

The efficiency catalyst



**19th ANNUAL
R E P O R T
2011-2012**



BOARD OF DIRECTORS

Mr. Dalip Kumar

Chairman & Managing Director

Mr. Shayam Sunder Sharma

Non Executive Director

Mr. Shiv Nandan Sharma

Non Executive Director

Mr. Govinda Sahu

Executive Director

CHIEF FINANCIAL OFFICER

Mr. Anil Sharma

COMPANY SECRETARY

Mr. Gagan Kaushik

Auditors

M/S. SPMG & Company

Chartered Accountants

New Delhi - 110022

Registered Office

205, 2nd Floor, Agrawal Chamber IV,

27, Veer Sawarker Block, Vikas Marg,

Shakarapur, Delhi – 110 092

Corporate office

Plot No. 83, NSEZ,

Noida Dadri Road, Phase –II,

Noida -201 305 [U.P.]

website : www.fcsltd.com

Bankers

Canara Bank

Bank of America

HDFC Bank

Wells Fargo Bank

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Development Centers

- (i) FCS House Plot No. 83,
NSEZ, Noida Dadri Road, Phase-II, Noida,
Gautam Budha Nagar, (UP) 201305
- (ii) 2375 Zanker Road, Suit 250
San Jose, CA – 95131
- (iii) FCS House, A-86,
Sector – 57 Noida – 201 301 [U.P.]

Subsidiaries

FCS Software Solutions America Ltd.

42 Reads Way, New Castle

State of Delaware 19720

F.C.S Software Middle East FZE

PO BOX 16111, Ras Al Khaimah, UAE

Legal Advisors

- (1) Vivek Sharma
83, Lawyer Chamber,
Supreme Court of India
New Delhi – 110 001
- (2) Mahendra & Associates
23, Shopping Complex,
Distt. Court Noida, Phase-II,
Gautam Budha Nagar (UP) 201 305

Chairman's Communiqué



My Dear fellow Stakeholders,

I welcome all of you to the 19th Annual General Meeting of the Company. As is well known, the markets across Europe to USA are under severe pressure. These strains end up resulting in financial slackness resulting in a chain reaction for their service providers such as us. While large companies have financial strength and tools to counter such continuously worsening situation, we do not have many options at hand. But, we are trying our best to do with tools that we have. One such tool has been our quality of services.

Confirming to our quality standards, FCS has been assessed at Level-3 for the Capability Maturity Model Integration (CMMI). The assessment done as per the Standard CMMI Appraisal Method for Process Improvement (SCAMPI) methodology, evaluated FCS on stringent parameters including implementation of Process Performance Models, and assessed it at level-3. This is indicative of process implementation that improves quality and provides predictable process performance. We believe that the quality of an organization's processes is reflected in the satisfaction of the client. Your Company has implemented stringent quality assurance and control measures.

Since much of the outsourcing benefits have already been realized, the I.T services industry is facing the twin challenges of commoditization and scalability. Demand is shifting from traditional horizontal offerings to industry specific high value offerings. The prevailing market conditions are not favorable for smaller companies.

The second initiative that we are taking to counter the prevailing conditions is by our efforts to build partnership with US and Europe based companies where the mutual strengths can build momentum for win-win effect. We hope to see positive outcomes within next 12-18 months out of this initiative as it will increase our reach yet will not result in large spread.

Our long term success is entirely dependent on clients, shareholders, employees and well wishers. The times are tough, but your faith and confidence on us, motivates us to face every difficulty and challenge and overcome them. We know that by continued investment in aligning all our stakeholders with our business objectives, we will be able to take care of not only current challenges but also future winds.

At the end, I would like to cordially invite all the shareholders of the Company to attend the 19th Annual General Meeting (AGM) on 28th of August, 2012 at 9.00 AM, at The Executive Club, 439, Village Sahoorpur, Fatehpur Beri, New Delhi – 110 074.



Dalip Kumar

Chairman & Managing Director

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Tuesday, August 28, 2012 at the Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110074, at 9.00 A.M. for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012 and the Balance Sheet as on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint Statutory Auditors in place of M/s. SPMG & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting, and to authorize the Board to fix their remuneration.
3. To consider re-appointment of Mr. Shayam Sunder Sharma Director, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Non-Executive, Independent Director.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to sections 16, 31 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores), to ₹ 185,00,00,000/- (Rupees One Hundred Eighty Five Crores), by addition thereto of 35,00,00,000 (Thirty Five crores) Equity Shares of ₹ 1 each, ranking pari passu in all respect with existing Equity Shares of the Company.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby altered to read as follows:

- V. “The Share Capital of the Company is ₹ 185,00,00,000/- (Rupees One Hundred Eighty Five Crores) divided into 185,00,00,000 Equity Shares of ₹ 1 each.”

RESOLVED FURTHER THAT the Board of directors be and are hereby authorized to do such other acts and deeds as may be necessary for giving effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or reenactment thereof for the time being in force and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with the regulations issued by the Securities and Exchange Board of India (SEBI), and clarifications thereon issued from time to time and subject to the approval(s), consent(s), permission(s), and/or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the Board be and is hereby authorized on behalf of the Company to create, issue/offer and allot up to 40 crores Fully/Convertible Warrants

on preferential placement basis through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents/writings, in such form, manner and upon such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of resultant equity shares of the Company to be issued against such warrants shall not exceed 40 crores fully paid up equity shares of ₹ 1/- (Rupee one only) each, and at exercise price of ₹ 1/- (Rupee One only) or at such higher exercise price as may be decided by the board, aggregating up to ₹ 55,00,00,000 (Rupees Fifty Five crores only) and which shall be convertible into equity shares at the option of Warrant holders in one or more tranches, within 18 (eighteen) months from its allotment date into equal number of fully paid up Equity Shares of the Company of face value of ₹ 1/- (Rupee one only) each to following persons:

| Name of the Allottee | Category | No. of Warrants to be allotted |
|--|----------------|--------------------------------|
| Prahlad Estates and Properties Pvt. Ltd. | Non-promoter | 25 Crores |
| Enstaserv Eservices Limited | Promoter Group | 15 Crores |

RESOLVED FURTHER THAT the equity shares issued on conversion of the warrants shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT an amount equivalent to 25% of the Conversion Price or such higher percentage, as board may decide shall be payable at the time of making application for the warrants, which shall be adjusted and appropriated against the Conversion Price payable by the warrant holders at the time of exercising the option to convert the warrants into equity shares, and that in the event the option for such conversion is not exercised within the prescribed time, the warrants shall lapse and the amount so paid on the allotment of the Warrants shall stand forfeited.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the above mentioned Convertible Warrants upon conversion on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the 'Relevant date' as per the SEBI (ICDR) regulations, 2009 as applicable from time to time for the determination of applicable price for issue of Convertible Warrants is July 28 2012.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of Warrants in accordance with the terms of the offer and subject to the provisions of the Company's Memorandum and Articles of Association.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of said Warrants and equity shares, arising there from, including utilizations of the proceeds, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

Gagan Kaushik
Company Secretary

Place : Noida
Date : July 30, 2012

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING. UNDER THE COMPANIES ACT 1956, VOTING IS BY SHOW OF HANDS, UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON OR BY PROXY ENTITLED TO VOTE ON THE RESOLUTIONS HOLDING AT LEAST ONE-TENTH OF THE TOTAL VOTING POWER, OR BY THOSE HOLDING IN AGGREGATE, PAID UP SHARE CAPITAL OF AT LEAST ₹ 50,000/- . A PROXY SHALL NOT VOTE EXCEPT ON A POLL.**
2. The Register of Members and Shares Transfer Books of the Company shall remain closed from August 22, 2012 to August 28, 2012 (both days inclusive) for the purpose of Annual General Meeting.
3. Members/Proxy holders are requested to submit with the RTA enclosed admission slip duly completed and signed, for admission to the meeting.
4. The Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
5. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.
6. Members are requested to send their queries, if any, at least 10 days in advance of the AGM so that the information can be made available at the meeting.
7. In terms of Clause 49 of the Listing Agreement with Stock Exchanges, details about age, qualification, area of expertise and other directorships of directors seeking appointment/ re-appointment is given in the Explanatory Statement, and forms part of this Notice.
8. Explanatory Statement pursuant to section 173 of the companies act 1956 in respect of business under items 4 & 5 is annexed hereto.

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

Sd/-
Gagan Kaushik
Company Secretary

Place : Noida
Date : July 30, 2012

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

ITEM NO. 4

The company proposes to expand its activity and hence it is desirable to increase the authorised capital, in order to enable the company to raise capital whenever the need arises. Hence your Directors propose to increase the authorised capital from ₹ 150,00,00,000/- (Rupees One Hundred Fifty Crores), to ₹ 185,00,00,000/- (Rupees One Hundred Eighty Five Crores), by addition thereto of 35,00,00,000 (Thirty Five crore) Equity Shares of ₹ 1 each, ranking pari-passu in all respect with existing Equity Shares of the Company. The proposed increase of Authorised Capital requires the approval of members in General Meeting. Consequent upon the increase of Authorised Capital the company's Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital. The Board recommends that the resolution be passed.

Pursuant to sections 16 and 31 of the Companies Act, 1956 read with section 94 of the said Act, the above said amendments should be approved by the General Body by way of a Special Resolution. Your directors recommend the proposed resolutions giving effect to the above amendments for your approval.

None of the directors are interested in the resolution.

The Board recommends the resolution for your approval.

ITEM NO. 5

For the purpose of funding its expansion plans, the Company proposes to issue 40 Crores Convertible Warrants convertible into equal number of fully paid up Equity Shares of the Company of face value of ₹ 1/- (Rupee one only) each for cash at an exercise price of ₹ 1/- (Rupee One only) each or any higher price as may be decided by the Board of Directors to the M/s. Prahlad Estates and Properties Private Limited belonging to non promoter category and M/s. Enstaserv Eservices Limited belonging to Promoter category on preferential basis. The aggregate amount of the issue of share warrants will be up to ₹ 55,00,00,000 (Rupees Fifty Five crores only). Each warrant shall give a right to the holder to apply for an equivalent number of fully paid-up equity shares of ₹ 1/- (Rupee one only) each of the Company at a price of ₹ 1/- (Rupee One only) per share (as per ICDR Regulations) or any other price as may be decided by the board at any time during 18 months from the date of Issue.

None of the directors except Mr. Dalip Kumar is interested in the resolution.

As per chapter VII of the SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 the required details are furnished as under:

a) Object of the issue:

With a view to augment the long term resources of the Company for meeting the fund requirements of growth and diversification plans and for general corporate purposes, it is proposed to issue, up to warrants, on preferential basis in accordance with the 'Regulations for Preferential Issues' contained in Chapter VII of the Securities and Exchange Board of India (issue of capital and disclosure requirements) regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Regulation"), entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company.

b) Pricing:

The pricing of equity warrants is done in accordance with the regulations stipulated under SEBI (ICDR) Regulation, 2009 as applicable from time to time in respect of the pricing of the issues.

c) Payment & Conversion Terms:

25% or such higher percentage, as decided by the board for the value of the warrants is to be paid together with application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months from the date of allotment, the application money will be forfeited by the Company. The warrants are converted at the option of the allottees on payment of the balance amount of the issue price at any time during the period of 18 months. The amount received from the allottees can be adjusted towards outstanding dues if any, payable by the Company on such terms and conditions and in such manner as the Board may think fit.

d) Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

Proposed allottee Enstaserv Eservices Limited belongs to the promoter group and intend to subscribe up to 15 Cr (Fifteen Crore Only) fully convertible warrants to be converted into equal number of equity shares of ₹ 1/- (Rupee one only) each at price of ₹ 1/- (Rupee One only) per share or any other price as may be decided by the board within period of 18 months from the date of allotment. The company has received written consent towards their intension to subscribe.

e) Relevant Date:

“Relevant Date” for this purpose is, as per the regulation 71 of SEBI (ICDR) regulations 2009, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. That means for this relevant date is July 28, 2012. Shareholding pattern before and after the issue:

The Shareholding pattern before and one likely to emerge after the proposed allotment of Equity Warrants upon conversion would be as under:

| Name | | Pre issue | | Post issue | |
|------------|---|----------------------|---------------|----------------------|---------------|
| | | No. of shares | % of holding | No. of shares | % of holding |
| (A) | Shareholding of Promoter and Promoter Group | | | | |
| | 1 Indian | | | | |
| | Promoter | 185,968,560 | 14.76 | 335,968,560 | 20.24 |
| | 2 Foreign | | - | | - |
| | Total Shareholding of Promoter and Promoter Group | 185,968,560 | 14.76 | 335,968,560 | 20.24 |
| (B) | Public shareholding | | - | | - |
| | 1 Institutions | | - | | - |
| | (a) Mutual Funds/ UTI | - | - | - | - |
| | (b) Financial Institutions / Banks | 3,000 | 0 | 3,000 | 0 |
| | (c) Central Government/ State Government(s) | 568,300 | 0 | 568,300 | 0 |
| | (d) Venture Capital Funds | - | - | - | - |
| | (e) Insurance Companies | - | - | - | - |
| | (f) Foreign Institutional Investors | - | - | - | - |
| | Sub-Total (B)(1) | 571,300 | 0.04 | 571,300 | 0.03 |
| | B 2 Non-institutions | | - | | - |
| | (a) Bodies Corporate | 265,803,949 | 21.10 | 515,803,949 | 31.08 |
| | (b) Individuals | 745,793,586 | 59.21 | 745,793,586 | 44.94 |
| | (c) Any Other | 29,118,685 | 2.31 | 29,118,685 | 1.79 |
| | Sub-Total (B)(2) | 1,040,716,220 | 82.62 | 1,290,716,220 | 77.77 |
| | (B) Total Public Shareholding (B)= (B)(1)+(B)(2) | 1,041,287,520 | 82.62 | 1,291,287,520 | 77.77 |
| | TOTAL (A)+(B) | 1,227,256,080 | 97.38 | 1,627,256,080 | 98.05 |
| | (C) Shares held by Custodians and against which Depository Receipts have been issued | | - | | - |
| | 1 Promoter and promoter group | - | - | - | - |
| | 2 Public | 32,297,320 | 2.62 | 32,297,320 | 1.95 |
| | TOTAL (C) | 32,297,320 | 2.62 | 32,297,320 | 1.95 |
| | GRAND TOTAL (A)+(B)+(C) | 1,259,553,400 | 100.00 | 1,659,553,400 | 100.00 |

*Last available shareholding pattern has been used for calculation the percentage and making above mentioned shareholding pattern and warrant issued but not converted also consider into pre and post issue shareholding.

The percentage etc. has been worked out after assuming that all warrants are converted into shares.

g) Proposed time within which the allotment shall be complete:

The Board proposes to allot the Shares/ Warrants within a period of 15 days from the date of this Annual General Meeting. As per the said SEBI (ICDR) guidelines 2009 the warrant holders have the option to subscribe for one equity share of ₹ 1/- each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

h) The identity of the proposed allottee and the percentage of the preferential issue that may be held by the allottee:

| Name of the Allottee | Category | Pre issue holding | % to Equity total | Post-issue holding | % to total Equity |
|--|--------------|-------------------|-------------------|--------------------|-------------------|
| Prahlad Estates and Properties Private Limited | Non-promoter | Nil | Nil | 25 Cr | 15.06% |
| Enstaserv Eservices Limited | Promoter | Nil | Nil | 15 Cr | 9.04% |

i) Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance therewith. The Board proposes to allot the Warrants within a period of 15 days from the date of this Annual General Meeting. As per the said SEBI Guidelines, the warrant holders have the option to subscribe for one equity share of ₹ 1/- each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

j) Lock-In:

The shares/ share warrants to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI (ICDR) Guidelines, 2009 in this behalf.

k) Change in Management:

The issue of Equity Shares will not result in any change in the management or control of the Company.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

None of the Directors of the Company are concerned or interested in the said resolution. The Board of Directors recommends the resolution for the approval of members.

