	380,956,142
- Indirect taxes recoverable	484,652	2,725,707	830,720
- Others ( IT Refunds & TDS)	232,492,376	66,565,450	73,725,728
<b>Total:</b>	<b>232,492,376</b>	<b>373,311,903</b>	<b>455,512,590</b>
Preliminary & Other Misc Expense			
Deferred Business Development Expenses	304,016,756	380,020,945	456,025,133
Preliminary Expenses	3,990	80,856	4,857
GDR Expenses	-	935,197	4,030,301
<b>Sub Total</b>	<b>304,020,746</b>	<b>381,036,998</b>	<b>460,060,291</b>
<b>Less: Deferred Business Development Expenses W/off</b>	<b>(76,004,189)</b>	<b>(76,004,189)</b>	<b>(76,004,189)</b>

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Less: Preliminary Expenses W/off	(3,990)	(76,866)	(4,857)
Less: GDR Expenses W/off	-	(935,197)	(1,067,404)
	<b>228,012,567</b>	<b>304,020,746</b>	<b>380,956,141</b>
<b>(ii) Other current assets</b>			
<b>Considered good</b>			
- Advance to suppliers	1,191,880	9,707,209	8,437,959
- Other current assets ( Unbilled Revenue )	5,595,445	11,053,194	1,166,519
	-	-	-
<b>Total:</b>	<b>6,787,325</b>	<b>20,760,403</b>	<b>9,604,478</b>
<b>6 TRADE RECEIVABLES</b>			
Trade receivables (Unsecured) consist of the following:			
Unsecured			
- Considered good	44,012,766	90,426,683	94,284,144
<b>Total:</b>	<b>44,012,766</b>	<b>90,426,683</b>	<b>94,284,144</b>
<b>7 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents consist of the following:			
(i) Balances with banks			
- In current accounts	52,452,878	251,638,612	353,776,323
(ii) Cash on hand	2,128,935	10,388,278	1,288,247
<b>Total:</b>	<b>54,581,813</b>	<b>262,026,890</b>	<b>355,064,570</b>
<b>8. Share capital</b>			
<b>(i) Authorised Capital</b>			
185,00,00,000 Equity Shares of Re. 1/- each fully paid up with voting rights	1,850,000,000	1,850,000,000	1,850,000,000
<b>(ii) Issued, Subscribed And Fully Paid Up</b>			
170,95,53,100 EQUITY SHARES OF Re. 1/- each fully paid up with voting rights	1,709,553,100	1,659,553,100	1,659,553,100
<b>(iii) Other Equity</b>			
Other equity consist of the following:			
(a) Capital reserve	188,103,250	188,103,250	188,103,250
(b) Share premium	2,509,944,010	2,509,944,010	2,509,944,010
(c) Capital redemption reserve	-	-	-
(d) General reserve			
(i) Opening balance	325,789,411	325,789,411	325,789,411
(ii) Transferred from retained earnings	-	-	-
(f) Retained earnings			
(i) Opening balance	(917,305,507)	68,238,414	68,238,414
(v) Less: Previous Year Provision Adjusted	(268,449)	-	-
(v) Add: Profit for the period	(431,411,046)	(972,061,219)	-
Less : Appropriations	-	-	-

PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(d) Adjustments(Increase)/Decrease	567,477	(377,441)	-
(e) Non Controlling Interest	384,723	105,136	-
(g) Investment revaluation reserve			
(i) Opening balance	-	-	-
(ii) Realised gain on equity shares carried at fair value through OCI	-	-	-
(iii) Addition during the period (net)	12,584,296	-	-
(h) Foreign Currency Translation reserve	157,064,030	158,440,677	145,538,544
Other Equity Total :	(852,595,065)	(419,865,022)	539,566,368
<b>Grand Total</b>	<b><u>1,845,452,195</u></b>	<b><u>2,278,182,238</u></b>	<b><u>3,237,613,629</u></b>

## 9 BORROWINGS

Borrowings consist of the following:

### (i) Long-term borrowings

#### - Unsecured loans

#### - Borrowings from entity other than banks

	3,574,667	11,028,031	2,485,309
<b>Total:</b>	<b><u>3,574,667</u></b>	<b><u>11,028,031</u></b>	<b><u>2,485,309</u></b>

### (ii) Short-term borrowings

#### - Secured loans

#### - Overdraft from banks

	79,169,350	-	57,850,274
<b>Total:</b>	<b><u>79,169,350</u></b>	<b><u>-</u></b>	<b><u>57,850,274</u></b>

## 10 OTHER FINANCIAL LIABILITIES:

Other financial Liabilities consist of the following:

### (i) Non-current financial Liabilities

#### - Others

	7,533,009	7,623,395	9,241,211
<b>Total:</b>	<b><u>7,533,009</u></b>	<b><u>7,623,395</u></b>	<b><u>9,241,211</u></b>

### (ii) Other current financial liabilities

#### - Capital creditors

#### - Others

	33,105,662	36,504,564	35,741,113
	10,823,941	15,187,098	17,182,120
<b>Total:</b>	<b><u>43,929,603</u></b>	<b><u>51,691,662</u></b>	<b><u>52,923,233</u></b>

## 11 PROVISIONS

Provisions consist of the following:

### (i ) Non-current

#### - Provision for Gratuity

	7,740,171	6,633,617	6,414,198
<b>Total:</b>	<b><u>7,740,171</u></b>	<b><u>6,633,617</u></b>	<b><u>6,414,198</u></b>



PARTICULARS	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>(ii) Current</b>			
- Income Tax Provision	8,756,000	7,187,683	10,030,000
- Provision for Leave Encashment	1,513,422	1,267,213	1,577,219
<b>Total:</b>	<b>10,269,422</b>	<b>8,454,896</b>	<b>11,607,219</b>

## 12 OTHER LIABILITIES

Other liabilities consist of the following:

### (i) Non-current liabilities

- Others	7,670,901	-	-
<b>Total:</b>	<b>7,670,901</b>	<b>-</b>	<b>-</b>

### (ii) Current liabilities

- Advance received from customers	224,805,475	196,923,563	-
- Others (Payables) including indirect tax payable & statutory liabilities	5,826,961	35,313,199	40,078,799
<b>Total:</b>	<b>230,632,436</b>	<b>232,236,762</b>	<b>40,078,799</b>

PARTICULARS	As at March 31, 2017	As at March 31, 2016
<b>13 REVENUE FROM OPERATIONS</b>		
(a) Overseas	272,769,608	304,298,489
(b) Domestic	96,289,980	120,604,364
	<b>369,059,588</b>	<b>424,902,853</b>

The efficiency catalyst ●●●

#### 14 OTHER INCOME (NET)

Other income (net) consist of the following:

(a) Interest income	76,160,222	86,732,973
(f) Net foreign exchange gains	5,356,474	944,935
(g) Rent income	21,021,373	20,173,662
(h) Miscellaneous income	(408,739)	1,037,986
	<b><u>102,129,330</u></b>	<b><u>108,889,556</u></b>

#### 15 EMPLOYEE COSTS

Employee costs consist of the following:

(a) Salaries, incentives and allowances	288,542,488	313,995,532
(b) Contributions to provident and other funds	5,371,816	6,807,285
(c) Staff welfare expenses	6,930,023	5,807,435
	<b><u>300,844,327</u></b>	<b><u>326,610,252</u></b>

#### 16 FINANCE COSTS (at effective interest rate method)

Finance costs consist of the following:

Bank Charges	1,460,556	1,463,936
Interest expenses	5,206,082	50,441,721
	<b><u>6,666,638</u></b>	<b><u>50,441,721</u></b>

#### 17 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation of Property, Plant and equipment (Refer note 1)	34,819,119	27,249,809
Amortisation of Intangible Assets (Refer Note 1)	358,392,090	792,194,172
	<b><u>393,211,210</u></b>	<b><u>819,443,981</u></b>

#### 18 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

(a) Fees to external consultants	19,119,061	7,916,840
(b) Communication expenses	15,893,606	29,774,054
(c) Software consultancy and books	6,738,749	9,152,997
(d) Travel expenses	12,995,981	24,446,863
(e) Bad debts and advances written off , provision for trade receivable and advances (net)	19,071	2,789,785
(f) Conveyance	3,411,985	2,911,985
(g) Power & Fuel	19,923,836	16,008,631
(h) Running & Maintenance	11,464,236	12,240,985
(f) Audit Fee	1,104,610	1,131,675
(g) Rent Expenses	2,768,446	759,123
(h) Other expenses	47,560,039	38,339,975
	<b><u>140,999,620</u></b>	<b><u>145,472,913</u></b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Company Overview:

FCS Software Solutions Limited ('FCS' or 'the company' or 'the holding company') was incorporated on 05th 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 development and marketing and providing support services mainly for corporate business entities in the BPO, software development and e-learning service sector.

### 1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Notes 2.2.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarterly and yearly figures are taken from the source and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year figures reported in this statement

### 1.3 Basis of consolidation

FCS consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled entities and its subsidiaries which are as follows;

Name of the Company	% Shareholdings	Country of Incorporation
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 Eservices 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

Control exists when the parent has power over the entity, from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

#### 1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, future obligations under employee retirement benefit plans. Accounting estimates could change from period to period. Actual results could differ from those estimates.

#### 1.5 Revenue recognition

Revenue from software development services and other projects on as time-and material basis is recognized based on service 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.

#### 1.6 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. 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. The Group depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as follows:

Fixed Assets	Useful lives of Assets
Buildings <sup>(1)</sup>	60 Years
Plant and machinery <sup>(1)</sup>	5 Years
Office equipment	5 Years
Computer equipment <sup>(1)</sup>	3 Years
Furniture and fixtures <sup>(1)</sup>	10 Years
Vehicles <sup>(1)</sup>	8 Years

*\*(1) The useful lives for these assets are same as useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.*

#### 1.7 Goodwill

Goodwill represents the investments in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities as the case may be. Goodwill is measured on the basis of cost deployed on investment.

## 1.8 Intangible assets

Intangible fixed assets comprising of Software Application licenses & rights, 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.

### 1.9.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at Transaction Price. Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities.

### 1.9.2 Subsequent measurement

#### a. Non-derivative financial instruments

##### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows.

##### (ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by collecting contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows. Investments which are classified as financial asset, the subsequent changes in fair value are recognized through other comprehensive income (OCI).

##### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

##### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date are carried at carrying amounts.

#### b. Derivative financial instruments

The Group does not holds any derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

### 1.9.3 De-recognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or become non recoverable and are qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## 1.10 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

The Company has identified three main Geographical Segments as reportable segments. The business segments comprise:

1. INDIA Segment
2. USA Segment

### 3. CHINA Segment. (No more a reportable segment)

The Profit and Loss for reportable Primary Segment is set out below:-

#### For the Year Ended 31st March 2017

			<i>(Amounts in Lacs)</i>	
Description	India	USA	CHINA	Total
<b>Year ended March 31, 2017</b>				
Revenue	797.31	2,862.83	-	3,660.14
Expenses	582.04	2,426.40	-	3,008.44
Segment result	215.27	436.43	-	651.70
Unallocable expenses				(6,102.15)
Operating income				(5,450.45)
Finance charge				66.67
Other income (net)				1,021.29
<b>Profit before tax</b>				<b>(4,495.83)</b>

#### For the Year Ended 31st March, 2016

			<i>(Amounts in Lacs)</i>	
Description	India	USA	CHINA	Total
<b>Year ended March 31, 2016</b>				
Revenue	1,206.04	2,954.59	88.40	4,249.03
Expenses	444.07	3001.91	78.22	3,524.20
Segment result	761.97	(47.32)	10.18	724.83
Unallocable expenses				5,853.19
Operating income				(5,128.17)
Finance charge				504.42
Other income (net)				1,088.90
<b>Profit before tax</b>				<b>(4,543.88)</b>

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

#### 1.11 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.

#### 1.12 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### 1.13 Foreign currency

##### Functional currency

The functional currency of FCS, Insync, Cgain, Heimdahl, Innova, Stable Secure, Zero time and Insta serve is the Indian rupee. The functional currencies for FCS USA, FCS China, FCS Germany

and FCS UAE are the respective local currencies. These financial statements are presented in Indian rupees.

#### **Transactions and translations**

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity.

#### **1.14 Earnings per equity 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.

#### **1.15 Taxation**

Income tax expense comprises current and deferred income tax. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities on net basis, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### **1.16 Employee benefits**

##### **1.16.1 Gratuity**

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of FCS. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

##### **1.16.2 Provident fund**

Eligible employees of the group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under



the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

### **1.16.3 Compensated absences**

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

### **1.17 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

### **1.18 Other income**

Other income is comprised primarily of interest income, Rental Income and exchange gain / loss on foreign currencies. Interest income is accounted for on accrual basis. Rental Income comprising of rent and other related services from operating lease is recognized in the Consolidated Statement of Profit and Loss on accrual basis.

## **2. Notes to the consolidated financial statements for the year ended March 31, 2017**

### **2.1 First-time adoption of Ind AS**

These consolidated financial statements of FCS Software Solutions Limited and its subsidiaries for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, is set out in Notes 2.2.1 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Note 2.1.1.

#### **2.1.1 Exemptions availed on first-time adoption of Ind AS 101**

- (a) The Company has not applied Ind AS 21 retrospectively to fair value adjustments and goodwill from investment in equity instruments of other entity that occurred before the date of transition to Ind AS. Therefore, those assets and liabilities are already expressed in the functional currency of the Company or are non-monetary foreign currency items and no further translation differences occur.
- (b) Ind AS 101 also requires that the previous GAAP carrying amount of goodwill must be used in the opening Ind AS statement of financial position (apart from adjustments for goodwill impairment and recognition or de-recognition of intangible assets). In accordance with Ind AS 101, the Company has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

### **2.2 Reconciliations**

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:



1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

### 2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(Amounts in Thousands)

S. NO.	Particulars	Note No.	Consolidated	
			As at 31 March 2016	As at 31 March 2015
	<b>EQUITY AS PER PREVIOUS INDIAN GAAP</b>		<b>3,847,025</b>	<b>4,932,167</b>
1	Deferred Tax Assets		-	-
2	Fair valuation of investments	a	12,584	-
3	Re-measurement of Employment Benefits	b	626	
	<b>EQUITY AS PER IND AS</b>		<b>3,860,235</b>	<b>4,932,167</b>

### Explanations for the reconciliation of the Balance Sheet as previously reported under IGAAP to Ind AS:

(a) Investments

Investment in equity instruments are carried at fair value through OCI in Ind AS, as compared to being carried at cost under IGAAP.