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

Sd/-

Gagan Kaushik
Company Secretary

Place : Noida
Date : July 30, 2012

Year at a Glance :

(₹ in Lacs)

| For the year | 2012 | 2011 |
|-------------------------------------|-------------|-------------|
| Income | | |
| Revenue from operations | 21,402.23 | 37,343.33 |
| Other Income | 390.85 | 847.96 |
| Total Revenue | 21,793.09 | 38,191.31 |
| Operating profit (PBIDTA) | 3,768.73 | 5,187.01 |
| Operating profit / Total income (%) | 17.29 | 13.58 |
| PAT | 157.01 | 3,149.60 |
| PAT / Total income (%) | 0.72 | 8.24 |
| EPS (par value of ₹ 1/- each) | | |
| Basic | 0.02 | 0.30 |
| Diluted | 0.01 | 0.26 |
| Dividend | - | - |
| Per share (in ₹) | Nil | Nil |
| Amount | Nil | Nil |
| Return on average net worth (%) | 0.33 | 6.97 |
| At the end of the year | | |
| Fixed assets – net | 31,182.56 | 29,808.56 |
| Net current assets | 11,086.05 | 17,678.56 |
| Total assets | 42,268.61 | 47,487.11 |
| Debt | 276.81 | 674.19 |
| Equity | 10,295.53 | 10,295.53 |
| Net worth | 47,447.69 | 45,204.56 |
| Market Capitalization | 4,632.99 | 10,810.31 |

Chairman & Managing Director and CFO Certification

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

- a. We have reviewed financial statements for the year ended March 31, 2012 and that to the best of our knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; 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.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee :–
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the 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 : July 30, 2012

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
Anil Sharma
Chief Financial Officer

Directors' Report

(for the Year 2011- 2012)

Dear Shareholders,

We are delighted to present the Report on our business and operations for the year ended March 31, 2012.

Financial Highlights

(₹ in Lacs)

| | Year ended March 31, | |
|---|----------------------|-----------|
| | 2012 | 2011 |
| Gross Income | 21,793.09 | 38,001.44 |
| Profit/(Loss) before Depreciation, Interest & Tax (PBDIT) | 3,768.73 | 5,187.01 |
| Misc. Income | Nil | Nil |
| Depreciation | 3,620.81 | 2,125.15 |
| Interest | 46.66 | 430.04 |
| Profit/(Loss) before Extra ordinary items | 101.82 | 3,290.68 |
| Profit before tax (PBT) | 101.82 | 3,290.68 |
| Profit after tax (PAT) | 157.01 | 3,149.61 |
| Appropriation: | | |
| Dividend recommended – Final | Nil | Nil |
| Tax on distributed profits | Nil | Nil |
| Transferred to General Reserve | Nil | 329.46 |
| Balance with General Reserve | 3,225.77 | 3,225.77 |
| Balance Brought Forward | — | 11,780.46 |
| Transferred to Balance Sheet | — | 14,597.43 |

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

Overview

For the financial year ended March 31, 2012, your Company reported a total income of ₹ 21,793.09 lacs. The Company recorded an operating profit of ₹ 3,768.73 lacs and a net profit of ₹ 157.01 Lacs for this financial year.

Dividend

In view of the current market conditions, your directors did not recommend any dividend for the financial year 2011-12.

Human Resources

At FCS People Strategy has played a critical role in assisting our business manage and overcome these challenging times. The new Return on Investment is on people investment. For FCS to remain competitive Human Resources will not only play a significant role in managing existing resources but also identifying right locations with the right people for expansion and growth. Our people have been at the forefront in terms of being pro-active with strong business fundamentals and driving organizational change across verticals. FCS has been steadily investing in innovation and it's vision

is to make this a core competency. Talent management along with an innovative People Strategy is our top business priority. The FCS leadership initiative is an in house program wherein all employees have their skill levels measured and then gaps identified. Then they are inducted into this Leadership program and mentored to take on greater responsibilities. The attrition at FCS has been well below industry standards so retaining talent is not the issue so the focus is now on adding new skills and value to the existing employees.

Our recruitment process maturity across the globe has given us the capability to hire the right talent for our projects not just in India but also in USA and Europe. Our clients leverage this proven expertise for staffing their projects.

Infrastructure

As increase in services requires enlarged and improved infrastructure, the Company has developed its infrastructure accordingly to cater to the increased demand of its services, and in view of providing up to the best standards, the existing as well as new services introduced by the Company. During the year, the Company has kept its focus on the expansion of its business and clientele, the Company also ventured in new segment and set up data center services for clients for providing data center services, as there are vast opportunities in this field.

Corporate Governance

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

Subsidiaries

FCS has the global reach, and has its clients all round the world, including America and North East. Thus, to ensure that these clients may comfortably reach out to us, and in order to provide more legal security, faster services and comfort to the clients located there, the Company has two subsidiaries, FCS Software Solutions America Limited, incorporated in America and F.C.S Software Middle East FZE in UAE.

Social Programs

FCS recognizes that social programs are a part of the Society. FCS is growing due to the society surrounding it, and as such, FCS makes every effort to make the society grow. Right from the time of its formation, FCS has been aggressively and successfully running multifarious CSR Programmes. CSR being its prime objective, FCS first completes a thorough assessment to understand both the needs and assets of the community, for which it has to develop and run a program. Then it analyses the gap of existing programs and initiatives. Each program is then tailored to both fit the needs and leverage the resources of the community in consultation with expert educators, local partners, and community members including parents and children.

The mission of the FCS Corporate Social Responsibility programs is to make a positive impact on the communities in which the Company does business through its support of select programs, outreach efforts and initiatives that improve and enhance the quality of life of the Community. Our goal is to make things better for the planet, better for people, better for business, better for now and better for the future.

Public Deposits

During the year under review, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

Directors

In terms of the provisions of Sections 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Shayam Sunder Sharma, retire at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment.

Statutory Auditors

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

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

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

Particulars of employees

During the year ended March 31, 2012, no employee is drawing remuneration in excess of the amount prescribed under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended, and Department of Company Affairs Notification no. GSR 288 (E) dated April 17, 2002 followed by a clarification through circular no. 16/2002 dated June 25, 2002.

Management Discussion and Analysis

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

Directors' responsibility statement

To the Members,

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

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the shareholders, consultants, customers, vendors, bankers, service providers and governmental & statutory authorities for their continued support.

Your 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.

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

Place : Noida
Date : July 30, 2012

Sd/-
Dalip Kumar
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE "A"

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

Conservation of energy

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

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

Research and Development (R&D)

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

Technology absorption, adaptation and innovation

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

Foreign Exchange Earning and Outgo

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

During the year 95.76% of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was ₹ 20,426.80 lacs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings) was ₹ 18,011.64 lacs.

Foreign exchange earned and used

(₹ in Lacs)

| | 2012 | 2011 |
|-------------------------------|-----------|-----------|
| Earnings | 20,426.80 | 37,002.15 |
| Outflows | 18,011.64 | 27,380.60 |
| Net foreign exchange earnings | 2,415.16 | 9,621.55 |

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The constant Endeavour of the Company is to build a business generating revenues from new customers and our existing customers as well through repeat orders. FCS Software Solutions Limited has ended the financial year 2011-12 with the revenue of ₹ 10,263.83 lacs and consolidated revenue of ₹ 21,793.09 Lacs. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the financial statements. The financial statements are prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by SEBI and the Generally Accepted Accounting Principles (GAAP) in India. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profile and cash flow for the year. Our diverse clientele includes mid-sized companies and larger enterprises.

a. Industry structure and developments

In this dynamic business condition, Technology, especially information technology has transformed business by creating productivity gains and business models in the last two decades. This has resulted in the increased importance of IT to the success of companies worldwide. The ability to design, develop, implement, and maintain advanced Technology platforms and solutions to address business and customer needs has become a competitive advantage and a priority for corporations worldwide.

Due to these dynamic business conditions, organizations have to make fast technological innovations that are driving corporations to transform their operations meeting corporation needs. We find that companies are now focusing on moving data residing in disparate IT systems to the decision makers within the company in real-time manner. Companies have recognized the transformational capabilities of real-time data and have started integrating IT processes with core business activities, with their clients and with their suppliers. Concurrently, the prevalence of multiple technology platforms and a greater emphasis on network security and redundancy have increased the complexity and cost of IT systems, and have resulted in greater technology-related risks.

The need for more dynamic technology solutions and the increased complexity, cost and risk associated with these technology platforms has created a growing need for specialists with experience in leveraging technology to help drive business strategy.

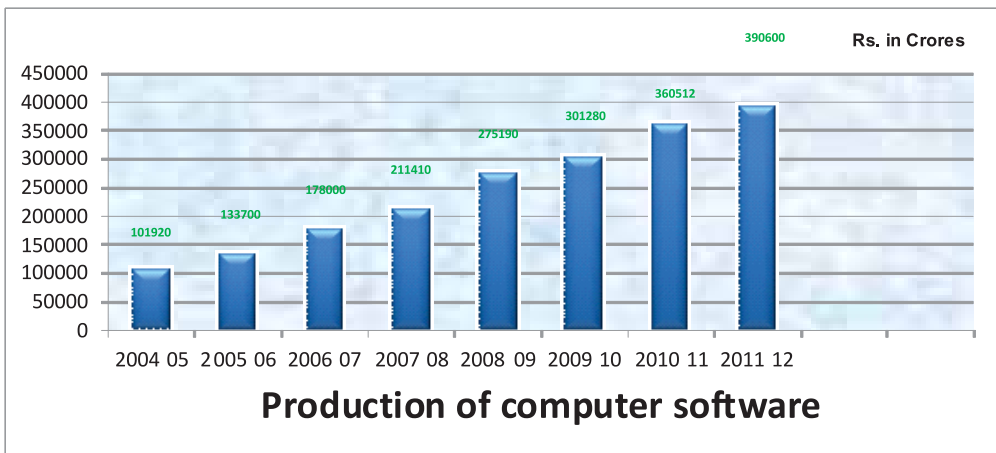
During the last decade, India has emerged as a world class knowledge based economy due to its strong IT and ITES (enabled Services) sector. The Indian software industry has started to look up with boost in Business Process Outsourcing (BPO) becoming the buzzword of the Industry. Indian Software Industry offers cheap skilled workforce with talented pool of software programmers to suit the price sensitive Multinationals. These factors have earned the Indian software industry a good reputation which has opened the gates for lot of large multinationals putting up their own BPO units in India.

The year 2011-12 was marked by growing global uncertainties, growth of the Indian Economy has also slowed down and is estimated to grow at 6.9 per cent in 2011-12 as compared to 8.4 per cent in 2010-11. But the Indian IT-BPO Industry continued to exhibit weakness but, It weathered uncertainties in global business environment to some extent.

So far the general impression is that IT and ITES industry mainly caters to USA and Euro countries and has little contribution from the domestic industry. However, in the past one decade the trend is changing and domestic industry is also emerging as a major consumer of IT and ITES sector. The revenue from domestic IT and ITES is expected to grow from US \$ 17.3 billion in 2010-11 to US \$ 19 billion in the year 2011-12, an anticipated growth of about 9.8 per cent. The steady growth in this sector has further created large number of employment not only of IT professionals, but also of those who are indirectly assisting the sector. Direct employment within the IT-BPO sector is expected to grow by over 9 per cent to reach 2.77 million, with over 230,000 jobs being added in 2011-12.

The IT-BPO segment of business has become increasingly important to companies. Over the years, the Indian IT-BPO industry has matured from offering non-core activities. However, there is a huge global market that is yet untapped. The level of the opportunity in hand can be gauged from the fact that India (domestic + exports) accounted for approximately 5 per cent of worldwide technology products and services. It underlines the immense growth opportunities for the industry players to create innovative service models and broaden its geographical reach. In future, the industry is expected to generate an increasing share of revenues from this segment. The progressive report as to production of Computer Software can be understood by the depicted charts. Today the world recognises India as a source of high quality IT manpower. Over 75 percent of world wide SEI CMM level 5 certified companies are Indian. The Capability Maturity Model (CMM) for Software describes the principles and practices underlying software process maturity and is intended to help software organizations improve the maturity of their software processes in terms of an evolutionary path from ad hoc, chaotic processes to mature, disciplined software processes. Over 300 Indian computer software and services have already obtained ISO 9000 or CMM level 2 certification. It is because of this high quality of Indian IT sector that the majority of multinational companies in IT have their software development or research center. One third of the e-commerce start-ups colleges are imparting IT education. As per a study approximately 5,00,000 people are needed every year to meet the growth targets of the software industry. However, the total production from education and training institutions today is only about a third of this.

The progressive report as to production of Computer Software can be understood by the depicted chart.



The Indian IT-BPO industry is expected to adopt the inorganic growth route in order to widen their service offerings and enter new geographical markets. Several third party and captive BPO units are likely to increasingly acquire small size companies to ramp up revenue, acquire clients, and expand business segments and geographical reach.

IT Service providers are also expected to sharpen their focus on the domestic market to tap the imminent growth opportunities offered by the booming Indian economy. The rapid growth in the domestic market is likely to be driven by major government initiatives such as increased spending on e-Governance and increased thrust on technology adoption/up-gradation across various government departments to bridge the gap of digital divide. The Government of India has enacted a national e-Governance Plan (NeGP) which is expected to create big opportunities for the IT vendors to create an effective partnership. It has separately allocated USD 9 billion for investment in NeGP projects till Financial Year 2014.

This sector has been providing services opportunities to the youth at large. And, the total numbers of IT and ITes-BPO professionals in India have touched to the level of more than two million. This sector, however, had to face recession in the financial years 2008-09 and 2009-10, which resulted in slow hiring of professionals. However, offshore IT spending is expected to grow faster. Key factors supporting this projection are the growing impact of technology-led innovation and the increasing demand for global sourcing. India is a major component of the offshore IT outsourcing.

India has already established its brand equity in the global IT market. Indian IT software Offers a wide range of services, software product/packages; a wide spectrum of IT services including system management and maintenance, consultancy services, system integration, chip design, E-Governance, E-Commerce, IT enabled services covering banking/financial/insurance sector. Their IT enabled services also include CAD/CAM Multimedia, animation work, BPO (Business Process Outsourcing) assignments, Call centre related assignments, as well as Knowledge Process Outsourcing (KPO) / Legal process Outsourcing (LPO), medical lab, diagnostic and dental services, medical transcription services, e-publishing data conversion or digitization, type-setting, copy editing, content and design, graphics etc. The software industry is not only growing exponentially, it is moving up the value chain. It is evolving, from the initial staffing to software development, where it is currently the world's major supplier of engineers, integration and IT business consulting.

IT Exports

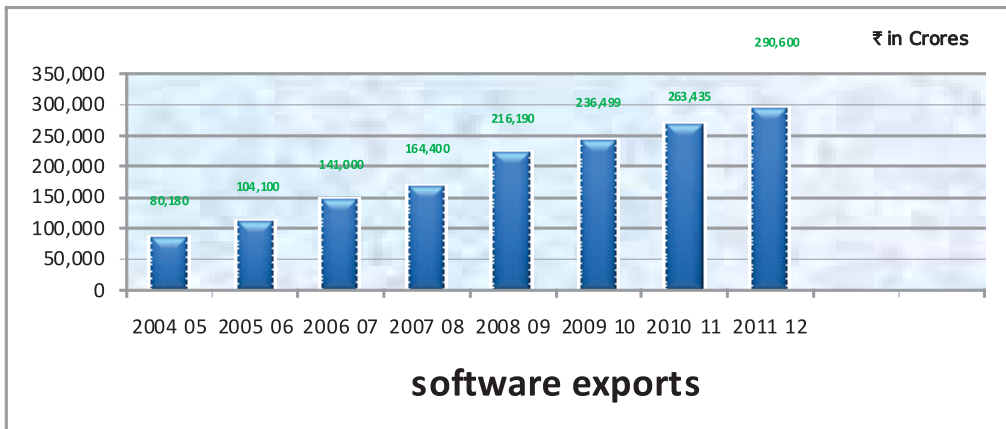
Export comprises two third of the revenue generated from India IT and BPO industry. The IT and BPO export has grown faster than total Indian export during the past five years Total exports consist of IT services and IT-based business services .This level of export specialization is unrivalled by any comparable country and it is an indicator of a strong comparative advantage. This is surprising because exports of IT services are typically the premise of rich and technology-savvy countries. An educated workforce which is abundant in rich countries but scarce in poor countries such as India is the key resource. The Indian software and services exports including BPO exports is estimated at US \$ 68.7 billion in 2011-12, as compared to US \$ 59 billion in 2010-11, an increase of 16.4 per cent. The IT services exports is estimated to be US \$ 39.8 billion in 2011-12 as compared to US \$ 33.5 billion in 2010-11, showing a growth of 18.8 per cent. BPO exports is estimated to grow from US \$ 14.2 billion in 2010-11 to US \$ 15.9 billion in 2011-12, a year-on-year (Y-o-Y) growth of about 12 per cent. IT services contributed 58 per cent of total IT-BPO exports in 2011- 12, followed by BPO at 23 per cent and Software products/ engineering services at 19 per cent. According to NASSCOM Strategic Review Report 2011, the worldwide BPO market is expected to touch \$201 billion by 2014, representing a compounded

annual growth rate of 6.2% in the period 2010-2014.

The India domestic IT and ITeS market is expected to cross the ₹ 2,00,000 crore (USD 50 billion) mark in 2012 compared to ₹ 90,014 crore recorded in 2007, according to IDC India. This translates into a compounded annual growth rate (CAGR) of 18.4 per cent in the five-year period. Together with IT and ITeS exports revenue of ₹ 3, 20,278 crore, the total IT and ITeS industry size will grow to ₹ 5,29,976 crore (USD 132 billion) by 2012, representing a CAGR of 16.5 per cent. The Indian IT and ITeS industry grew to ₹ 2,46,609 crore in calendar year 2007, up from ₹ 2,01,413 crore in 2006, representing a growth of 22.4 per cent. Of the total industry size of ₹ 2,46,609 crore, the domestic IT and ITeS market contributed ₹ 90,014 crore, while the remaining ₹ 1,56,594 crore was contributed by the IT and ITeS exports segment. In 2007, IT services (excluding ITeS) exports continued to be the biggest segment at ₹ 97,492 crore. In 2008, IDC expects the IT and ITeS industry to grow at 20 per cent, with the domestic market growing at 22.4 per cent compared to IT and ITeS export market growth of 18.9 per cent. The overall industry is projected to be ₹ 5, 29,976 crore by end 2012, with the share of domestic IT and ITeS revenues adding to 40 per cent of the total, compared to the current 37 per cent. The IT and ITeS exports market is likely to more than double to ₹ 3,20,278 crore in 2012 from ₹ 1,56,594 crore in 2007.

The progressive report as to the Computer Software export can be understood by the depicted chart.

Chart - IT Export



IT Industry Outlook

For Financial Year 2013, the export revenues are expected to grow 11-14% while the domestic revenues will grow 13-16%. Our estimates for next year take into account the uncertain economic environment with delayed decision making and differentiated growth across the industry sectors and companies.

Banking, Financial Services and Insurance

India has emerged as one of the fast growing economies in the world, having recorded an annual average growth rate of 8% during the last five years. Even during the turbulent times, the Indian economy recorded a modest growth rate of 6.5% during FY12-13. India, with a population

of more than a billion and rising per capita income, provides an enormous opportunity for the BFSI companies to expand by introducing of new products, leveraging technology, deploying innovative strategies and ramping up distribution network. Further, India's economy is now expected to grow by 6.5 percent in 2012, down from the previous forecast of 7 percent. India's outlook is clouded by a combination of high inflation and poor demand, both externally and internally

In 2010-11, the BFSI sector observed a decline of around 5% after witnessing a below average growth rate of 3.6% in 2008-09. Consequently, IT vendors, in order to de-risk their business model, have increased their focus on other verticals such as government, healthcare, retail and utilities. In the last few years, these sectors have shown signs of increasing IT expenditure. Growth in these emerging verticals is expected to be substantially faster than the core verticals, as with the passage of recession, the propensity to spend of the organizations is increasing, which shall lead to increased use of Banking, Financial Services and Insurance, which is completely discretionary for the organizations.

b. Opportunities and threats

FCS is able to provide technology solution to its clients across the worldwide with diverse capabilities in the areas of product engineering, product automation, technology consulting, database management, and customized solutions. Indian Companies, with the advent of BPOs' setting up the prospective buyers from aboard, have made significant growth in this field apart from IT & ITes enabled services. Company, however, geared up to face the changing Industry scenario. The company's business focuses is primarily upon the US market. The software segment will continue to show robust growth. There are lots of opportunities in the Market to be taped by the domestic IT Companies. We believe our competitive strengths include innovation and leadership, Proven Delivery Model, comprehensive and sophisticated end-to-end solutions, commitment to superior quality and process execution, long-standing client relationships, status as an employer of choice and ability to scale.

Our development center prides in a state-of-the art facilities and a competent workforce consisting of programmers, IDs, visualizers, e-learning experts, writers and editors who have worked extensively in the areas of e-learning, product training, sales training, support services, performance and collaboration. FCS is optimistic on the future outlook of the Industry even during the down turn.

We operate in a highly competitive and rapidly changing market, and compete with big consulting firms, divisions of large multinational technology firms, IT outsourcing firms, offshore technology services firms, software firms etc. While large companies with their larger sales and pre-sales teams as well ability to do acquisitions are more versatile in facing the deepening situation, we are working on quality and partnership model innovations to strengthen our position.

Investments by enterprises in IT infrastructure, applications and IT outsourcing has been increasing. Demand for domestic BPOs has been largely driven by growth in sectors such as telecom, banking, insurance, retail, healthcare, tourism and automobiles. The IT platform not only offers opportunities to exploit domestic demand but also facilitates access to the global avenues.

According to software industry body National Association of Software and Service Companies (NASSCOM), the information technology (IT) and IT-enabled services (ITeS) sectors in India have become crucial growth catalysts for the Indian economy.

Risk is a natural part of the business landscape. If left unmanaged, the uncertainty can spread like weed. If managed effectively, losses can be avoided and benefits obtained. Our business model continues to address the need to aggressively grow while managing risk. In slow markets, clients consolidate their vendor base to get better pricing from larger suppliers. This is a risk factor that we are working to mitigate by launching an awareness campaign to make vendors see benefits of agility and flexibility while working with us.

c. Outlook

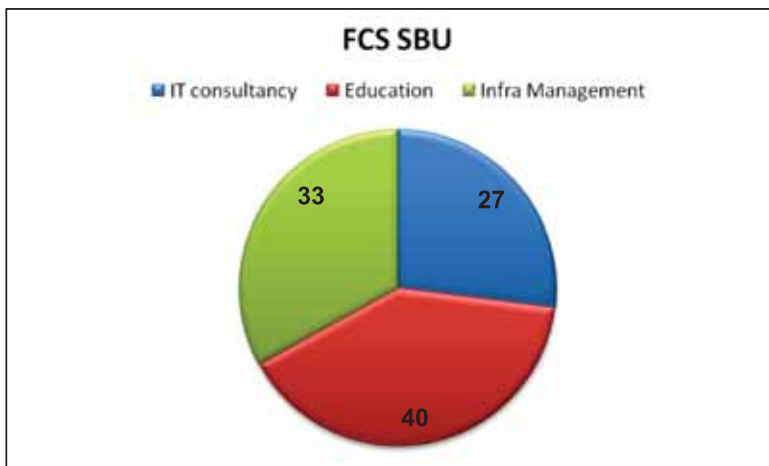
FCS offers customized software solutions, packaged implementations, enterprise management solutions, application development and support services. There are several key opportunities for FCS Emerging areas such as enterprise risk management, compliance, IT outsourcing and Business process outsourcing are some of the main areas where FCS sees opportunities in the next few years.

We are continuing to endeavor our efforts towards strengthening our position in one of the leading Company providing technology services. In order to increase our business we seek to increase business from existing and new clients. We seek to provide value-added solutions by leveraging our in-depth industry expertise and expanding the breadth of services offered to them beyond those in the initial engagement. We manage engagements by educating clients about the offshore model, taking on smaller projects to minimize client risk and demonstrating our superior execution capabilities.

d. Segment-wise / Product-wise Performance

FCS Software Solutions is a leading provider of IT services. In the past one decade of its existence, FCS has carved out a niche for itself in core IT areas like e-learning, digital content services, IT consultancy and product engineering services. It provides IT & ITes consultancy services, education and infrastructure management services. FCS business is organized into three strategic business units (SBUs). The percentage wise revenue contribution of each segment is as below:

1. IT Consulting Services
2. Education Division
3. Infrastructure Management



1. IT Consulting

FCS in Financial Year 2012 tapped around 27% of the revenue from IT activities. Your Company is engaged in software development, implementation and maintenance of software applications. We provide world-class technological solutions and help Corporate in meeting their ever-changing software needs. Software is delivered to clients in different paradigms. The two most used models are Fixed Price Fixed Time Frame model and Time and Material model. In Fixed Price fixed time frame model, a client pays fixed cost for a software project delivery within agreed timetable. Any projects where specifications are fixed and would not change substantially over a period of time fall under this model. The Company delivers technology solutions to help client achieve business results. The Company first analyzes clients' requirements, develops the scope and finally proposes a fixed-price solution.

Thereafter professional implementation plan is agreed upon. On the other hand, if projects are loosely defined and are done in an ad hoc manner or involve client's managers to manage day-to-day work, they are done in Time and Material model. We provide solutions for technologies like Open Source, C++/VC++, Sun technologies, MS technologies, Oracle applications, SAP, Java, and Linux. Our powerful QA tools enable load-testing services that facilitate successful software application launch with all-deliberate speed and assurance.

2. Education

The education segment of the Company contributes 40 % of the total revenue including e-Learning. FCS is focusing on up gradation of education by using its expertise. One of the key aspects of our Education segment is its ability to link education initiatives with delivery technologies. As the role of technology is becoming more and more complex and advanced, FCS is right there to take advantage of such a situation.

E-learning expertise, FCS helps its clients along with their employees, vendors, and dealers to better their performance and deal with fast-changing environments. Technology makes education and training highly efficient, by making it available anytime, anywhere and reduces total cost. FCS plays a vital role in imparting quality IT education to corporate houses, institutions, central and state government departments, professional establishments and other clients, for whom FCS develops IT solutions. This is especially important in very large and complex projects. For FCS, education and training services is not merely a business area. We see it as our commitment towards building India's IT personnel power base.

3. Infrastructure Management

Your Company has been keeping its focus on the expansion of its business and clientele. As increasing the scale of services being provided requires enlarged and improved infrastructure, the Company has developed its infrastructure accordingly to cater to the increased demand of its services and to provide up to the best standards. FCS has expanded the scope of the Infrastructure Management services being provided by it by managing the client services either on client sites or at Data Centers or in our premises in a 24X7 environment.

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. We also set up data centers for clients globally, on which, our engineers remotely or onsite manage all Hardware, Network, LAN/WAN, Data and Voice networks in accordance of the client needs to run their applications. Our expertise in Document Management Systems, Data Backup

and Recovery, Virus Protection, SPAM Control, Hacking protection, and Business Continuity are some of the key reasons for clients to outsource their infrastructure management to us apart from their desire to have us as their one stop shop. 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. The infrastructure management division contributes 40% of the total revenue of FCS.

e. Internal control systems and their adequacy

The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded as well as are more productive. These internal controls are supplemented by periodic audits with management reports which are reviewed by our LKS & Associates, Chartered Accountants, II-B/146, I Floor, Sector-2, Vaishali, Ghaziabad-201010 as its Internal Auditor. We have a qualified and independent Audit Committee. The Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or corrections. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions. M/s. SPMG & Company, Chartered Accountants, Delhi are recommended for reappointment as statutory auditors to audit financial statements and conduct such tests and related procedures as they deem necessary in accordance with generally accepted auditing principles. The reports of the statutory auditors based upon their audit of the financial statements, are contained elsewhere in the Annual Report.

The Internal Audit process includes review and evaluation of effectiveness of the existing processes, controls and compliance. The performance of the Company is regularly viewed by the Board of Directors to ensure that it is keeping with the overall corporate policy and in line with pre-set objectives. The finance and accounts functions of the Company are well staffed with qualified and experienced members. The departmental performance is rated through the Control Effectiveness Index given by the Internal Auditors. Significant observations including recommendations for improvement of the business processes are reviewed by the management before reporting to the Audit Committee. The Audit Committee then reviews the Internal Audit reports and the status of implementation of the agreed action plan.

Internal control system of the Company is an effective system and contributes to safeguarding the company's assets as well as the efficiency and effectiveness of business transactions, the reliability of financial information and compliance with laws and regulations. The system is subject to regular reviews and updates and each specific modification is integrated by the company's Code of Ethics.

f. Financial performance with respect to operational performance

The Company's total income has been reported for the year ended 31 March 2012 as ₹ 21,793.09 Lacs, as compared to ₹ 38,191.31 Lacs for the year ended 31 March 2011 and the net profit for year 2011-12 is ₹ 157.01 Lacs, it was ₹ 3,149.60 Lacs in 2011.

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

We continue to believe that our employees are key contributors to our success. The Group's Endeavour is to impart the best training and working environment for retaining the best human resource. Our work force consists of talented employees, consultants who are engaged by us on a contractual basis to assist in the architectural and structural design of our projects who contribute in achieving Companies goal. FCS has included HR strategic planning in its overall business plan. Employee satisfaction is supremely important at FCS, because it is what productivity depends on. Our happy and loyal employees are 100% dedicated to our customers. They are creative, innovative and come up with breakthroughs, which allow FCS to grow and change positively with time and changing market conditions.

Cautionary Note

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

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

Place : Noida
Date : July 30, 2012

Sd/-
Dalip Kumar
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

The Company believes that the management is the trustee of all investors' capital and is obligated to maximize shareholders value over the long term, while preserving the interests of all its stakeholders, such as employees, customers, business partners/vendors and the society at large. It is committed to high levels of ethics and integrity in all its business dealings, which avoids all conflicts of interest. In order to conduct business with these principles, FCS creates simple corporate structures based on business needs and maintains a high degree of transparency through regular disclosures and a focus on adequate control systems.

The Corporate Governance policies of your Company recognizes the accountability of the Board vis-à-vis its various constituents including Customers, Shareholders, Investors, Employees, Government and other Regulatory Authorities, with prime objective to deliver "Superior Shareholder Value". In brief, the Company's Corporate Governance philosophy is woven around its total commitment to the ethical practices in the conduct of its business.

Your company has adopted the Code of Ethics and Business Conduct based on the fundamental principles, few of them are as under:

- 1) Laying down the solid foundations for management;
- 2) Promoting ethical and responsible decision-making;
- 3) Safeguarding integrity in financial reporting;
- 4) Making timely and balanced disclosures;
- 5) Respecting the rights of the shareholders;
- 6) Encouraging enhanced performance;
- 7) Remunerate fairly and responsibly;
- 8) Recognize the legitimate interest of the stakeholders;
- 9) Legal and Statutory compliances in letter and spirit.

Your Company has constituted separate committees such as Audit committee, investors Grievances committee etc. which bring transparency in establishing good Corporate Governance. A separate report on Corporate Governance, along with a certificate of Statutory Auditors of the Company, is annexed herewith. A certificate from the Managing Director and CFO of the Company confirming internal controls and checks pertaining to financial statements for the period April 01, 2011 to 31 March, 2012 was placed before the Board of Directors and the Board has noted the same.

BOARD OF DIRECTORS

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

Board Membership Criteria: The Board reviews the appropriate skills and characteristics required from Board members. The Board considers the mix of education, skills, experience, character, commitment, and background, all in the context of the requirements of the Board at that point in time.