(b) Employment Benefit

Adjustments that reflect Re-measurement of Employment Benefits arising due to change in requirement under Ind AS 19, Employee Benefits in the actuarial valuation report as compared to previously IGAAP.

(c) Other equity

Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS, for the above-mentioned line items.

In addition, as per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

### 2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amounts in thousands)

S. NO.	Particulars	Note No.	Consolidated
			As at 31 March 2016
	<b>Net Income under previous GAAP</b>		<b>(985,272)</b>
1	Reversal of Expected Credit Loss		-
2	Fair valuation of investments		12,584
3	Employee benefits		626
	<b>Net Profit under Ind AS</b>		<b>(972,062)</b>

### 2.2.3 Cash flow statement:

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

### 2.3 Related Party Transactions:

	31.03.2017	31.03.2016
	-	-

### 2.4 Expenditure in Foreign Currency

	31.03.2017	31.03.2016
Expenditure incurred overseas:		
By USA	9,00,58,104	8,89,38,931
By UAE	Nil	Nil
By China	Nil	97,13,050
By Germany	5,54,421	4,56,894
By India Office	Nil	Nil

### 2.5 Earning in Foreign Exchange

	31.03.2017	31.03.2016
Income from software development services and Products	269,718,341	30,42,98,489
	<b>269,718,341</b>	<b>30,42,98,489</b>

### 2.6 Specified Bank Notes

During the year the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017 or the details of specified bank notes (SBN) hold and transacted during the period from 08th November, 2016 to 30th December, 2016. The denomination wise SBNs and other denomination notes as per the notification is given below:

Particulars	(Amount in Rs.)		
	SBNs	Other Denomination notes	Total
Closing cash in hand on 08.11.2016		315,327	21,837,827
	21,522,500		
+ permitted receipts	-	-	-
- Permitted payments	-	6,050	6,050
- Amount deposited in banks	21,522,500	-	21,522,500
Closing cash in hand as on 30.12.2016	-	309,277	309,277

2.7 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.

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

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

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

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary

# Independent Auditors' Report

## To the Members of FCS Software Solutions Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of FCS Software Solutions Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS 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 standalone Ind AS 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including

the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 purposes 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, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable .
  - e. on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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'; and
  - g. with respect to the other matters to be included in the Auditors' 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 litigation which would impact its financial position.
    - ii. The company did not have any long-term contracts including derivatives 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.
    - iv. The company has provided requisite disclosure in the financial statement as regards its holding and dealing in specified bank notes as defined in notification S.O. 3407 dated 08th November, 2016 of the Ministry of Finance during the period from 08th November, 2016 to 30th December, 2016. Based on audit procedure performed and representation provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the company and produced to us by the management.
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's registration No.: 509249C

**Place:** Noida  
**Dated:** May 30, 2017

Sd/-  
**Vinod Gupta**  
Partner  
Membership No.: 090687

## **Annexure A 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 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 March 2017 in conjunction with our audit of the standalone Ind AS 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 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 ('ICAI'). 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 the 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 the 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, 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 2017, 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's registration No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
Membership No.: 090687

**Place:** Noida  
**Dated:** May 30, 2017

## **Annexure B to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) (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 its 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 asset. 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 on the basis of our examination of the records of the Company, 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 assets in the financial statements, the lease agreements are in the name of the Company, where the company is the lessee in the agreement.
- (ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) 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 ('the Act').
- (iv) 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 Act, with respect to the loans, investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanation 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.
- (vi) Accordingly to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee's 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) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 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, 2017 on account of dispute. However, according to information and explanations given to us, the following dues of VAT have been deposited by the Company on account of dispute:

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
UPVAT	VAT/CST/ET and Penalty	5,05,000.00	FY 2012-13	Commissioner (Appeal)- Commercial Tax UP)

- (viii) According to the information and explanations given to us and the records examined by us, the Company has taken Secured loan from bank during the year.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been taken from bank were not, prima facie, prejudicial to the interest of the Company.
- (b) In the case of the loan taken from bank has been regular in the payment of the dues of bank as stipulated.
- (c) There are no overdue amounts in respect of the loan taken from bank.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
- (xii) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) 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's registration No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner

**Place:** Noida  
**Dated:** May 30, 2017

Membership No.: 090687

## Balance sheet as at 31st March 2017

	Note no.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1	285,677,925	274,179,184	290,540,622
Capital work-in-progress		251,040,710	183,551,133	167,988,919
Intangible assets	2	7,151,166	11,781,163	19,408,835
<b>Financial assets</b>				
- Non-Current investments	3	2,474,803,702	2,690,928,914	4,396,195,509
- Long-term loans and advances	4 (a)	964,271,500	651,342,712	562,754,195
- Others Financial Assets	5	5,365,800	5,272,337	10,464,298
Deferred tax assets (Net)	6	16,170,170	12,831,534	10,791,071
Other non-current assets	7 (i)	39,902,220	56,996,197	64,975,027
<b>Current assets</b>				
<b>Financial assets</b>				
- Trade Receivables	8	31,067,820	78,804,170	84,264,727
- Lease Receivables	9	8,800,000	-	-
- Cash and cash equivalents	10	18,232,810	262,318,818	386,898,375
- Short term loans and advances	4 (b)	1,412,480	4,522,159	5,560,493
Other current assets	7 (ii)	3,995,160	18,954,377	11,190,767
<b>TOTAL</b>		<b>4,107,891,464</b>	<b>4,251,482,698</b>	<b>6,011,032,838</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	11	1,709,553,100	1,659,553,100	1,659,553,100
Other equity #				
- Retained earnings @	12	2,047,761,404	2,271,651,531	4,192,298,222
Money received against share warrants		-	72,500,000	35,000,000
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Long term borrowings		-	-	-
- Other financial liabilities	14 (i)	7,533,400	7,623,395	9,241,211
Long term provisions	15 (i)	7,740,170	6,589,750	6,349,641
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Short term borrowings	13	79,169,350	2,136,000	57,850,274
- Trade and other payables	14 (ii)	4,326,720	9,769,390	15,620,131
Other current liabilities	16	243,093,900	215,862,466	26,156,435
Short-term provisions	15 (ii)	8,713,420	5,797,066	8,963,824
<b>TOTAL</b>		<b>4,107,891,464</b>	<b>4,251,482,698</b>	<b>6,011,032,838</b>

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

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

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary



## Statement of Profit and Loss for the period ended 31st March 2017

	Note no.	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue from operations	17	222,552,385	264,566,147
Other income	18	102,141,940	96,929,555
<b>Total revenue</b>		<b><u>324,694,325</u></b>	<b><u>361,495,702</u></b>
Expenses			
Employee benefit expense	19	192,522,864	210,043,627
Finance cost	20	6,560,238	5,423,277
Depreciation and amortisation expense	21	39,068,999	34,356,960
Other Operating expense	22	101,495,451	105,001,950
<b>Total expenses</b>		<b><u>339,647,551</u></b>	<b><u>354,825,814</u></b>
Profit/ (loss) before exceptional items and tax		(14,953,226)	6,669,888
Exceptional items		-	-
<b>Profit/ (loss) before tax</b>		<b><u>(14,953,226)</u></b>	<b><u>6,669,888</u></b>
Tax expense			
a) Current tax		7,200,000	4,543,597
b) Deferred tax		(3,338,636)	(2,040,463)
<b>Profit/ (loss) for the period from continuing operations</b>		<b><u>(18,814,590)</u></b>	<b><u>4,166,754</u></b>
<b>Profit/ (loss) for the period</b>		<b><u>(18,814,590)</u></b>	<b><u>4,166,754</u></b>
<b>Other comprehensive income</b>			
- Items that will not be reclassified to profit or loss			
1 Remeasurement of defined employee benefits plan		-	-
2 Changes in Fair Values of Investment in Equities carried at Fair Value through Other Comprehensive Income		(225,925,213)	(1,411,966,095)
3 An item of Income not recognised in profit or loss account			
a. Forfeiture of Share Application Money		22,500,000	-
b. Revaluation of Land			
c. Creditors Written Back		769,059	966,779
4 An item of Expense not recognised in profit or loss account			
a. Profit/(Loss) on Valuation of Shares		-	(525,288,000)
b. Advances Written Off		(394,244)	(935,197)
c. Prior period expenses		(461,669)	(493,722)
Net Other Comprehensive Income not to be reclassified to Profit & Loss A/c in Subsequent periods		(203,542,067)	(1,937,716,235)
<b>Total comprehensive income for the period</b> (Profit/ loss + other comprehensive income)		<b><u>(222,356,656)</u></b>	<b><u>(1,933,549,481)</u></b>
Earnings per equity share (for continuing operations)			
a) Basic		(0.13)	(1.17)
b) Diluted		(0.13)	(1.17)

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary

**Place:** Noida  
**Date:** May 30, 2017

## Statement of Cash Flows for the year ended 31 March 2017

	As at March 31, 2017	As at March 31, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	(14,953,226)	6,669,888
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation, Amortisation and impairment of intangible assets, property, plant and equipment	39,068,999	34,356,960
Finance costs	6,560,238	5,423,277
Other Adjustments	283,617	(524,815,243)
	<b>30,959,627</b>	<b>(478,365,118)</b>
<b>Working capital adjustments:</b>		
(Increase)/Decrease in Trade Receivables	38,936,350	5,460,557
(Increase)/Decrease in Loans and Advances	(294,859,892)	(88,915,078)
(Increase)/Decrease in Other Current Assets	17,000,514	5,836,879
Increase/(Decrease) in Trade Payables	(5,442,670)	(5,850,741)
Increase/(Decrease) in Current Liabilities	28,031,908	188,030,268
<b>NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES (1)</b>	<b>(185,374,163)</b>	<b>(373,803,233)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(113,427,319)	(25,930,065)
Investment in Equity Shares	(9,800,000)	293,300,500
<b>NET CASH GENERATED/(USED IN) BY INVESTING ACTIVITIES (2)</b>	<b>(123,227,319)</b>	<b>267,370,435</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue/Redemption Preference share warrant	(72,500,000)	37,500,000
Forfeiture of Share Application Money	22,500,000	-
Proceeds from issuance of ordinary shares	50,000,000	-
Foreign Currency Translation Reserve	(1,193,001)	13,452,159
Income Tax Paid	(4,764,638)	(7,961,367)
Finance costs	(6,560,238)	(5,423,277)
Proceeds from borrowings	77,033,350	(55,714,274)
<b>NET CASH GENERATED/(USED IN) BY FINANCING ACTIVITIES (3)</b>	<b>64,515,473</b>	<b>(18,146,759)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b>(244,086,008)</b>	<b>(124,579,557)</b>
Cash and cash equivalents at the beginning of the year	262,318,818	386,898,375
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>18,232,810</b>	<b>262,318,818</b>

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary

## Statement of changes in equity for the period ended 31st March 2017

### Equity share capital

	Opening balance as at 1 Apr 2016	Changes in equity share capital during the year	Closing balance as at 31 March 2017
Equity shares of Rs.1 each	1,659,553,100	50,000,000	1,709,553,100
	<b>1,659,553,100</b>	<b>50,000,000</b>	<b>1,709,553,100</b>

	Opening balance as at 1 Apr 2015	Changes in equity share capital during the year	Closing balance as at 31 March 2016
Equity shares of Rs.1 each	1,659,553,100	-	1,659,553,100
	<b>1,659,553,100</b>	<b>-</b>	<b>1,659,553,100</b>

### Other Equity

For the year ended 31 March, 2017

	Share premium	Capital reserve	Retained earnings	Others (Foreign Currency Translation Reserve )	General reserve	Total Equity
<b>As at 1 April 2016</b>	<b>2,509,944,010</b>	<b>188,103,250</b>	<b>(872,357,701)</b>	<b>155,530,990</b>	<b>290,430,982</b>	<b>2,271,651,531</b>
Profit for the period			(222,326,656)	(1,193,001)		(223,519,657)
Other Adjustments			(370,471)			(370,471)
Total comprehensive income						-
<b>TOTAL</b>	<b>2,509,944,010</b>	<b>188,103,250</b>	<b>(1,095,054,827)</b>	<b>154,337,989</b>	<b>290,430,982</b>	<b>2,047,761,404</b>

For the year ended 31 March, 2016

	Share premium	Capital reserve	Retained earnings	Others (Foreign Currency Translation Reserve )	General reserve	Total Equity
<b>As at 1 April 2015</b>	<b>2,509,944,010</b>	<b>188,103,250</b>	<b>1,061,741,149</b>	<b>142,078,831</b>	<b>290,430,982</b>	<b>4,192,298,222</b>
Profit for the period				13,452,159		13,452,159
Total comprehensive income			(1,933,549,481)			(1,933,549,481)
Depreciation transfer for buildings			(549,369)			(549,369)
<b>TOTAL</b>	<b>2,509,944,010</b>	<b>188,103,250</b>	<b>(872,357,701)</b>	<b>155,530,990</b>	<b>290,430,982</b>	<b>2,271,651,531</b>

Any part of the reserves presented under Equity Instruments through other comprehensive income which is realised in cash shall be disclosed separately.

@ - Debit balance of Statement of Profit and loss shall be shown as a negative figure under the head 'Retained Earnings'.

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

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

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

**Place:** Noida  
**Date:** May 30, 2017

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

Sd/-  
**Harsha Sharma**  
Company Secretary

### 1. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2017:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016:	139,949,840	87,398,831	72,736,194	662,089,049	41,625,651	7,703,675	1,011,503,240
Additions	43,310,716	-	1,160,786	1,466,240	-	-	45,937,742
Deletions	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2017 :</b>	<b>183,260,556</b>	<b>87,398,831</b>	<b>73,896,980</b>	<b>663,555,289</b>	<b>41,625,651</b>	<b>7,703,675</b>	<b>1,057,440,982</b>
Accumulated depreciation as of April 1, 2016:	-	28,565,238	60,237,884	611,859,255	31,803,681	4,857,997	737,324,055
Depreciation	-	2,865,773	4,855,165	23,500,577	2,394,981	822,505	34,439,002
Accumulated depreciation on deletions	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2017:</b>	<b>-</b>	<b>31,431,011</b>	<b>65,093,049</b>	<b>635,359,832</b>	<b>34,198,662</b>	<b>5,680,502</b>	<b>771,763,057</b>
Carrying value as of March 31, 2017 :	183,260,556	55,967,820	8,803,931	28,195,457	7,426,989	2,023,173	285,677,925

### PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2016:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015:	139,435,856	87,398,831	70,959,328	658,038,808	41,448,891	3,853,675	1,001,135,389
Additions	513,984	-	1,776,866	4,050,241	176,760	3,850,000	10,367,851
Deletions	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2016 :</b>	<b>139,949,840</b>	<b>87,398,831</b>	<b>72,736,194</b>	<b>662,089,049</b>	<b>41,625,651</b>	<b>7,703,675</b>	<b>1,011,503,240</b>
Accumulated depreciation as of April 1, 2015:	-	25,553,360	51,959,141	600,905,326	28,603,551	3,573,389	710,594,767
Depreciation	-	3,011,878	8,278,743	10,953,929	3,200,130	1,284,608	26,729,288
Accumulated depreciation on deletions	-	-	-	-	-	-	-
<b>Accumulated depreciation as of March 31, 2016:</b>	<b>-</b>	<b>28,565,238</b>	<b>60,237,884</b>	<b>611,859,255</b>	<b>31,803,681</b>	<b>4,857,997</b>	<b>737,324,055</b>
Carrying value as of March 31, 2016 :	139,949,840	58,833,593	12,498,310	50,229,794	9,821,970	2,845,678	274,179,185

## 2. INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2017:

Particulars	Software & IPR	Total
Cost as at April 1, 2016 :	36,867,259	36,867,259
Additions	-	-
Deletions	-	-
<b>Cost as at March 31, 2017 :</b>	<b>36,867,259</b>	<b>36,867,259</b>
Accumulated amortization as of April 1, 2016:	25,086,096	25,086,096
Amortization expense	4,629,997	4,629,997
Deletion	-	-
<b>Accumulated amortization as of March 31, 2017:</b>	<b>29,716,093</b>	<b>29,716,093</b>
<b>Carrying Amount as of March 31, 2017 :</b>	<b>7,151,166</b>	<b>7,151,166</b>

## INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2016:

Particulars	Software & IPR	Total
Cost as at April 1, 2015:	36,867,259	36,867,259
Additions	-	-
Deletions	-	-
<b>Cost as at March 31, 2016 :</b>	<b>36,867,259</b>	<b>36,867,259</b>
Accumulated amortization as of April 1, 2015:	17,458,424	17,458,424
Amortization expense	7,627,672	7,627,672
Deletion	-	-
<b>Accumulated amortization as of March 31, 2016:</b>	<b>25,086,096</b>	<b>25,086,096</b>
<b>Carrying Amount as of March 31, 2016 :</b>	<b>11,781,163</b>	<b>11,781,163</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
(Amount in Thousands)			
<b>3. Non-current investments</b>			
<b>a. Non Trade and unquoted - Investments in equity shares (Carried at FVTPL)</b>			
<b>i. of subsidiaries</b>			
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.10/- fully paidup	626,100	626,100	626,100
M/s Cgain Analytics Pvt. Ltd. 2300000 Equity Shares of Rs.10/- fully paidup	23,000,000	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	25,000,000	-
M/s Innova Eservices Pvt. Ltd. 1450000 Equity Shares of Rs.10/- fully paidup	14,500,000	14,500,000	-
M/s Stablesecure Infraseservices Pvt. Ltd. 12750000 Equity Shares of Rs.10/-	127,500,000	127,500,000	-
M/s Zerotime constructions Pvt. Ltd. 19020000 Equity Shares of Rs.10/- Fully paidup	190,200,000	190,000,000	-
M/s. FCS SOFTWARE MIDDLE EAST FZE 2706 Equity shares of AED 100000/- each fully paidup	3,378,045,643	3,378,045,643	3,378,045,643
M/s FCS Software Solutions America Ltd. USD 1.00 PAR VALUE OF 701,000 COMMON STOCK	44,858,742	44,858,742	44,858,742
M/s.FCS SOFTWARE SOLUTIONS GmbH 100000 Equity shares of EURO 1/- each fully paidup	2,126,285	2,126,285	2,126,285
FCS Software (Shanghai) Co., Ltd	1,216,440	1,216,440	1,216,440
<b>(I)</b>	<b>3,807,073,210</b>	<b>3,806,873,210</b>	<b>3,426,873,210</b>
<b>b. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI)</b>			
<b>iv. of associate</b>			
1 M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000	50,000	50,000
2 M/s Bloom Healthcare (P) Ltd. 9598 Equity Shares of Rs. 10 each with premium of Rs. 61/-	600,000	-	-
<b>(II)</b>	<b>650,000</b>	<b>50,000</b>	<b>50,000</b>
<b>c. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI)</b>			
1 M/s. Pumarth Properties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000	90,000,000	90,000,000
2 M/s Readystate Infraseservices 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	120,672,500	120,672,500
3 M/s Indian Durobuild Private Limited, 250000 Equity Shares of Rs. 10 each fully paid up	2,500,000	2,500,000	2,500,000
4 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
5 M/s.Enstaserv eServices Ltd 9980 Equity shares of Rs.10/- each fully paidup.	82,799,300	82,799,300	144,099,799
6 M/s Madoc Pharmaceuticals Pvt Limited Equity Shares 900000 of Rs. 10/- each fully paidup	9,000,000	-	-
<b>(III)</b>	<b>304,971,800</b>	<b>295,971,799</b>	<b>969,272,299</b>
Less : Provision for diminution in value of investments	(1,637,891,308)	(1,411,966,095)	-
<b>Total (I+II+III)</b>	<b>2,474,803,702</b>	<b>2,690,928,914</b>	<b>4,396,195,509</b>

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>4 LOANS:</b>			
Loans (unsecured) consist of the following:			
<b>(a) Long-term loans</b>			
- Loans to Others*	964,271,500	651,342,712	562,754,195
* Includes Rs. 7 Crores on which Company has not accrued Interest	<b>Total: 964,271,500</b>	<b>651,342,712</b>	<b>562,754,195</b>
<b>(b) Short-term loans</b>			
- Loans and advances to employees	1,412,480	4,522,159	5,560,493
<b>Total:</b>	<b>1,412,480</b>	<b>4,522,159</b>	<b>5,560,493</b>
<b>5 OTHER FINANCIAL ASSETS:</b>			
Other financial assets consist of the following:			
<b>(i) Non-current financial assets</b>			
- Interest receivable	496,710	1,077,550	6,365,156
- Security deposits	4,869,090	4,194,787	4,099,142
<b>Total:</b>	<b>5,365,800</b>	<b>5,272,337</b>	<b>10,464,298</b>
<b>6 DEFERRED TAX BALANCES:</b>			
Deferred tax balances consist of the following:			
<b>Deferred tax assets (net)</b>			
- Depreciation and amortisation	13,734,670	10,751,514	8,802,407
- Employee benefits	2,435,500	2,080,020	1,988,664
<b>Total:</b>	<b>16,170,170</b>	<b>12,831,534</b>	<b>10,791,071</b>
<b>7 OTHER ASSETS</b>			
Other assets consist of the following:			
<b>(i) Other non-current assets</b>			
Considered good			
- Others (IT Refunds & TDS)	39,902,220	56,996,197	64,975,027
<b>Total:</b>	<b>39,902,220</b>	<b>56,996,197</b>	<b>64,975,027</b>
<b>(ii) Other current assets</b>			
Considered good			
- Prepaid expense	3,995,160	8,003,464	1,166,519
- Advance to suppliers	-	9,707,209	8,437,959
- Indirect taxes recoverable	-	1,243,704	651,092
<b>Considered doubtful</b>			
- Other advances	-	-	935,197
<b>Total:</b>	<b>3,995,160</b>	<b>18,954,377</b>	<b>11,190,767</b>
<b>8 TRADE RECEIVABLES</b>			
Trade receivables (Unsecured) consist of the following:			
Unsecured			
- Considered good	31,067,820	78,804,170	84,264,727
<b>Total:</b>	<b>31,067,820</b>	<b>78,804,170</b>	<b>84,264,727</b>