Composition and Functions: As on March 31, 2012 the Board consists of 4 Directors with considerable professional experience and expertise in various fields. The Board of Directors is headed by Chairman & Managing Director and has the ideal composition with the half Directors being non-executive directors. Since the Company's Chairman is executive Director, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent directors.

None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fee attending each Board Meeting.

Number of Board Meetings: Six (6) Board Meetings were held during the financial year 2011 – 2012 on the following dates:

May 30, 2011, August 12, 2011, August 29, 2011, November 7, 2011, November 14, 2011 and February 13, 2012.

CONSTITUTION OF BOARD OF DIRECTORS AND RELATED INFORMATION

| Name | Category | No. of Board Meetings attended | Attendance at the last AGM | No. of Directorships in other public companies as on 31.3.2012 | | No. of Committee positions held in other public companies as on 31.3.2012 | |
|-------------------------|------------------------------------|--------------------------------|----------------------------|--|----------|---|----------|
| | | | | Member | Chairman | Member | Chairman |
| Mr. Dalip Kumar | Chairman & Managing Director | 3 | No | 2 | Nil | Nil | Nil |
| Mr. Govinda Sahu* | Whole time director | 3 | No | 1 | Nil | Nil | Nil |
| Mr. S.S. Sharma | Independent Non Executive Director | 6 | Yes | 1 | Nil | Nil | Nil |
| Mr. S.N. Sharma | Independent Non Executive Director | 6 | Yes | 4 | Nil | 3 | Nil |
| Mr. Dhruwa Narain Rai** | Independent Non Executive Director | Nil | No | Nil | Nil | Nil | Nil |

* Appointed w.e.f. September 26, 2011

** Ceased to be a Director w.e.f. October 3, 2011

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

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

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Selection of Agenda Items for Board Meetings: The Company Secretary prepares the agenda of the Board meetings on the basis of suggestions from Board of Directors. Each Board member is free

to suggest the inclusion of item(s) on the agenda. The Board believes that certain continuing oversight responsibilities should have priority on the agenda, taking into account the overall focus of preserving and increasing stakeholders' value. This includes review of Company strategy and performance, management oversight, ethical business practices and legal compliance, accounting and financial controls, financial structure, preservation of assets, and Board effectiveness.

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

The code of conduct is available on the website of the company - www.fcsLtd.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

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

A list of the committees of the Board and names of their members is given below. The scope of each of these committees and other related information is detailed in the enclosed Corporate Governance Report.

BOARD COMMITTEES

Currently, the Board of directors of the Company has three committees namely the Audit Committee, the Remuneration Committee and the Investor Grievance Committee. Audit Committee consists of two independent non executive Directors and one executive Director. While the Remuneration and Investor Grievance Committee consist of all the independent non executive Directors. The Board is responsible for constituting, assigning, co-opting and fixing of terms of service for committee members.

AUDIT COMMITTEE

The Audit Committee was constituted on April 20, 2000 as required under section 292A of the Companies Act, 1956.

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

May 30, 2011, August 12, 2011, November 14, 2011, February 13, 2012.

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

| Name of Directors | Position | Status | No. of Meetings | |
|------------------------|------------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. S.N. Sharma | Independent Non Executive Director | Chairman | 4 | 4 |
| Mr. S.S. Sharma | Independent Non Executive Director | Member | 4 | 4 |
| Mr. Dhruwa Narain Rai* | Independent Non Executive Director | Member | 2 | Nil |
| Mr. Govinda Sahu** | Executive director | Member | 2 | 2 |

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 26, 2011.

Mr. Gagan Kaushik, Company Secretary of the Company acts as Secretary to the Committee.

NOTE:

*Ceased to be Director w.e.f. October 03, 2011.

**Inducted as a director w.e.f. September 26, 2011.

REMUNERATION/COMPENSATION COMMITTEE

The Company has formed a Remuneration Committee by the Board of Directors vide the Board Meeting dated January 3, 2005. Remuneration Committee meeting was held on 29th day of August, 2011 to consider the remuneration payable to the whole time director, Mr. Govinda Sahu. The constitution of the committee is as under:

| Name of Directors | Position | Status | No. of Meetings | |
|-------------------|---------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. S.S. Sharma | Independent Non-Executive | Chairman | 1 | 1 |
| Mr. S. N. Sharma | Independent Non-Executive | Member | 1 | 1 |

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

REMUNERATION POLICY

The remuneration paid to the non-executive Directors of the company is decided by the Board of Directors on the recommendations of the remuneration and Compensation Committee. The remuneration policy is in consonance with the existing industry practice. The commission is paid at the rate not exceeding one per cent of the net profits per annum of the company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

- i) **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.
- ii) **Independent directors' compensation:** Independent Directors are paid sitting fees for attending the meetings of the Board of Directors & Committees and commission as percentage of net profits within the ceilings prescribed by the Central Government and Companies Act, 1956.

INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The committee is headed by Mr. S.S Sharma, an Independent Non-Executive Director of the Company. During the financial year, four Investors/Shareholders Grievance Committee meetings were held on 30th May, 2011, 12th August, 2011, 14th November, 2011, and 13th February, 2012. The composition of the committee is as under:

| Name of Directors | Position | Status | No. of Meetings | |
|-------------------|------------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. S. N. Sharma | Independent Non-Executive Director | Member | 4 | 4 |
| Mr. S. S. Sharma | Independent Non-Executive Director | Chairman | 4 | 4 |

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

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

Number of Shareholder's complaints received by Company from its RTA, BSE, NSE, SEBI and Shareholders, during the financial year ended March 31, 2012 is as under:

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

GENERAL BODY MEETINGS

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

| AGM for the financial year ended | Venue | Day and Date | Time | No. of Special Resolution Passed |
|----------------------------------|--|----------------------------|-----------|----------------------------------|
| 2008-2009 | The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074. | Monday, September 14, 2009 | 9.30 A.M | 1 |
| 2009- 2010 | The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074. | Monday September 27, 2010 | 10.30 A.M | 2 |
| 2010-11 | The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074. | Monday September 26, 2011 | 9.00 A.M | 1 |

POSTAL BALLOT: During the last financial year, the Company did not pass any resolution through postal ballot.

DISCLOSURES

DISCLOSURES ON RELATED PARTY TRANSACTIONS: Details of materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. are present under in Note No –23.19V in Annual Accounts of the Annual Report.

DETAILS OF NON-COMPLIANCE: The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

MANDATORY REQUIREMENTS

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

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

ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company is complying with all the mandatory requirements of Clause-49 of the Listing Agreement. In addition, the Company has also adopted the non-mandatory requirement of the constitution of Remuneration Committee and adoption of Whistle blower mechanism as referred in Clause-49 of the Listing Agreement.

MEANS OF COMMUNICATION

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

The financial results and public notices are also put up on Company's website www.fcsltd.com

For investors, the Company has created a separate e-mail ID investors@fcsltd.com

PUBLICATIONS OF THE FINANCIAL RESULTS DURING 2011-12

| Quarter/Annual | Date of Board Meeting to approve the result | Date of Publication | |
|---------------------|---|---------------------|-----------------|
| | | English News Paper | Hindi Newspaper |
| Q1 FY 2011 | 12-08-2011 | 13-08-2011 | 13-08-2011 |
| Q2 FY 2011 | 14-11-2011 | 16-11-2011 | 16-11-2011 |
| Q3 FY 2011 | 13-02-2012 | 15-02-2012 | 15-02-2012 |
| Q4 & Annual FY 2012 | 23-05-2012 | 25-05-2012 | 25-05-2012 |

The quarterly, half yearly and annual financial statements are promptly and prominently displayed on the company's website i.e. www.fcsltd.com.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

CHAIRMAN & MANAGING DIRECTOR/CHIEF FINANCIAL OFFICER CERTIFICATION

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

SHAREHOLDERS INFORMATION

Annual General Meeting

| | |
|--------------------|---|
| Date and Time | : August 28, 2012, 9:00 A.M. |
| Venue | : The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074 |
| Financial Calendar | : 1st April to 31st March |

| Unaudited/Audited Financial Results | Quarter / Year ended | Month of approval of Financial Results |
|---|----------------------|--|
| Unaudited financial results for the quarter ended | June 2011 | August 2011 |
| Unaudited financial results for the quarter and half year ended | September 2011 | November 2011 |
| Unaudited financial results for the quarter ended. | December 2011 | February 2012 |
| Audited financial results for the year ended. | March 2012 | May 2012 |

| | |
|--|--|
| Date of Book Closure | : August 22 to August 28, 2012 (Both days inclusive) |
| Name of the Stock Exchange | Exchange code BSE 532666 NSE FCSSOFT |
| Listing fee for 2011-12 | : Paid for both the above stock exchanges. |
| ISIN No. | : INE512B01022 (for fully paid up shares) |
| ISIN No. | : IN9512B01020 (for partly paid up shares) |
| No Dividend is recommended for the financial year 2011 – 2012. | |

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.

| Month | BSE | | | NSE | | | |
|--------------|------|------|------------------|------|------|------------------|------------------|
| | High | Low | Volume | High | Low | Volume | Total Volume |
| | (₹) | (₹) | (Nos.) | (₹) | (₹) | (Nos.) | (Nos.) |
| April 2011 | 1.24 | 1.09 | 29450248 | 1.25 | 1.1 | 45289371 | 74739619 |
| May | 1.11 | 0.97 | 29321268 | 1.1 | 0.95 | 40128587 | 69449855 |
| June | 1 | 0.73 | 36060153 | 1 | 0.75 | 43507472 | 79567625 |
| July | 0.83 | 0.71 | 26233353 | 0.85 | 0.7 | 26423769 | 52657122 |
| August | 0.75 | 0.56 | 49168298 | 0.75 | 0.55 | 43837395 | 93005693 |
| September | 0.7 | 0.6 | 21237801 | 0.7 | 0.6 | 20279828 | 41517629 |
| October | 0.61 | 0.57 | 13481895 | 0.65 | 0.55 | 19526133 | 33008028 |
| November | 0.6 | 0.46 | 19591815 | 0.6 | 0.45 | 21050699 | 40642514 |
| December | 0.51 | 0.41 | 16550486 | 0.55 | 0.4 | 15883432 | 32433918 |
| January 2012 | 0.53 | 0.41 | 14846825 | 0.55 | 0.4 | 12091501 | 26938326 |
| February | 0.53 | 0.47 | 19137841 | 0.55 | 0.45 | 19763907 | 38901748 |
| March | 0.49 | 0.37 | 16117075 | 0.5 | 0.4 | 12117288 | 28234363 |
| TOTAL | | | 291197058 | | | 319899382 | 611096440 |

PERFORMANCE COMPARISON WITH INDICES:

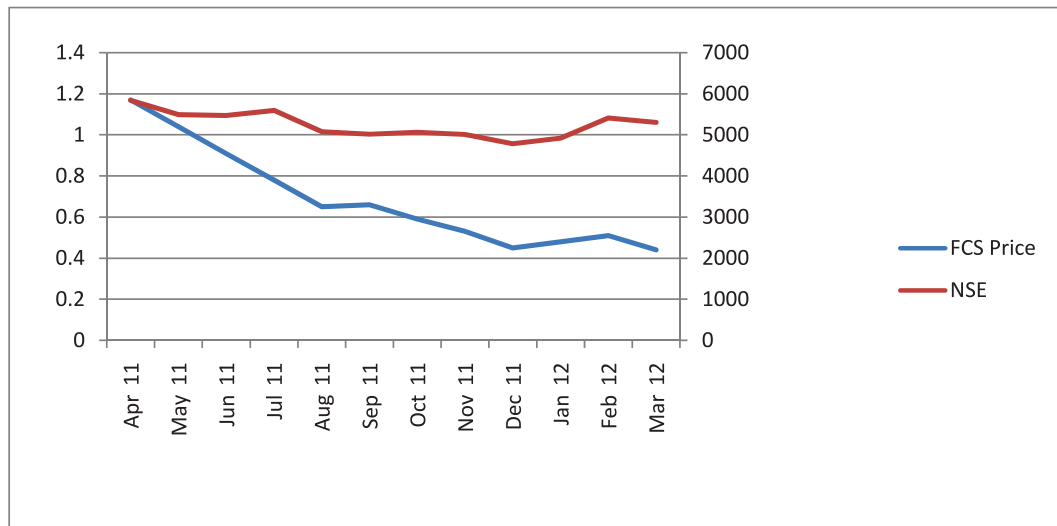


Chart- A

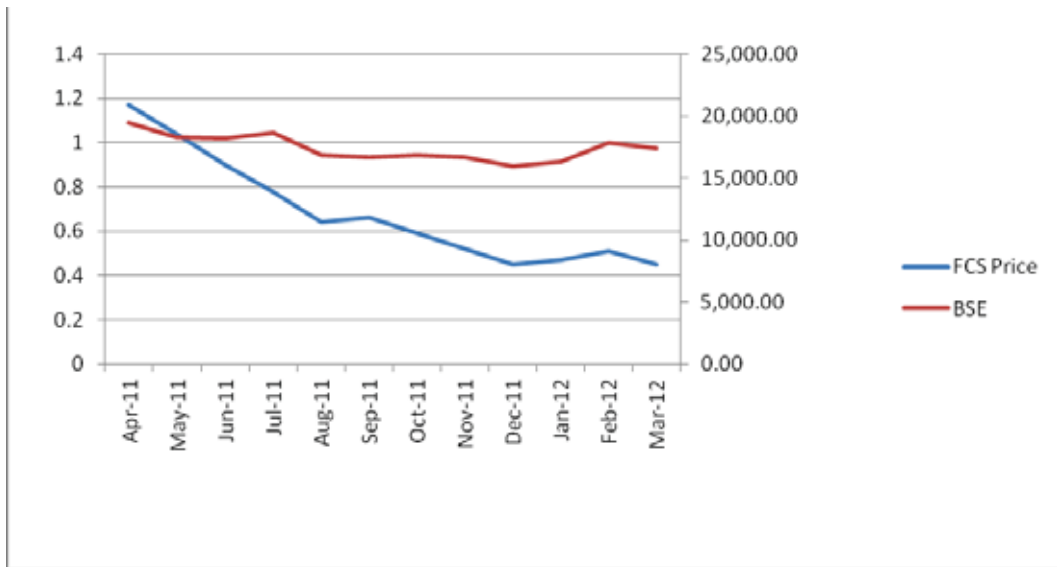


Chart –B

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, 2012.