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
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## 9 LEASE RECEIVABLES

Lease receivables (Unsecured) consist of the following:

Unsecured

- Considered good

	8,800,000	-	-
<b>Total:</b>	<b>8,800,000</b>	<b>-</b>	<b>-</b>

## 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(i) Balances with banks

- In current accounts	9,258,200	187,458,952	314,149,258
- Long-term bank deposits	8,556,380	69,912,702	72,138,435

(ii) Cash on hand

	418,230	4,947,164	610,682
<b>Total:</b>	<b>18,232,810</b>	<b>262,318,818</b>	<b>386,898,375</b>

## Notes forming parts of Financial Statements

### 11 Share capital

#### A. Authorised Capital

185,00,00,000 Equity Shares of Re. 1/- each fully paid up with voting rights	1,850,000,000	1,850,000,000	1,850,000,000
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#### B. Issued, Subscribed And Fully Paid Up

170,95,53,100 EQUITY SHARES OF Re. 1/- EACH fully paid up with voting rights	1,709,553,100	1,659,553,100	1,659,553,100
Less :			

<b>Total :</b>	<b>1,709,553,100</b>	<b>1,659,553,100</b>	<b>1,659,553,100</b>
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### 12 Other Equity

Other equity consist of the following:

(a) Capital reserve - -	188,103,250	188,103,250	188,103,250
(b) Share premium	2,509,944,010	2,509,944,010	2,509,944,010
(c) General reserve			

(i) Opening balance	290,430,982	290,430,982	290,430,982
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(ii) Transferred from retained earnings	-	-	-
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<b>290,430,982</b>	<b>290,430,982</b>	<b>290,430,982</b>
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-	-	-
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(d) Retained earnings

(i) Opening balance	(872,357,701)	1,061,741,149	1,059,206,040
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(ii) Add: Profit for the period	(222,326,656)	(1,933,549,481)	8,557,680
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<b>(1,094,684,357)</b>	<b>(871,808,332)</b>	<b>1,067,763,720</b>
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Less : Appropriations

(i) Adjustments	370,471	549,369	6,022,571
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<b>(1,095,054,827)</b>	<b>(872,357,701)</b>	<b>1,061,741,149</b>
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(e) Others (Foreign Currency Translation Reserve )	154,337,989	155,530,990	142,078,831
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<b>Total :</b>	<b>2,047,761,404</b>	<b>2,271,651,531</b>	<b>4,192,298,222</b>
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	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>13 BORROWINGS</b>			
Short-term borrowings			
Secured loans			
- Cash Credit Borrowings from bank	79,169,350	2,136,000	57,850,270
<b>Total:</b>	<b>79,169,350</b>	<b>2,136,000</b>	<b>57,850,270</b>
<i>*Secured overdraft from banks are secured against trade receivables .</i>			
<b>14 OTHER FINANCIAL LIABILITIES:</b>			
Other financial Liabilities consist of the following:			
<b>(i) Non-current financial Liabilities</b>			
- Others	7,533,400	7,623,395	9,241,211
<b>Total:</b>	<b>7,533,400</b>	<b>7,623,395</b>	<b>9,241,211</b>
<b>(ii) Other current financial liabilities</b>			
- Liabilities for cost related to customer contracts	4,326,720	9,769,390	15,620,131
<b>Total:</b>	<b>4,326,720</b>	<b>9,769,390</b>	<b>15,620,131</b>
<b>15 PROVISIONS</b>			
Provisions consist of the following:			
<b>(i ) Non-current</b>			
- Provision for foreseeable loss on a long-term contract	7,740,170	6,589,750	6,349,641
<b>Total:</b>	<b>7,740,170</b>	<b>6,589,750</b>	<b>6,349,641</b>
<b>(ii) Current</b>			
- Other Provision	7,200,000	4,543,597	7,412,000
- Provision for foreseeable loss on a short-term contract	1,513,420	1,253,469	1,551,824
<b>Total:</b>	<b>8,713,420</b>	<b>5,797,066</b>	<b>8,963,824</b>
<b>16 OTHER LIABILITIES</b>			
Other liabilities consist of the following:			
Current liabilities			
- Advance received from customers	224,805,470	196,923,563	-
- Others (Payables)	18,288,430	18,938,903	26,156,435
<b>Total:</b>	<b>243,093,900</b>	<b>215,862,466</b>	<b>26,156,435</b>
<b>17 REVENUE FROM OPERATIONS</b>			
<b>IT Enabled Services;</b>			
- Overseas	181,244,357	203,553,154	
- Domestic	41,308,028	61,012,993	
<b>Total:</b>	<b>222,552,385</b>	<b>264,566,147</b>	

	As at 31.03.2016	As at 01.04.2015 (Amount in Rs.)
<b>18 OTHER INCOME</b>		
Other income (net) consist of the following:		
- Interest income	75,764,093	74,250,958
- Net foreign exchange gains	5,356,474	944,935
- Rent income	21,021,373	21,733,662
<b>Total:</b>	<b>102,141,940</b>	<b>96,929,555</b>
Interest income comprise:		
- Interest on bank deposits	725,534	6,662,963
- Interest income on financial assets	71,096,017	67,587,995
- Other interest (including interest on income tax refunds)	3,942,542	-
<b>Total:</b>	<b>75,764,093</b>	<b>74,250,958</b>
Net foreign exchange gains include:		
- Gain/(loss) on foreign exchange currency	5,356,474	944,935
<b>19 EMPLOYEE COSTS</b>		
Employee costs consist of the following:		
- Salaries, incentives and allowances	164,163,930	196,949,191
- Contributions to provident and other funds	21,453,338	7,389,215
- Staff welfare expenses	6,905,596	5,705,221
<b>Total:</b>	<b>192,522,864</b>	<b>210,043,627</b>
<b>20 FINANCE COSTS (at effective interest rate method)</b>		
Finance costs consist of the following:		
- Interest expenses	6,560,238	5,423,277
<b>Total:</b>	<b>6,560,238</b>	<b>5,423,277</b>
<b>21 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation of Property, Plant and equipment	34,439,002	26,729,288
Amortisation of Intangible Assets	4,629,997	7,627,672
<b>Total:</b>	<b>39,068,999</b>	<b>34,356,960</b>
<b>22 OTHER OPERATING EXPENSES</b>		
Other operating expenses consist of the following:		
- Fees to external consultants	6,318,767	4,993,235
- Communication expenses	8,322,024	12,911,977
- Software consultancy and books	6,680,000	1,752,997
- Travel expenses	12,161,894	21,384,705
- Bad debts and advances written off	30,204	-
- Conveyance	2,679,850	3,773,771
- Power & Fuel	19,923,836	16,008,631
- Running & Maintenance	11,464,236	7,601,318
- Other expenses	33,914,640	36,573,316
<b>Total:</b>	<b>101,495,451</b>	<b>105,001,950</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## 1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Company Overview:

FCS Software Solutions Limited ('the company') was incorporated on 05th May, 1993 in India. 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 company business consists of software development and marketing and providing support services mainly for corporate business entities in the BPO, software development and e-learning service sector.