SHAREHOLDING PATTERN BY SIZE

| Shareholding of Nominal Value (₹) | No. of Shareholders | % of Total Shareholders | No. of Shares held | % of Total Shares |
|-----------------------------------|---------------------|-------------------------|--------------------|-------------------|
| Upto 2,500 | 99217 | 68.976 | 87296206 | 8.479 |
| 2,501 - 5,000 | 19555 | 13.595 | 76549172 | 7.435 |
| 5,001 - 10,000 | 12161 | 8.454 | 96037563 | 9.328 |
| 10,001 - 20,000 | 6576 | 4.572 | 98981788 | 9.614 |
| 20,001 - 30,000 | 2363 | 1.643 | 60024468 | 5.830 |
| 30,001 - 40,000 | 1026 | 0.713 | 36725184 | 3.567 |
| 40,001 - 50,000 | 769 | 0.535 | 35972270 | 3.494 |
| 50,001- 1,00,000 | 1292 | 0.898 | 94083377 | 9.138 |
| 1,00,001 & Above | 884 | 0.615 | 443883372 | 43.114 |
| TOTAL | 143843 | 100.000 | 1029553400 | 100.000 |

SHAREHOLDING PATTERN BY OWNERSHIP

| Categories | As at March 31, 2012 | | As at March 31, 2011 | |
|--|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of holding | No. of Shares held | % of holding |
| Promoters- | | | | |
| – Indian | 135968560 | 13.21 | 135968560 | 13.21 |
| – Foreign | 0 | 0 | 0 | 0 |
| Mutual Funds & UTI | 0 | 0 | 0 | 0 |
| Banks, Financial Institutions and Insurance Companies | 3000 | 0.0 | 3000 | 0.0 |
| Foreign Institutional Investors | 0 | 0 | 0 | 0 |
| Private Bodies Corporate | 113361802 | 11.01 | 142116853 | 13.80374 |
| Indian Public -Individual | 717914719 | 69.73 | 687238239 | 69.19 |
| NRI / OCB's | 15361967 | 1.49 | 17847868 | 1.7897 |
| Others (Directors & their relatives, HUF, Clearing Members) | 46943352 | 4.56 | 31551797 | 1.13 |
| TOTAL | 1029553400 | 100 | 1029553400 | 100 |

Dematerialization of the shares and liquidity:

As on March 31, 2012, to the extent of 99.98% 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, 2012 is as under:

| Segment | No. of Shareholders | % of Total No. of Shareholders | No. of Shares | % of Total No. of Shares |
|--------------|---------------------|--------------------------------|-------------------|--------------------------|
| Physical | 26 | 0.02 | 435332 | 0.04 |
| Demat | 143819 | 99.98 | 1029118068 | 99.96 |
| Total | 143845 | 100 | 1029553400 | 100 |

OUTSTANDING GDRS/ADRS/WARRANTS

With a view to augment the long term resources of the Company for meeting the fund requirements of growth and diversification plans and for general corporate purposes, company has issued warrants dated November 7, 2011 on preferential basis in accordance with the 'Guidelines for Preferential Issues' contained in Chapter VII of the Securities and Exchange Board of India (issue of capital and disclosure requirements) regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Guidelines"), entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company. Its likely impact on equity is as under:

| Categories | Pre Issue | | Post Issue | |
|--|------------------|--------------|-------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| 1 Indian | | | | |
| promoter | 135968560 | 13 | 185968560 | 15 |
| 2 Foreign | | 0 | | 0 |
| Total Shareholding of Promoter and Promoter Group | 135968560 | 13 | 185968560 | 15 |
| (B) Public shareholding | | 0 | | 0 |
| 1 Institutions | | | | |
| (a) Mutual Funds/ UTI | 0 | 0 | 0 | 0 |
| (b) Financial Institutions / Banks | 3000 | 0 | 3000 | 0 |
| (c) Central Government/ State Government(s) | 568300 | 0 | 568300 | 0 |
| (d) Venture Capital Funds | 0 | 0 | 0 | 0 |
| (e) Insurance Companies | 0 | 0 | 0 | 0 |
| (f) Foreign Institutional Investors | 0 | 0 | 0 | 0 |
| Sub-Total (B)(1) | 571300 | 0 | 571300 | 0 |
| B2 Non-institutions | | | | |
| (a) Bodies Corporate | 85803949 | 8 | 265803949 | 21 |
| (b) Individuals | 745793586 | 72 | 745793586 | 59 |
| (c) Any Other | 29118685 | 3 | 29118685 | 2 |
| Sub-Total (B)(2) | 860716220 | 84 | 1040716220 | 82 |
| (B) Total Public Shareholding (B)=(B)(1)+(B)(2) | 861287520 | 84 | 1041287520 | 82 |
| TOTAL (A)+(B) | 997256080 | 97 | 1227256080 | 97 |

| Categories | Pre Issue | | Post Issue | |
|---|-------------------|--------------|-------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | |
| 1 Promoter and promoter group | 0 | 0 | 0 | 0 |
| 2 Public | 32297320 | 3 | 32297320 | 3 |
| TOTAL (C) | 32297320 | 3 | 32297320 | 3 |
| GRAND TOTAL (A)+(B)+(C) | 1029553400 | 100 | 1259553400 | 100 |

PLANT LOCATIONS

The Company has 2 offices as on 31st March, 2012 spread across India apart from 1 office in Ras Al Khaimah, UAE and 1 office in USA. The addresses of these offices are available on our Annual Report.

ADDRESS FOR CORRESPONDENCE

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

LITIGATION

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

BRAND ESTABLISHMENT

An image is not simply a trademark, a design, a slogan or an easily remembered picture. It is a studiously crafted personality profile of an individual, institution, corporation, product or service. Successful branding programs are based on the concept of singularity. The objective is to create in the mind of the prospect the perception that there is no other product on the market quite like your product. Today, if orders don't make money, we don't want them. And how do you boost profit margin Branding, both at home and overseas. If you have a brand, you can make money. If you don't have a brand, all is nothing. Global brands are a language that consumers can understand. Your Company FCS has successfully established its brand, which has gained recognition all over the globe.

SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted

a comprehensive code of conduct for its management and staff. During the year, the Company revised its Code for prevention of insider trading owing to changes in the SEBI Insider Trading Guidelines and also revised its list of insiders. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

MANAGEMENT DISCUSSION AND ANALYSIS

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

REAPPOINTMENT OF DIRECTORS

As per the requirements of Section 256 of the Companies two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr. Shayam Sunder Sharma shall retire and shall seek re-appointment in the ensuing Annual General Meeting of the Company.

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

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of FCS Software Solutions Limited

We have examined the compliance of conditions of Corporate Governance by FCS Software Solutions Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **SPMG & Company**
Chartered Accountants

Sd/-

Vinod Gupta

Partner

Membership No. 90687

Place : New Delhi
Dated : May 23, 2012

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF FCS SOFTWARE SOLUTIONS LTD. ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FCS SOFTWARE SOLUTIONS LTD. AND SUBSIDIARIES

We have audited the attached consolidated Balance Sheet of FCS Software Solutions Ltd. ("the Company") and its subsidiary, as described in summary of significant accounting policies to the consolidated financial statements as at 31 March, 2012, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of SUBSIDIARIES, whose financial statements reflect total assets of ₹ 3,850,489,246/- as at 31 March, 2012, total revenues of ₹ 1,152,925,931/- and total cash flows amounting to ₹ 17,777,554/- for the year then ended have been audited by other auditors. The audit reports for the above mentioned entities have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of those subsidiaries, is based solely upon the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us, and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:

- (i) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiaries as at 31 March, 2012;
- (ii) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
- (iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For **SPMG & Company**
Chartered Accountants

Sd/-

Vinod Gupta

Partner

Membership No. 90687

Place : New Delhi
Dated : May 23, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | Note No. | As on 31-03-2012 AMOUNT (₹) | As on 31-03-2011 AMOUNT (₹) |
|--|----------|--------------------------------|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 1,029,553,100 | 1,029,553,100 |
| (b) Advance Preferential Share Warrants | | 283,100,000 | 188,100,000 |
| (c) Reserves and Surplus | 2 | 4,332,531,260 | 4,193,893,570 |
| (2) Share application money pending allotment | | | |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 5,813,730 | 7,233,925 |
| (b) Deferred tax liabilities (Net) | | - | 6,614,043 |
| (c) Long-term provisions | 4 | 5,178,432 | 4,694,572 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 21,867,455 | 60,184,816 |
| (b) Trade payables | | 129,693,131 | 192,431,197 |
| (c) Other current liabilities | 6 | 10,959,754 | 10,364,547 |
| (d) Short-term provisions | 7 | 2,984,060 | 18,889,116 |
| Total | | <u>5,821,680,922</u> | <u>5,711,958,886</u> |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 8 | 291,311,221 | 338,457,703 |
| (ii) Intangible assets | 9 | 2,826,944,399 | 2,642,398,520 |
| (iii) Capital work-in-progress -Tangible | | 7,992,348 | 7,343,603 |
| (iv) Capital work-in-progress - Intangible | | 232,734,800 | 129,447,296 |
| (b) Non-current investments | 10 | 732,389,800 | 120,149,800 |
| (c) Deferred tax assets (net) | | 455,301 | - |
| (d) Long term loans and advances | 11 | 3,932,580 | 3,315,330 |
| (e) Preliminary & other Misc Expenses | 12 | 617,315,421 | 702,990,686 |
| (2) Current assets | | | |
| (a) Work-in -Process | 13 | 18,912,384 | 11,871,784 |
| (b) Trade receivables | 14 | 633,517,071 | 751,165,367 |
| (c) Cash and cash equivalents | 15 | 355,727,893 | 324,172,050 |
| (d) Short-term loans and advances | 16 | 65,472,400 | 653,508,551 |
| (e) Other current assets | 17 | 34,975,305 | 27,138,197 |
| Total | | <u>5,821,680,922</u> | <u>5,711,958,886</u> |

For **SPMG & COMPANY**

Firm Registration Number: 509249C

Chartered Accountants

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Place : New Delhi

Date : May 23, 2012

On behalf of the Board of Directors

For FCS Software Solutions Limited

Sd/-

Dalip Kumar

Managing Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

S.N. Sharma

Director

Sd/-

Gagan Kaushik

Company Secretary

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE
PERIOD ENDED 31ST MARCH 2012**

| PARTICULARS | Note No. | As on 31-03-2012 AMOUNT (₹) | As on 31-03-2011 AMOUNT (₹) |
|--|-----------------|--|--|
| GROSS REVENUE | | | |
| I. Revenue from operations | 18 | 2,140,223,332 | 3,734,335,659 |
| II. Other Income | 19 | 39,085,362 | 65,808,108 |
| III. Total Revenue (I +II) | | <u>2,179,308,694</u> | <u>3,800,143,767</u> |
| IV. EXPENSES | | | |
| Employee benefit expense | 20 | 1,608,839,998 | 2,768,628,800 |
| Financial costs | 21 | 4,665,833 | 43,003,670 |
| Depreciation and amortization expense | | 362,081,231 | 212,515,736 |
| Other expenses | 22 | 193,595,540 | 447,006,188 |
| Total Expenses | | <u>2,169,182,602</u> | <u>3,471,154,393</u> |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | 10,126,092 | 328,989,374 |
| VI. Exceptional Items (Prior period) | | (56,146) | (79,186) |
| VII. Profit before tax (V - VI) | | <u>10,182,238</u> | <u>329,068,560</u> |
| VIII. Tax expense: | | | |
| (1) Current tax | | 1,550,000 | 17,400,000 |
| (2) Deferred tax | | (7,069,344) | (3,564,144) |
| (3) Income Tax paid | | - | 271,811 |
| IX. Profit/(Loss) from the period from continuing operations (VII - VIII) | | <u>15,701,582</u> | <u>314,960,893</u> |
| X. Earning per equity share: | | | |
| (1) Basic | | 0.02 | 0.31 |
| (2) Diluted | | 0.01 | 0.26 |

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

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

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

Sd/-
Dalip Kumar
 Managing Director

Sd/-
S.N. Sharma
 Director

Place : New Delhi
 Date : May 23, 2012

Sd/-
Anil Sharma
 Chief Financial Officer

Sd/-
Gagan Kaushik
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

| PARTICULARS | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 15,701,582 | 314,960,892 |
| Adjustments For : | | |
| Deferred Tax Provision | (7,069,344) | (3,564,144) |
| Provision for income tax | 1,550,000 | 17,671,813 |
| Depreciation and Amortization | 362,081,231 | 212,515,735 |
| GDR/Deferred Business Development Expenses W/o | 85,675,265 | 81,423,535 |
| Prior Period Expenditure | (56,146) | (79,186) |
| Finance Charges | 4,665,833 | 43,003,669 |
| Cash from Operations before Working Capital Changes | 462,548,421 | 665,932,314 |
| Adjustments for changes in Working Capital: | | |
| (Increase)/Decrease in Work-in-Process | (7,040,600) | 62,458,733 |
| (Increase)/Decrease in Trade Receivables | 117,648,296 | (75,260,459) |
| (Increase)/Decrease in Loans and Advances | 587,418,901 | (413,837,186) |
| (Increase)/Decrease in Other Current Assets | (7,837,108) | 1074195534 |
| Increase/(Decrease) in Trade Payables | (62,738,066) | (169,926,319) |
| Increase/(Decrease) in Current Liabilities | 595,207 | (4,335,542) |
| Increase/(Decrease) in Provisions | 428,804 | 550,340 |
| NET CASH GENERATED BY OPERATING ACTIVITIES (1) | 1,091,023,855 | 1,139,777,415 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets and change in Capital Work-in-Progress | 603,416,879 | 2,293,308,557 |
| (Increase)/Decrease in Investments | 612,240,000 | 120,050,000 |
| (Increase)/Decrease in IPO/GDR Expenses | - | 8,453,343 |
| (Increase)/Decrease in Deferred Business Development Expenses | - | 768,757,940 |
| NET CASH FROM INVESTING ACTIVITIES (2) | 1,215,656,879 | 3,190,569,840 |

| PARTICULARS | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceed from Issue of Share Capital | - | 500,000,000 |
| Proceed from Issue of Share Premium | - | 1,425,000,000 |
| Advance pursuant to Pref. Share Warrant | 95,000,000 | 188,100,000 |
| Proceed from Long Term Borrowings | (40,047,025) | (52,045,770) |
| Increase in Foreign Currency transaction Reserve | 122,871,494 | (77,682,705) |
| Repayment of Long Term Borrowings | 309,471 | (108,275,514) |
| Income Tax Paid | (17,335,386) | (18,739,812) |
| Prior Period Expenditure | 56,146 | 79,186 |
| Finance Charges | (4,665,833) | (43,003,669) |
| NET CASH USED IN FINANCING ACTIVITIES (3) | 156,188,867 | 1,813,431,716 |
| NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3) | 31,555,843 | (237,360,709) |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 324,172,050 | 561,532,760 |
| CLOSING BALANCE OF CASH EQUIVALENTS | 355,727,893 | 324,172,050 |

Notes :

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

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

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

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

Sd/-
Dalip Kumar
Managing Director

Sd/-
S.N. Sharma
Director

Place : New Delhi
Date : May 23, 2012

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|-----------------------------|-----------------------------|
| 1. SHARE CAPITAL | | |
| Equity Share Capital | | |
| Authorised Share capital | | |
| 150,00,00,000 Equity Shares of ₹ 1/- each | 1,500,000,000 | 1,500,000,000 |
| | <u>1,500,000,000</u> | <u>1,500,000,000</u> |
| A. Issued, subscribed & fully paid share capital | | |
| 1,02,95,53,100 Equity Shares of ₹ 1/- each | 1,029,553,100 | 1,029,553,100 |
| [Out of the above 30,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99] | | |
| [Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00] | | |
| [Out of the above 200,00,000 shares of ₹ 1/- each have been issued as conversion of preferential warrants dt. 13.11.09] | | |
| [Out of the above 10,00,00,000 shares of ₹ 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09] | | |
| [Out of the above 26,47,76,550 shares of ₹ 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10] | | |
| [Out of the above 50,00,00,000 shares of ₹ 1/- each have been issued as GDR 25,000,000 (1 GDR equal of 20 equity Shares) dt. 28.05.10] | | |
| Total | <u><u>1,029,553,100</u></u> | <u><u>1,029,553,100</u></u> |

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

| | 2011-2012 | | 2010-2011 | |
|-----------------|-----------------|-------|-----------------|-------|
| | (No. of Shares) | % | (No. of Shares) | % |
| Mr. Dalip Kumar | 135,790,060 | 13.19 | 135,790,060 | 13.19 |

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

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| Bonus Shares issued in the FY 2009-2010 | 26,47,76,550 | 26,47,76,550 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--|--|
| 5 SHORT-TEMS BORROWINGS | | |
| Secured | | |
| Canara Bank-Working capital (<i>Secured against Land & Building situated at EHTP Gurgaon, Export Receivables and NOIDA land & building and Plant & Machinerics at NOIDA and personal guarantee of the Directors</i>) | 21,541,556 | 41,989,196 |
| HDFC Bank OD Account - (<i>Secured against fixed deposit</i>) | 325,899 | 18,195,620 |
| Total | 21,867,455 | 60,184,816 |
| | | |
| 6. OTHER CURRENT LIABILITIES | | |
| Other payables | 10,959,754 | 10,364,547 |
| Total | 10,959,754 | 10,364,547 |
| | | |
| 7 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits | 1,434,060 | 1,489,116 |
| Others | 1,550,000 | 17,400,000 |
| Total | 2,984,060 | 18,889,116 |