### 1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Notes 2.2. Accounting policies have been consistently applied except where a newly-issued accounting standard is 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 standards on an ongoing basis. All Income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

### 1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the period. Examples of such estimates include estimates of expected contract costs to be incurred to complete contracts, future obligations under employee retirement benefit plans. Accounting estimates could change from period to period. Actual results could differ from those estimates.

### 1.4 Revenue recognition

Revenue from software development services and other projects on as time-and material basis is recognized based on service 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.

### 1.5 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. 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. The company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as follows:

Fixed Assets	Useful lives of Assets
Buildings (1)	60 Years
Office equipment	5 Years
Computer equipment (1)	3 Years
Furniture and fixtures (1)	10 Years
Vehicles (1)	8 Years

*\*(1) The useful lives for these assets are same as useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.*

## 1.6 Intangible 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.

## 1.7 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.

## 1.8 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## 1.9 Functional & Foreign currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

## 1.10 Earnings per equity share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year in conformity with the Ind-AS-33. 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.

## 1.11 Taxation

Income tax expense comprises current and deferred income tax. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as prescribed in Ind-AS-12. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company does not offsets current tax assets and current tax liabilities on net basis, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

## 1.12 Employee benefits

### 1.12.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of FCS. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an

asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income.

#### 1.12.2 Provident fund

Eligible employees of the company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

#### 1.12.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

#### 1.13 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

#### 1.14 Other income

Other income is comprised primarily of interest income, Rental Income and exchange gain / loss on foreign currencies. Interest income is accounted for on accrual basis. Rental Income comprising of rent and other related services from operating lease is recognized in the Statement of Profit and Loss on accrual basis.

#### 1.15 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.

## 2. Notes to the financial statements for the year ended March 31, 2017

### 2.1 First-time adoption of Ind AS

These financial statements of the Company for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in Notes 2.2.1 and 2.2.2.

### 2.2 Reconciliations

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the year ended March 31, 2016

#### 2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(Amounts in thousands)

S. NO.	Particulars	Note. No.	As at 31 March 2016	As at 31 March 2015
	<b>EQUITY AS PER PREVIOUS INDIAN GAAP</b>		<b>5,415,671</b>	<b>5,886,851</b>
1	Deferred Tax Assets		-	-
2	Fair valuation of investments	(a)	(1,411,996)	-
3	Re-measurement of Employment Benefits		-	-
4	Non-controlling interest		-	-
	<b>EQUITY AS PER IND AS</b>		<b>4,003,675</b>	<b>5,886,851</b>

## Explanations for the reconciliation of the Balance Sheet as previously reported under IGAAP to Ind AS:

### (a) Investments

Investment in equity instruments are carried at fair value through OCI in Ind AS, as compared to being carried at cost under IGAAP

## 2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amounts in thousands)

S. NO.	Particulars	As at 31 March 2016
	<b>Net Income under previous GAAP</b>	<b>-521,583</b>
1	Reversal of Expected Credit Loss	-
2	Fair valuation of Investments	525,782
3	<b>Employee benefits</b>	<b>-32</b>
	<b>Net Profit under Ind AS</b>	<b>4,167</b>

### 2.2.3 Cash flow statement:

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

## 2.3 Related Party Transactions:

### A. Details of related Parties with whom transactions have taken place:

#### Entities where Control/significant Influence of KMP exists:

Insync Business Solutions Limited, India  
Innova Eservices Pvt. Ltd., India  
Stablesecure Infra services Pvt. Ltd., India  
Zerotime Constructions Pvt. Ltd., India  
cGain Analytics Pvt. Ltd., India  
Heimdahl Software Systems Pvt. Ltd., India

#### Other Related Parties

##### Key Management Personnel

Dalip Kumar – Chairman & Managing Director  
Govinda Sahu – Wholtime Director  
Shayam Sunder Sharma – Director  
Shiv Nandan Sharma – Director  
Sunil Sharma – Director  
Shweta Shatsri – Director  
Anil Kumar Sharma – CFO  
Harsha Sharma – Company Secretary

### B. Transactions with the Related Parties

Transactions	31/03/2017	31/03/2016
<b>Insync Business Solutions Ltd.</b>		
Services Rendered	16,068,876	20,466,500
Rental Income Received	1,560,000	1,560,000
<b>Salary &amp; Other Benefits to Key Management Personnel</b>		
1. Govinda Sahu	2,530,000	240,900
2. Sunil Sharma	952,200	-
3. Harsha Sharma	630,667	410,000
4. Anil Sharma	1,217,200	1,147,200
<b>Directors Sitting Fee</b>		
1. Shiv Nandan Sharma	120,000	110,000
2. Shayam Sunder Sharma	180,000	130,000
3. Shweta Shatsri	90,000	40,000

### A List of Related Parties - Where Control exists:

<b>Investments in Subsidiaries:</b>		
M/s Innova Eservices Pvt. Ltd.	-	14,500,000
M/s Stablesecure Infrservices Pvt. Ltd.	-	127,500,000
M/s Zerotime constructions Pvt. Ltd.	2,00,000	190,000,000
M/s Cgain Analytics Pvt. Ltd.	-	23,000,000
M/s Heimdahl Software Systems Pvt. Ltd.	-	25,000,000
	<b>2,00,000</b>	<b>380,000,000</b>

**B Outstanding Balance Receivable as at year end:**

S. No.	Outstanding Balances as at year end:	31/03/2017	31/03/2016
1.	Insync Business Solutions Limited	21,770,646	20,230,368
		21,770,646	20,230,368

**2.4 Expenditure in Foreign Currency**

	31/03/2017	31/03/2016
Expenditure incurred overseas	1,73,719	1,73,719

**2.5 Earning in Foreign Exchange**

	31/03/2017	31/03/2016
Income from software development services and Products	181,244,357	203,553,154
	181,244,357	203,553,154

**2.6 Specified Bank Notes**

During the year the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 30th March, 2017 or the details of specified bank notes (SBN) hold and transacted during the period from 08th November, 2016 to 30th December, 2016. The denomination wise SBNs and other denomination notes as per the notification is given below:

(Amount in Rs.)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand on 08.11.2016	1,53,00,000	8,078	1,53,08,078
+ permitted receipts	-	-	-
- Permitted payments	-	4,400	4,400
- Amount deposited in banks	1,53,00,000	-	1,53,00,000
Closing cash in hand as on 30.12.2016	-	3,678	3,678

- 2.7 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.;
- 2.8 Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current year's classification/disclosures.