8. Tangible

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--|---------------------|-------------------|------------|----------------------|---------------------|-------------------|------------|----------------------|---------------------|----------------------|
| | As at April 1, 2011 | ADDITIONS | Deductions | As at March 31, 2012 | Upto March 31, 2011 | For the Year | Deductions | As at March 31, 2012 | As at April 1, 2011 | As at March 31, 2012 |
| | Land | | | | | | | | | |
| Freehold | 113,155,636 | 631,246 | - | 113,786,882 | - | - | - | - | 113,155,636 | 113,786,882 |
| Buildings | 83,233,328 | 231,915 | - | 83,465,243 | 16,125,999 | 3,363,980 | - | 19,489,979 | 67,107,330 | 63,975,264 |
| Furniture, fixtures and office equipment; | | | | | | | | | | |
| Furniture & Fixtures | 25,007,419 | 1,666,098 | - | 26,673,517 | 15,917,053 | 1,793,380.00 | - | 17,710,433 | 9,090,366 | 8,963,084 |
| Office Equipment | 41,282,399 | 1,304,407 | - | 42,586,806 | 20,232,391 | 3,053,218 | - | 23,285,609 | 21,050,008 | 19,301,197 |
| Vehicles | 3,853,675 | - | - | 3,853,675 | 1,881,468 | 510,604 | - | 2,392,072 | 1,972,207 | 1,461,603 |
| Computers | 597,602,893 | 11,443,144 | - | 609,046,037 | 471,520,738 | 53,702,108 | - | 525,222,846 | 126,082,156 | 83,823,191 |
| Total (Tangible) | 864,135,350 | 15,276,810 | - | 879,412,160 | 525,677,650 | 62,423,290 | - | 588,100,940 | 338,457,703 | 291,311,221 |
| Capital WIP (Tangible) | 7,343,603 | 648,745 | - | 7,992,348 | - | - | - | - | 7,343,603 | 7,992,348 |

9. Intangible

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|---------------------------|----------------------|--------------------|-------------|----------------------|---------------------|--------------------|-------------|----------------------|----------------------|----------------------|
| | As at April 1, 2011 | ADDITIONS | Deductions | As at March 31, 2012 | Upto March 31, 2011 | For the Year | Deductions | As at March 31, 2012 | As at April 1, 2011 | As at March 31, 2012 |
| | Software & IPR | 2,768,865,939 | 484,203,820 | - | 3,253,069,759 | 126,467,419 | 299,657,941 | - | 426,125,360 | 2,642,398,520 |
| Total (Intangible) | 2,768,865,939 | 484,203,820 | - | 3,253,069,759 | 126,467,419 | 299,657,941 | - | 426,125,360 | 2,642,398,520 | 2,826,944,399 |
| Capital WIP (Intangible) | 129,447,296 | 103,287,504 | - | 232,734,800 | - | - | - | - | 129,447,296 | 232,734,800 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| 10 NON-CURRENT INVESTMENTS | | |
| (AT COST UNLESS STATED OTHERWISE) | | |
| Investments in Equity instruments-Non Traded Unquoted | | |
| In Associates | | |
| <i>M/s.Enstaserv eServices Ltd 9980</i> | | |
| <i>Equity shares of ₹ 10/- each fully paidup.</i> | 99,800 | 99,800 |
| <i>M/s Myzeal IT Solutions Pvt. Ltd.</i> | | |
| <i>5000 Equity Shares of ₹ 10/- fully paid</i> | 50,000 | 50,000 |
| <i>M/s Insync Business Solutions Limited</i> | | |
| <i>24000 Equity Shares of ₹ 10/- fully paid</i> | 240,000 | - |
| Others | | |
| <i>M/s. Pumarth Properties & Holdings Private</i> | | |
| <i>400000 equity shares</i> | | |
| <i>@ ₹ 10/- each at premium of ₹ 215</i> | 90,000,000 | 90,000,000 |
| <i>M/s Indian Durobuild Private Limited</i> | | |
| <i>1000000 Equity Shares of ₹ 10/- each fully paid up</i> | 10,000,000 | 10,000,000 |
| <i>M/s Shahi India Buildcomcon Private Limited</i> | | |
| <i>100000 Equity Shares of ₹ 100 each fully paid up</i> | 10,000,000 | 10,000,000 |
| <i>M/s Maksad Buildcon Private Limited 100000</i> | | |
| <i>Equity Shares of ₹ 100 each fully paid</i> | 10,000,000 | 10,000,000 |
| <i>M/s Master Talant Eduservices Pvt. Ltd.</i> | | |
| <i>360000 Equity Shares of ₹ 1,700/- at premium</i> | 612,000,000 | - |
| <i>i.e. ₹ 10/- each per Share and premium @ ₹ 1,690</i> | | |
| Total | 732,389,800 | 120,149,800 |
| 11 LONG TERM LOANS AND ADVANCES | | |
| Unsecured considered good | | |
| Security Deposits | 3,927,360 | 3,310,110 |
| Excise Deposits (PLA) | 5,220 | 5,220 |
| Total | 3,932,580 | 3,315,330 |
| 12 PRELIMINARY & OTHER MISC EXPENSES | | |
| Deferred Business Development Exp | 690,444,025 | 768,757,940 |
| GDR Expenses | 12,546,661 | 15,656,281 |
| Sub total | 702,990,686 | 784,414,221 |
| Less: Deferred Business Development Exp W/o | 82,403,145 | 78,313,915 |
| Less: GDR Expenses W/o | 3,272,120 | 3,109,620 |
| Total | 617,315,421 | 702,990,686 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--|--|
| 13 INVENTORIES | | |
| Work-in-Process | 18,912,384 | 11,871,784 |
| TOTAL | 18,912,384 | 11,871,784 |
| 14 TRADE RECEIVABLES | | |
| Unsecured | | |
| Sundry Debtors | 633,517,071 | 751,165,367 |
| TOTAL | 633,517,071 | 751,165,367 |
| 15 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | 125,926,211 | 104,735,684 |
| Cash on hand | 407,684 | 1,298,750 |
| Others | 229,393,998 | 218,137,616 |
| TOTAL | 355,727,893 | 324,172,050 |
| 16 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured and Considered Good | | |
| Other Loans and Advances (Employees, unexpired expenses etc.) | 65,472,400 | 653,508,551 |
| TOTAL | 65,472,400 | 653,508,551 |
| 17 OTHER CURRENT ASSETS | | |
| Interest Accrued on Fixed Deposit | 16,779,518 | 6,560,517 |
| With Statutory Authorities (Includes earlier years) | 17,628,226 | 19,044,194 |
| CENVAT Credits | 567,561 | 1,533,486 |
| TOTAL | 34,975,305 | 27,138,197 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| 18 REVENUE FROM OPERATIONS (FOR COMPANIES OTHER THAN A FINANCE COMPANY) | | |
| Revenue from - Software Development & Other Services | 2,133,182,732 | 3,796,794,392 |
| - Decrease/Increase in Work-in -Process | 7,040,600 | (62,458,733) |
| TOTAL | 2,140,223,332 | 3,734,335,659 |
| 19 OTHER INCOME | | |
| Interest income | 21,604,098 | 71,999,585 |
| Applicable net gain foreign currency transactions | 6,007,650 | (18,987,749) |
| Rent Income | 10,717,195 | 8,404,782 |
| Amount Written Back | 756,419 | 4,391,490 |
| TOTAL | 39,085,362 | 65,808,108 |
| 20 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages, Bonus & Subcontracting exp | 1,601,558,138 | 2,761,871,574 |
| Contribution to provident and other funds | 2,362,296 | 1,779,858 |
| Gratuity | 674,370 | 274,790 |
| Staff welfare expenses | 4,245,194 | 4,702,578 |
| TOTAL | 1,608,839,998 | 2,768,628,800 |
| 21 FINANCE COSTS | | |
| Interest expenses | 4,665,833 | 43,003,670 |
| TOTAL | 4,665,833 | 43,003,670 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|----------------------------------|--------------------------|--------------------------|
| 22 OTHER EXPENSES | | |
| Salaries & Staff Benefits | 35,012,624 | 58,118,402 |
| Advertisement Expenses | 100,706 | 10,050,556 |
| Bank Charges/Interest | 1,713,534 | 1,604,942 |
| Business Promotion | 177,811 | 203,074 |
| Travelling & Conveyance | 26,102,202 | 41,818,504 |
| Power & Fuel | 9,322,423 | 10,381,290 |
| Computer Consumables | 90,230 | 236,354 |
| Brokerage Exp | 262,350 | 123,600 |
| Telephone, Postage & Telegraph | 44,095,834 | 52,305,918 |
| Rent | 2,846,547 | 2,253,677 |
| Legal & Professional charges | 7,027,087 | 5,427,217 |
| Software Consultancy Charges | 1,542,064 | 738,000 |
| Insurance Charges | 2,109,175 | 1,621,571 |
| Meeting Fees | 1,20,000 | 250,000 |
| Auditor's Remuneration | | |
| - Audit Fees | 603,591 | 429,214 |
| - Tax Audit Fee | 106,516 | 70,786 |
| Printing & Stationary | 3,411,296 | 4,492,186 |
| Repair And Maintenance | 13,493,340 | 13,691,300 |
| Security Charges | 1,272,854 | 775,612 |
| Service Charges | 222,500 | 335,151 |
| Membership & Subscription | 24,804,354 | 200,806,495 |
| Rates & Taxes | 718,179 | 1,397,522 |
| Filing Fee/ Other Roc Expenses | 5,000 | 5,000 |
| News Papers, Books & Periodicals | 17,152 | 24,930 |
| Short Term Capital Loss | - | 25,000,000 |
| Office Maintenance | 3,020,009 | 5,744,357 |
| GDR Expenses W/o | 1,644,420 | 1,644,420 |
| Amount Written Off | 1,483,487 | 485 |
| Capital Enhancement W/O | 1,627,700 | 1,465,200 |
| Bad & Doubtful Debts | 10,642,558 | 5,990,425 |
| TOTAL | 193,595,540 | 447,006,188 |

23. Significant Accounting Policies

23.1. Basis for preparation.

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

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

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

23.2. Revenue recognition.

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on development of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

23.3. Expenditure

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

23.4. Fixed Assets

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

23.5. Depreciation

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

23.6. Work-in-Process

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

23.7. Foreign Currency Transactions.

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

In the case of current assets and current liabilities expressed in foreign currency, the exchange rate prevalent at the end of the year is taken for the purposes of transaction.

Exchange differences arising on foreign currency transactions are recognized as income or expenses in the year in which they arise. In the case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expenses over the life of the contracts.

23.8. Investment

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

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE) | | |
| Investments in Equity instruments-Non Traded Unquoted | | |
| In Associates | | |
| <i>M/s.Enstaserv eServices Ltd 9980 Equity shares of ₹ 10/- each fully paidup.</i> | 99,800 | 99,800 |
| <i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of ₹ 10/- fully paid</i> | 50,000 | 50,000 |
| <i>M/s Insync Business Solutions Limited 24000 Equity Shares of ₹ 10/- fully paid</i> | 240,000 | |
| Others | | |
| <i>M/s. Pumarth Properties & Holdings Private 400000 equity shares @ ₹ 10 each at premium of ₹ 215</i> | 90,000,000 | 90,000,000 |
| <i>M/s Indian Durobuild Private Limited 1000000 Equity Shares of ₹ 10 each fully paid up</i> | 10,000,000 | 10,000,000 |
| <i>M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of ₹ 100 each fully paid up</i> | 10,000,000 | 10,000,000 |
| <i>M/s Maksad Buildcon Private Limited 100000 Equity Shares of ₹ 100 each fully paid</i> | 10,000,000 | 10,000,000 |
| <i>M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of ₹ 1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹ 1690</i> | 612,000,000 | - |
| Total | 732,389,800 | 120,149,800 |

23.9. Retirement Benefits.

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

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

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

23.10. Earnings per Share.

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

| | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|---|---|---|
| Profit After taxation available to equity shareholders (₹) | 15,701,582 | 314,960,893 |
| Weighted average number of equity shares used in Calculating basic earnings per share | 1,029,553,100 | 1,029,553,100 |
| Add: Effect of diluted issue of shares | 230,000,000 | 180,000,000 |
| Weighted average number of equity shares used in Calculating diluted earnings per share | 1,259,553,100 | 1,209,553,100 |
| Face Value of Shares (₹) | ₹ 1/- | ₹ 1/- |
| Basic earnings per share (₹) | 0.02 | 0.31 |
| Diluted earnings per share (₹) | 0.01 | 0.26 |

23.11. Income Tax

- Provision is made for income tax on a yearly basis, under the tax-payable method, based on the tax liability as computed after taking credit for allowances and exemptions as the case may be.
- In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of ₹ 70,69,344/- for the year ended 31st March, 2012, has been provided and the post tax profit has accordingly been increased.

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

| | Year Ended 31.03.2012 (₹) | Year Ended 31.03.2011 (₹) |
|--|---------------------------------|---------------------------------|
| Deferred Tax Liability/Assets | | |
| (1) Depreciation | 1,009,904.00 | 8,211,747.00 |
| Less: Deferred Tax Assets | | |
| (2) Provision for Retirement Benefits | | |
| - For Gratuity | 359,830.00 | 342,817.00 |
| - Leave Encashment | 1,105,375.00 | 1,254,887.00 |
| Deferred Tax Liability/(Assets) (Net) | (455,301.00) | 6,614,043.00 |

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

23.12. Employees Stock Option Plan (ESOP).

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

23.13. Managerial Remuneration

| | Year Ended 31.03.2012 (₹) | Year Ended 31.03.2011 (₹) |
|--|---------------------------------|---------------------------------|
| A. Managing Director | | |
| Salary and perquisites | Nil | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Commission | Nil | Nil |
| B. Executive Directors | | |
| Salary and perquisites | 1,023,750 | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Commission | Nil | Nil |
| C. Non Executive Directors | | |
| Salary and perquisites | Nil | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Sitting Fee | 120,000 | 250,000 |
| | 1,143,750 | 250,000 |

23.14. Research & Development

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

23.15. Impairment

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

23.16. Foreign Branch

All revenue and expenses transactions are during the year reported at average rate. The assets and liabilities both monetary and non-monetary are translated at the rate prevailing on the balance sheet date. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. However the Balance sheet of branch as on 31st March 2012 has been considered and accounted as certified by the certified public accountant and further certified by the management.

23.17. Segment Reporting

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

The Profit and Loss for reportable primary Segment is setout below: -
For the Year Ended 31st March 2012

(Amount in Lacs)

| Description | India | UAE | USA | Total |
|---------------------------------------|--------|---------|----------|---------------|
| Revenue from external customers | 905.04 | 9778.35 | 10648.44 | 21331.83 |
| Expenses | 260.92 | 6208.79 | 9489.11 | 15958.82 |
| Segment Result | 644.11 | 3569.56 | 1159.33 | 5373.01 |
| Unallocated Expenses | | | | 5555.87 |
| Operating Profit Before Taxation | | | | (182.86) |
| Other Income | | | | 330.78 |
| Finance Charges | | | | 46.66 |
| Profit Before Tax & Prior Period Adj. | | | | 101.26 |
| Prior Period Adj. Income/ Exp. | | | | (0.56) |
| Provision for Taxation | | | | 15.50 |
| Provision for Deferred Tax | | | | (70.69) |
| Net Profit After Tax | | | | 157.02 |

For the Year Ended 31st March 2011

(Amount in Lacs)

| Description | India | UAE | USA | Total |
|---------------------------------------|--------|----------|----------|----------------|
| Revenue from external customers | 965.80 | 17739.82 | 19262.33 | 37967.94 |
| Expenses | 624.62 | 13291.49 | 14587.01 | 28503.12 |
| Segment Result | 341.18 | 4448.33 | 4675.32 | 9464.15 |
| Unallocated Expenses | | | | 6592.18 |
| Operating Profit Before Taxation | | | | 2871.97 |
| Other Income | | | | 847.96 |
| Finance Charges | | | | 430.04 |
| Profit Before Tax & Prior Period Adj. | | | | 3289.89 |
| Prior Period Adj. Income/ Exp. | | | | (0.79) |
| Provision for Taxation | | | | 176.72 |
| Provision for Deferred Tax | | | | (35.64) |
| Net Profit After Tax | | | | 3149.61 |

23.18. Employee Benefits

Contributions to defined schemes such as provident Fund, Employees' State Insurance Scheme are charged as incurred on actual basis. The Company also provides for other retirement benefits in the form of gratuity and leave encashment based on valuation made by independent actuaries as at the balance sheet date.

23.19. Related Party Transactions:

The Company had no Related Party Transactions during the financial year.

23.20. Material Events.

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

23.21. Unsecured Loans taken / accepted

The company has given an unsecured loans to M/s Lord Budha Educational Society on which no interest has been charged.

24. NOTES ON ACCOUNTS.

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

24.1. Contingent liabilities

The company has no letters of credit outstanding issued to various vendors as at March 31, 2012.

24.2. Payment to Auditors.

| | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Audit Fee | 6,03,591 | 4,29,214 |
| Tax Audit Fee | 1,06,516 | 70,786 |
| In other capacity | NIL | NIL |

24.3. Quantitative Details.

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

24.4. Imports On CIF basis.

(Amt. in ₹)

| | 31.03.2012 | 31.03.2011 |
|-------------------|------------|------------|
| Capital Goods | Nil | Nil |
| Software Packages | Nil | Nil |

24.5. Expenditure in Foreign Currency.

| | 31.03.2012 | 31.03.2011 |
|---------------------------------------|-------------|---------------|
| Expenditure incurred overseas: | | |
| - By USA | 885,456,931 | 1,399,803,222 |
| - By UAE | 945,706,655 | 1,329,149,147 |
| - By India Office | Nil | 91,08,000 |

24.6. Earning in foreign exchange

| | 31.03.2012 | 31.03.2011 |
|--|---------------|---------------|
| Income from software development services and products | 2,042,679,151 | 3,700,214,875 |

AUDITOR'S REPORT

As per our separate report of even date

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

For **SPMG & COMPANY**

Firm Registration Number: 509249C

Chartered Accountants

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Sd/-

Dalip Kumar

Managing Director

Sd/-

S.N. Sharma

Director

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

Gagan Kaushik

Company Secretary

Place : New Delhi

Date : May 23, 2012

AUDITOR'S REPORT TO THE MEMBERS FCS SOFTWARE SOLUTIONS LTD.,

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

For **SPMG & Company**
Chartered Accountants

Place : New Delhi
Dated : 23/05/2012

Sd/-
Vinod Gupta
Partner

Membership No. 90687

ANNEXURE TO THE AUDITOR'S REPORT

The annexure referred to in our report to the members of FCS Software Solutions Ltd. ('the company') for the year ended 31 March, 2012. We report that:

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in respect of all its location.
2. The fixed assets have been physically verified by the management at all location at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.
3. The company is a service company, Primarily rendering software and other IT enabled services. Accordingly it does not hold any physical inventories as such. However, the on going projects were valued as work in process, to the extent expenses incurred thereon.
4. (a) The company has not taken any unsecured loan during the period from Company, Firm and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
(b) As informed to us the Company had not granted any other loan, secured or unsecured to other companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal controls.
6. Based on audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of companies Act, 1956 have been so entered.
7. In our opinion and according to information and explanation given to us the company has no deposits as prescribed under Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
8. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
9. On the basis of information and explanation given to us we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under said Section 209(1) (d) of the Companies Act, 1956 in respect of products of the Company covered under the rules under said Section are not applicable to the Company.
10. According to information and explanation given to us the company is depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues to the extent applicable to it.
11. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities and other investment dealt in by company and timely entries have been

made in the records. We also report that the company has held the shares, securities and other investment in its own name.

12. The company has not given guarantee for loans taken by others from banks or financial institutions, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
13. The company had not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the company is not chit fund or nidhi/mutual benefit fund/society.
15. The company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under section 301 of the companies act, 1956.
16. The company did not raise any money by public issue during the year.
17. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
18. Other clauses of the order are not applicable to the company.

For **SPMG & Company**
Chartered Accountants

Place : New Delhi
Dated : 23/05/2012

Sd/-
Vinod Gupta
Partner
Membership No. 90687

BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | Note No. | As on 31-03-2012 AMOUNT (₹) | As on 31-03-2011 AMOUNT (₹) |
|--|----------|--------------------------------|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 1,029,553,100 | 1,029,553,100 |
| (b) Advance Preferential Share Warrants | | 283,100,000 | 188,100,000 |
| (c) Reserves and Surplus | 2 | 3,943,386,881 | 3,823,028,541 |
| (2) Share application money pending allotment | | | |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 3,782,227 | 5,460,945 |
| (b) Deferred tax liabilities (Net) | | - | 6,614,043 |
| (c) Long-term provisions | 4 | 5,178,432 | 4,694,572 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 21,867,455 | 60,184,816 |
| (b) Trade payables | | 49,285,386 | 43,826,944 |
| (c) Other current liabilities | 6 | 10,959,754 | 10,364,547 |
| (d) Short-term provisions | 7 | 2,984,060 | 18,889,116 |
| Total | | 5,350,097,295 | 5,190,716,624 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 8 | 291,311,221 | 338,457,703 |
| (ii) Intangible assets | 9 | - | - |
| (iii) Capital work-in-progress -Tangible | | 7,992,348 | 7,343,603 |
| (iv) Capital work-in-progress - Intangible | | 232,734,800 | 129,447,296 |
| (b) Non-current investments | 10 | 4,110,440,559 | 3,412,331,376 |
| (c) Deferred tax assets (net) | | 455,301 | - |
| (d) Long term loans and advances | 11 | 3,932,580 | 3,315,330 |
| (e) Preliminary & other Misc Expenses | 12 | 9,274,541 | 12,546,661 |
| (2) Current assets | | | |
| (a) Work-in -Process | 13 | 18,912,384 | 11,871,784 |
| (b) Trade receivables | 14 | 236,704,556 | 314,596,473 |
| (c) Cash and cash equivalents | 15 | 337,950,339 | 280,534,220 |
| (d) Short-term loans and advances | 16 | 65,413,362 | 653,133,982 |
| (e) Other current assets | 17 | 34,975,305 | 27,138,197 |
| Total | | 5,350,097,295 | 5,190,716,624 |

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

Sd/-
(Vinod Gupta)
Partner
M.No. : 09087

Place : New Delhi
Date : May 23, 2012

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

Sd/-
Dalip Kumar
Managing Director

Sd/-
S.N. Sharma
Director

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2012

| PARTICULARS | Note No. | As on 31-03-2012 AMOUNT (₹) | As on 31-03-2011 AMOUNT (₹) |
|---|----------|--------------------------------|--------------------------------|
| GROSS REVENUE | | | |
| I. Revenue from operations | 18 | 987,297,401 | 1,097,503,617 |
| II. Other Income | 19 | 39,085,362 | 65,808,108 |
| III. Total Revenue (I +II) | | <u>1,026,382,763</u> | <u>1,163,311,725</u> |
| IV. EXPENSES | | | |
| Employees benefit expenses | 20 | 819,544,565 | 675,942,197 |
| Financial costs | 21 | 4,665,833 | 5,233,028 |
| Depreciation and amortization expense | | 62,423,291 | 86,048,317 |
| Other expenses | 22 | 158,226,985 | 373,667,047 |
| Total Expenses | | <u>1,044,860,674</u> | <u>1,140,890,589</u> |
| V. Profit(Loss) before exceptional and extraordinary items and tax (III - IV) | | (18,477,911) | 22,421,136 |
| VI. Exceptional Items (Prior period) | | (56,146) | (79,186) |
| VII. Profit before tax (V - VI) | | <u>(18,421,765)</u> | <u>22,500,322</u> |
| VIII Tax expense: | | | |
| Current tax | | 1,550,000 | 17,400,000 |
| Deferred tax | | (7,069,344) | (3,564,144) |
| Income Tax paid | | - | 271,811 |
| IX. Profit/(Loss) from the period from continuing operations (VII - VIII) | | <u>(12,902,421)</u> | <u>8,392,655</u> |
| X. Earning per equity share: | | | |
| (1) Basic | | (0.01) | 0.008 |
| (2) Diluted | | (0.06) | 0.006 |

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

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

Place : New Delhi
 Date : May 23, 2012

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

Sd/-
Dalip Kumar
 Managing Director

Sd/-
S.N. Sharma
 Director

Sd/-
Anil Sharma
 Chief Financial Officer

Sd/-
Gagan Kaushik
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2012

| PARTICULARS | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | (12,902,421) | 8,392,656 |
| Adjustments For : | | |
| Deferred Tax Provision | (7,069,344) | (3,564,144) |
| Provision for income tax | 1,550,000 | 17,671,813 |
| Depreciation and Amortization | 62,423,291 | 86,048,317 |
| GDR/Deferred Business Development Expenses W/o | 3,272,120 | 3,109,620 |
| Prior Period Expenditure | (56,146) | (79,186) |
| Finance Charges | 4,665,833 | 5,233,028 |
| Cash from Operations before Working Capital Changes | 51,883,333 | 116,812,104 |
| Adjustments for changes in Working Capital: | | |
| (Increase)/Decrease in Work-in-Process | (7,040,600) | 62,458,733 |
| (Increase)/Decrease in Trade Receivables | 77,891,917 | 156,679,629 |
| (Increase)/Decrease in Loans and Advances | 587,103,370 | (642,213,941) |
| (Increase)/Decrease in Other Current Assets | (7,837,108) | 4,971,847 |
| Increase/(Decrease) in Trade Payables | 5,458,442 | 18,844,564 |
| Increase/(Decrease) in Current Liabilities | 595,207 | (4,335,543) |
| Increase/(Decrease) in Provisions | 428,804 | 550,340 |
| NET CASH GENERATED BY OPERATING ACTIVITIES (1) | 708,483,365 | (286,232,267) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets and change in Capital Work-In-Progress | 119,213,059 | (475,557,382) |
| (Increase)/Decrease in Investments | 698,109,183 | 2,207,962,501 |
| (Increase)/Decrease in IPO/GDR Expenses | - | 8,453,343 |
| (Increase)/Decrease in Deferred Business Development Expenses | - | - |
| NET CASH FROM INVESTING ACTIVITIES (2) | 817,322,242 | 1,740,858,462 |

| PARTICULARS | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceed from Issue of Share Capital | - | 500,000,000 |
| Proceed from Issue of Share Premium | - | 1,425,000,000 |
| Advance pursuant to Pref. Share Warrant | 95,000,000 | 188,100,000 |
| Proceed from Long Term Borrowings | (40,047,025) | (52,045,770) |
| Increase in Foreign Currency transaction Reserve | 133,196,146 | (68,044,619) |
| Repayment of Long Term Borrowings | 50,948 | (110,048,493) |
| Income Tax Paid | (17,335,387) | (18,739,812) |
| Prior Perod Expenditure | 56,146 | 79,186 |
| Finance Charges | (4,665,833) | (5,233,028) |
| NET CASH USED IN FINANCING ACTIVITIES (3) | 166,254,995 | 1,859,067,464 |
| NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3) | 57,416,118 | (168,023,265) |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS | 280,534,221 | 448,557,487 |
| CLOSING BALANCE OF CASH EQUIVALENTS | 337,950,339 | 280,534,221 |

Notes :

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

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

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

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

Place : New Delhi
Date : May 23, 2012

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

Sd/-
Dalip Kumar
Managing Director

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
S.N. Sharma
Director

Sd/-
Gagan Kaushik
Company Secretary

SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2012

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|-----------------------------|-----------------------------|
| 1. SHARE CAPITAL | | |
| Equity Share Capital | | |
| Authorised Share capital | | |
| 150,00,00,000 Equity Shares of ₹ 1/- each | 1,500,000,000 | 1,500,000,000 |
| | <u>1,500,000,000</u> | <u>1,500,000,000</u> |
| A. Issued, subscribed & fully paid share capital | | |
| 102,95,53,100 Equity Shares of ₹ 1/- each | 1,029,553,100 | 1,029,553,100 |
| [Out of the above 30,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99] | | |
| [Out of the above 35,00,000 shares of ₹ 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00] | | |
| [Out of the above 200,00,000 shares of ₹ 1/- each have been issued as conversion of preferential warrents dt. 13.11.09] | | |
| [Out of the above 10,00,00,000 shares of ₹ 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09] | | |
| [Out of the above 26,47,76,550 shares of ₹ 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10] | | |
| [Out of the above 50,00,00,000 shares of ₹ 1/- each have been issued as GDR 25,000,000 (1 GDR equal of 20 equity Shares) dt. 28.05.10] | | |
| Total | <u><u>1,029,553,100</u></u> | <u><u>1,029,553,100</u></u> |

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

| | 2011-2012 | | 2010-2011 | |
|-----------------|-----------------|-------|-----------------|-------|
| | (No. of Shares) | % | (No. of Shares) | % |
| Mr. Dalip Kumar | 135,790,060 | 13.19 | 135,790,060 | 13.19 |

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

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| Bonus Shares issued in the FY 2009-2010 | 26,47,76,550 | 26,47,76,550 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--|--|
| 2 RESERVES AND SURPLUS | | |
| Surplus in Statement of Profit & Loss | | |
| At the beginning of the Year | 1,103,893,764 | 1,099,753,594 |
| Profit & loss account for the year | (12,902,421) | 8,392,655 |
| MAT Credit Entitlement | - | (6,318,001) |
| Less: Transfer to General Reserve | - | (800,000) |
| Add: Excess Provision Made Last Year | 64,614 | - |
| Add: Employee Stock option | - | - |
| | <u>1,091,055,958</u> | <u>2,865,516</u> |
| | | 1,103,893,764 |
| Capital Reserves | 3,250 | 3,250 |
| Share Premium Account | 2,509,944,010 | 2,509,944,010 |
| General Reserve | | |
| At the beginning of the Year | 290,430,982 | 289,630,982 |
| Add : Transferred during the Year | - | 800,000 |
| | <u>290,430,982</u> | <u>290,430,982</u> |
| Foreign Currency Transalation Reserve | 51,952,681 | (81,243,465) |
| Total | <u><u>3,943,386,881</u></u> | <u><u>3,823,028,541</u></u> |
| 3 LONG-TERM BORROWINGS | | |
| Secured | | |
| ICICI Bank Ltd. - (hypothecated against vehicle) | 521,583 | 873,287 |
| NOIDA AUTHORITY - (pledged against first charge over Land situated at 1A, Sector-73, Noida) | 2,860,266 | 4,238,227 |
| Unsecured | | |
| Loans From Directors & Others* | 400,378 | 349,431 |
| Total | <u><u>3,782,227</u></u> | <u><u>5,460,945</u></u> |
| *represents non-interest bearing borrowings | | |
| 4 LONG-TERM PROVISIONS | | |
| Provisions for employee benefits | | |
| Retirement benefits | 5,178,432 | 4,694,572 |
| Total | <u><u>5,178,432</u></u> | <u><u>4,694,572</u></u> |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| 5 SHORT-TEMS BORROWINGS | | |
| Secured | | |
| <i>Canara Bank-Working capital (Secured against Land & Building situated at EHTP Gurgaon, Export Receivables and NOIDA land & building and Plant & Machineries at NOIDA and personal guarantee of the Directors)</i> | 21,541,556 | 41,989,196 |
| HDFC Bank OD Account - (Secured against fixed deposit) | 325,899 | 18,195,620 |
| Total | 21,867,455 | 60,184,816 |
| 6 OTHER CURRENT LIABILITIES | | |
| Other payables | 10,959,754 | 10,364,547 |
| Total | 10,959,754 | 10,364,547 |
| 7 SHORT-TERM PROVISIONS | | |
| Provision for employee benefits | 1,434,060 | 1,489,116 |
| Others | 1,550,000 | 17,400,000 |
| Total | 2,984,060 | 18,889,116 |