For **SPMG & Co.**  
Chartered Accountants  
Firm Regd. No.: 509249C

Sd/-  
**Vinod Gupta**  
Partner  
M. No. 090687

**Place:** Noida  
**Date:** May 30, 2017

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

Sd/-  
**Dalip Kumar**  
Chairman & MD  
DIN-00103292

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

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

Sd/-  
**Harsha Sharma**  
Company Secretary



## FCS SOFTWARE SOLUTIONS LIMITED

[CIN No: L72100DL1993PLC179154]

**Registered Office:** 205, 2nd Floor, Agrawal Chamber IV, 27, Veer Sawarker Block,  
Vikas Marg, Shakarpur, Delhi-110092, **Phone:** 011-42418371

**Website:** www.fcsltd.com; **Email:** investors@fcsltd.com

### Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**CIN:** L72100DL1993PLC179154

**Name of the company:** FCS Software Solutions Limited

**Registered office:** 205, 2nd Floor, Agrawal Chamber IV, 27, Near Sawarker Block, Vikas Marg, Shakarpur, Delhi-110092

**Name of the member(s):**

**Registered address:**

**E-mail Id:**

**Folio No/ Client Id:**

**DP ID:**

I/We, being the member (s) of ..... shares of the above named company,  
hereby appoint

1. Name: .....

Address: .....

E-mail Id: ..... Signature:....., or failing him

2. Name: .....

Address: .....

E-mail Id: ..... Signature:....., or failing him

3. Name: .....

Address: .....

E-mail Id: ..... Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual general meeting of the company, to be held on Thursday, the 28th day of September, 2017 at 9:00 A.M. at the Executive Club, 439, Village Sahoopur, Fatehpur Beri, New Delhi- 110074 and at any adjournment thereof in respect of such resolutions as are indicated below:



S.NO	RESOLUTIONS	ASSENT	DISSENT
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 together with the reports of the Directors and Auditors thereon.		
2.	To consider re-appointment of Mr. Sunil Sharma (DIN-05359128), as Executive Director of the Company, who retires by rotation on same terms & conditions		
3.	To appoint M/s. Aadit Sanyam & Associates as Statutory Auditors of the Company and to fix their remuneration for the financial year ending 31st March, 2017.		

Signed this..... day of..... 2017

Affix  
Re. 1/-  
Revenue  
Stamp

Signature of shareholder.....

Signature of Proxy holder(s).....

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

## FCS SOFTWARE SOLUTIONS LIMITED

[CIN- L72100DL1993PLC179154]

Registered Office: 205, 2nd Floor, Agrawal Chamber IV, 27, Near Sawarker Block,  
Vikas Marg, Shakarpur, Delhi-110092, Phone: 011-42418371  
Website: www.fcsltd.com; Email: investors@fcsltd.com

### ATTENDANCE SLIP FOR ATTENDING ANNUAL GENERAL MEETING

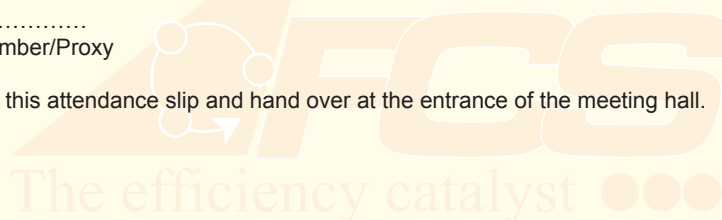
<b>Regd. Folio No.</b>	
<b>Name of Shareholder</b>	
<b>No. of Shares held</b>	
<b>DP. ID. No.</b>	
<b>Client ID. No.</b>	

I/ We certify that I/We are Member(s) / Proxy of the Member(s) of the Company holding ..... Shares.

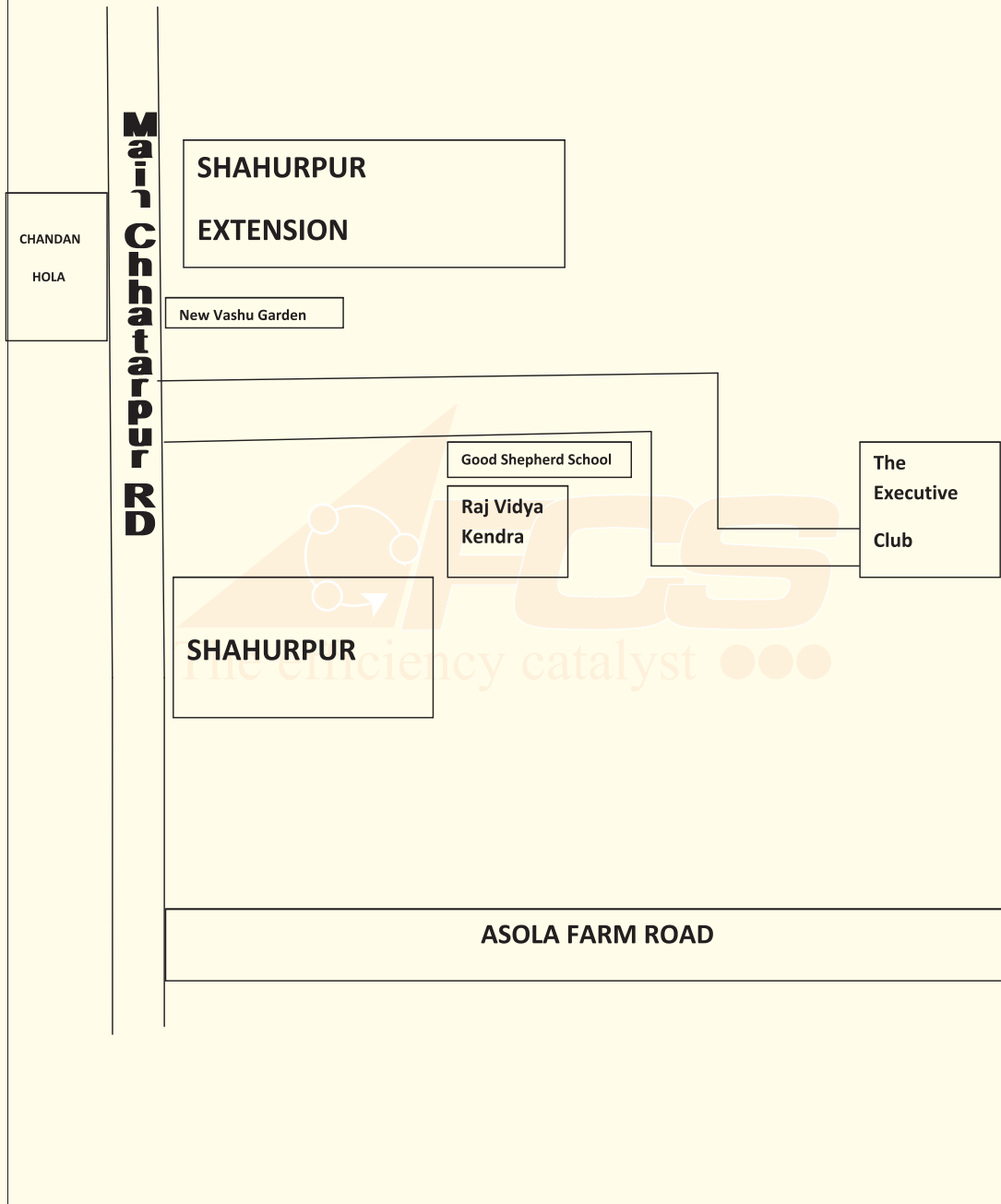
Hereby record my presence at the 24th Annual General Meeting of the Company on Thursday, 28th day of September, 2017 at The Executive Club, 439, Village Sahoopur, Fatehpur Beri, and New Delhi 110074.

.....  
Signature of Member/Proxy

**Note:** Please fill this attendance slip and hand over at the entrance of the meeting hall.



**LOCATION OF THE EXECUTIVE CLUB (VENUE OF ANNUAL GENERAL MEETING)**



### **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 – 160 101

(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 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.]