8. Tangible

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|---|---------------------|------------|------------|----------------------|---------------------|---------------|------------|----------------------|---------------------|----------------------|
| | As at April 1, 2011 | ADDITIONS | Deductions | As at March 31, 2012 | Upto March 31, 2011 | For the Year | Deductions | As at March 31, 2012 | As at April 1, 2011 | As at March 31, 2012 |
| | Land | | | | | | | | | |
| Freehold | 113,155,636 | 631,246 | - | 113,786,882 | - | - | - | - | 113,155,636 | 113,786,882 |
| Buildings | 83,233,328 | 231,915 | - | 83,465,243 | 16,125,999 | 3,363,980 | - | 19,489,979 | 67,107,330 | 63,975,264 |
| Furniture, fixtures and office equipment; | | | | | | | | | | |
| Furniture & Fixtures | 25,007,419 | 1,666,098 | - | 26,673,517 | 15,917,053 | 1,793,380,000 | - | 17,710,433 | 9,090,366 | 8,963,084 |
| Office Equipment | 41,282,399 | 1,304,407 | - | 42,586,806 | 20,232,391 | 3,053,218 | - | 23,285,609 | 21,050,008 | 19,301,197 |
| Vehicles | 3,853,675 | - | - | 3,853,675 | 1,881,468 | 510,604 | - | 2,392,072 | 1,972,207 | 1,461,603 |
| Computers | 597,602,893 | 11,443,144 | - | 609,046,037 | 471,520,738 | 53,702,108 | - | 525,222,846 | 126,082,156 | 83,823,191 |
| Total (Tangible) | 864,135,350 | 15,276,810 | - | 879,412,160 | 525,677,650 | 62,423,290 | - | 588,100,940 | 338,457,703 | 291,311,221 |
| Capital WIP (Tangible) | 7,343,603 | 648,745 | - | 7,992,348 | - | - | - | - | 7,343,603 | 7,992,348 |

9. Intangible

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--------------------------|---------------------|-------------|------------|----------------------|---------------------|--------------|------------|----------------------|---------------------|----------------------|
| | As at April 1, 2011 | ADDITIONS | Deductions | As at March 31, 2012 | Upto March 31, 2011 | For the Year | Deductions | As at March 31, 2012 | As at April 1, 2011 | As at March 31, 2012 |
| | Software & IPR | - | - | - | - | - | - | - | - | - |
| Total (Intangible) | - | - | - | - | - | - | - | - | - | - |
| Capital WIP (Intangible) | 129,447,296 | 103,287,504 | - | 232,734,800 | - | - | - | - | 129,447,296 | 232,734,800 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| 10 NON-CURRENT INVESTMENTS | | |
| (AT COST UNLESS STATED OTHERWISE) | | |
| Investments in Equity instruments-Non Traded Unquoted | | |
| In Associates | | |
| M/s.Enstaserv eServices Ltd 9980 <i>Equity shares of ₹ 10/- each fully paidup.</i> | 99,800 | 99,800 |
| M/s Insync Business Solutions Limited 24000 <i>Equity Shares of ₹ 10/- fully paid</i> | 240,000 | - |
| M/s Myzeal IT Solutions Pvt. Ltd. 5000 <i>Equity Shares of ₹ 10/- fully paid</i> | 50,000 | 50,000 |
| Others | | |
| M/s. Pumarth Properties & Holdings Private 400000 <i>equity shares @ ₹ 10 each at premium of ₹ 215</i> | 90,000,000 | 90,000,000 |
| M/s Indian Durobuild Private Limited, 1000000 <i>Equity Shares of ₹ 10 each fully paid up</i> | 10,000,000 | 10,000,000 |
| M/s Shahi India Buildcomcon Private Limited 100000 <i>Equity Shares of ₹ 100 each fully paid up</i> | 10,000,000 | 10,000,000 |
| M/s Maksad Buildcon Private Limited 100000 <i>Equity Shares of ₹ 100 each fully paid</i> | 10,000,000 | 10,000,000 |
| M/s Master Talant Eduservices Pvt. Ltd. 360000 <i>Equity Shares of ₹ 1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹ 1690</i> | 612,000,000 | - |
| In Subsidiaries | | |
| 2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE | 3,378,045,643 | 3,292,177,111 |
| USD 0.01 par value of 10,000 common stock in FCS Software Solutions America Ltd. | 5,116 | 4,465 |
| Total | 4,110,440,559 | 3,412,331,376 |
| 11 LONG TERM LOANS AND ADVANCES | | |
| Unsecured considered good | | |
| Security Deposits | 3,927,360 | 3,310,110 |
| Excise Deposits (PLA) | 5,220 | 5,220 |
| Total | 3,932,580 | 3,315,330 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|---|--------------------------|--------------------------|
| 12 PRELIMINARY & OTHER MISC EXPENSES | | |
| Deferred Business Development Exp | | |
| GDR Expenses | 12,546,661 | 15,656,281 |
| Sub total | 12,546,661 | 15,656,281 |
| Less: GDR Expenses W/o | 3,272,120 | 3,109,620 |
| Total | 9,274,541 | 12,546,661 |
| 13 INVENTORIES | | |
| Work-in-Process | 18,912,384 | 11,871,784 |
| Total | 18,912,384 | 11,871,784 |
| 14 TRADE RECEIVABLES | | |
| Unsecured Sundry Debtors | 236,704,556 | 314,596,473 |
| Total | 236,704,556 | 314,596,473 |
| 15 CASH AND CASH EQUIVALENTS | | |
| Balances with banks | 108,148,657 | 61,180,724 |
| Cash on hand | 407,684 | 1,215,880 |
| Deposits Account | 229,393,998 | 218,137,616 |
| Total | 337,950,339 | 280,534,220 |
| 16 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured and Considered Good Other Loans and Advances (Employees, unexpired expenses etc.) | 65,413,362 | 653,133,982 |
| Total | 65,413,362 | 653,133,982 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| 17 OTHER CURRENT ASSETS | | |
| Interest Accrued on Deposits | 16,779,518 | 6,560,517 |
| With Statutory Authorities (Includes earlier years) | 17,628,226 | 19,044,194 |
| CENVAT Credits | 567,561 | 1,533,486 |
| Total | 34,975,305 | 27,138,197 |
| 18 REVENUE FROM OPERATIONS | | |
| Revenue from - Software Development & Other Services | 980,256,801 | 1,159,962,350 |
| - (Decrease)/Increase in Work-in -Process | 7,040,600 | (62,458,733) |
| Total | 987,297,401 | 1,097,503,617 |
| 19 OTHE INCOME | | |
| Interest income | 21,604,098 | 71,999,585 |
| Net gain\Loss) on foreign currency transactions | 6,007,650 | (18,987,749) |
| Rent Income | 10,717,195 | 8,404,782 |
| Amount Written Back | 756,419 | 4,391,490 |
| Total | 39,085,362 | 65,808,108 |
| 20 EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages, Bonus & Subcontracting exp | 812,262,705 | 669,184,971 |
| Contribution to provident and other funds | 2,362,296 | 1,779,858 |
| Gratuity | 674,370 | 274,790 |
| Staff welfare expenses | 4,245,194 | 4,702,578 |
| Total | 819,544,565 | 675,942,197 |
| 21 FINANCE COSTS | | |
| Interest expenses | 4,665,833 | 5,233,028 |
| Total | 4,665,833 | 5,233,028 |

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--|--|
| 22 OTHER EXPENSES | | |
| Salaries & Staff Benefits (Administrative) | 26,535,694 | 37,664,058 |
| Advertisement Expenses | 100,706 | 10,050,556 |
| Bank Charges/Interest | 1,300,709 | 1,083,546 |
| Business Promotion | 177,811 | 203,074 |
| Travelling & Conveyance | 20,656,727 | 28,220,714 |
| Power & Fuel | 9,322,423 | 10,381,290 |
| Computer Consumables | 90,230 | 236,354 |
| Brokerage Exp | 262,350 | 123,600 |
| Telephone, Postage & Telegraph | 33,366,415 | 29,363,647 |
| Rent | 1,025,352 | 762,847 |
| Legal & Professional charges | 6,275,934 | 4,672,682 |
| Software Consultancy Charges | 1,542,064 | 738,000 |
| Insurance Charges | 2,073,493 | 1,337,881 |
| Meeting Fees | 120,000 | 250,000 |
| Auditor's Remuneration: | | |
| - Audit Fees | 603,591 | 429,214 |
| - Tax Audit Fee | 106,516 | 70,786 |
| Printing & Stationary | 3,411,296 | 4,492,186 |
| Repair And Maintenance | 7,396,281 | 5,024,536 |
| Security Charges | 1,272,854 | 775,612 |
| Service Charges | 222,500 | 335,151 |
| Membership, Subscription and Donations | 24,804,354 | 200,806,495 |
| Rates & Taxes | 718,179 | 899,685 |
| Filing Fee/ Other Roc Expenses | 5,000 | 5,000 |
| News Papers, Books & Periodicals | 17,152 | 24,930 |
| Short Term Capital Loss | - | 25,000,000 |
| Office Maintenance | 1,421,189 | 1,614,672 |
| GDR Expenses W/o | 1,644,420 | 1,644,420 |
| Excess Accrued interest Written Off | 1,483,487 | 485 |
| Capital Enhancement Written off | 1,627,700 | 1,465,200 |
| Bad & Doubtful Debts written off | 10,642,558 | 5,990,425 |
| Total | 158,226,985 | 373,667,047 |

23. SIGNIFICANT ACCOUNTING POLICIES

23.1 Basis for preparation.

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

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

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

23.2. Revenue recognition

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.

23.3. Expenditure

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

23.4. Fixed Assets

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

23.5. Depreciation

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

23.6. Work-in-Process

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

23.7. Foreign Currency Transactions.

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

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

23.8. Investment

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

| PARTICULARS | 2011-2012 (₹ in Lacs) | 2010-2011 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE) | | |
| Investments in Equity instruments-Non Traded Unquoted | | |
| In Associates | | |
| M/s.Enstaserv eServices Ltd 9980 Equity shares of ₹ 10/- each fully paidup. | 99,800 | 99,800 |
| M/s Insync Business Solutions Limited 24000 Equity Shares of ₹ 10/- fully paid | 240,000 | - |
| M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of ₹ 10/- fully paid | 50,000 | 50,000 |
| Others | | |
| M/s. Pumarth Prperties & Holdings Private 400000 Equity Shares @ ₹ 10 each at premium of ₹ 215 | 90,000,000 | 90,000,000 |
| M/s Indian Durobuild Private Limited, 1000000 Equity Shares of ₹ 10 each fully paid up | 10,000,000 | 10,000,000 |
| M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of ₹ 100 each fully paid up | 10,000,000 | 10,000,000 |
| M/s Maksad Buildcon Private Limited 100000 Equity Shares of ₹ 100 each fully paid | 10,000,000 | 10,000,000 |
| M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of ₹ 1700/- at premium i.e. ₹ 10 each per Share and premium @ ₹ 1690 | 612,000,000 | - |
| In Subsidiaries | | |
| 2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE USD 0.01 par value of 10,000 common stock in FCS Software Solutions America Ltd. | 3,378,045,643 | 3,292,177,111 |
| | 5,116 | 4,465 |
| Total | 4,110,440,559 | 3,412,331,376 |

23.9. Investment in subsidiary

The company has its 100% wholly owned subsidiary FCS Software Solutions America Ltd. U.S.A. & F.C.S. Software Middle East FZE, UAE.

23.10. Retirement Benefits.

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

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

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

23.11. Earning per Share.

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

| | Year Ended 31.03.2012 (₹ in Lacs) | Year Ended 31.03.2011 (₹ in Lacs) |
|--|---|---|
| Profit After taxation available to equity shareholders (₹) | (12,902,421) | 8,392,656 |
| Weighted average number of equity shares used in Calculating basic earning per share | 1,029,553,100 | 1,029,553,100 |
| Add: Effect of diluted issue of shares | 230,000,000 | 180,000,000 |
| Weighted average number of equity shares used in Calculating diluted earning per share | 1,259,553,100 | 1,209,553,100 |
| Face Value of Shares (₹) | ₹ 1/- | ₹ 1/- |
| Basic earning per share | (0.01) | 0.008 |
| Diluted earnings per share (₹) | (0.06) | 0.006 |

23.12. Income Tax

- Provision is made for income tax on a yearly basis in pursuance with the provision prescribed under Income Tax Act, 1961 under the tax-payable method, based on the tax liability as computed after taking credit for allowances and exemptions as the case may be.
- In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of ₹ 7,069,344/- for the year ended March 31, 2012, has been provided and the post tax profit has accordingly been increased

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

| | Year Ended 31.03.2012 (₹) | Year Ended 31.03.2011 (₹) |
|--|---------------------------------|---------------------------------|
| Deferred Tax Liability/Assets | | |
| (1) Depreciation | 1,009,904.00 | 8,211,747.00 |
| Less: Deferred Tax Assets | | |
| (2) Provision for Retirement Benefits | | |
| - For Gratuity | 359,830.00 | 342,817.00 |
| - Leave Encashment | 1,105,375.00 | 1,254,887.00 |
| Deferred Tax Liability/(Assets) (Net) | (455,301.00) | 6,614,043.00 |

23.13. Employees Stock Option Plan (ESOP).

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

23.14. Managerial Remuneration*

| | Year Ended 31.03.2012 (₹) | Year Ended 31.03.2011 (₹) |
|--|---------------------------------|---------------------------------|
| A. Managing Director | | |
| Salary and perquisites | Nil | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Commission | Nil | Nil |
| B. Executive Directors | | |
| Salary and perquisites | 1,023,750 | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Commission | Nil | Nil |
| C. Non Executive Directors | | |
| Salary and perquisites | Nil | Nil |
| Contribution to Provident Fund and other funds | Nil | Nil |
| Commission | Nil | Nil |
| Sitting Fee | 120,000 | 250,000 |
| | 1,143,750 | 250,000 |

23.15. Research & Development

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

23.16. Impairment

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

23.17. Foreign Branch

All revenue and expenses transactions are during the year reported at average rate. The assets and liabilities both monetary and non-monetary are translated at the rate prevailing on the balance sheet date. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment. However the Balance sheet of branch as on 31st March 2012 has been considered and accounted as certified by the certified public accountant and as certified by the management for the purpose of this Balance Sheet.

23.18. Segment Reporting

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

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

| For the Year Ended 31st March 2012 | | (Amount in Lacs) | | |
|---|--------------|------------------|-----------------|--|
| Description | India | USA | Total | |
| Revenue from external customers | 905.04 | 8897.53 | 9802.57 | |
| Expenses | 260.92 | 7804.94 | 8065.87 | |
| Segment Result | 644.11 | 1092.59 | 1736.70 | |
| Unallocated Expenses | | | 2205.60 | |
| Operating Profit Before Taxation | | | (468.90) | |
| Other Income | | | 330.78 | |
| Finance Charges | | | 46.66 | |
| Profit Before Tax & Prior Period Adj. | | | (184.78) | |
| Prior Period Adjustment Income/ Expenses | | | (0.79) | |
| Provision for Taxation | | | 15.50 | |
| Provision for Deferred Tax | | | (70.69) | |
| Net Profit After Tax | | | (129.02) | |
| For the Year Ended 31st March 2011 | | (Amount in Lacs) | | |
| Description | India | USA | Total | |
| Revenue from external customers | 965.80 | 10,633.82 | 11,599.62 | |
| Expenses | 624.62 | 6,951.63 | 7,576.25 | |
| Segment Result | 341.18 | 3,682.19 | 4,023.37 | |
| Unallocated Expenses | | | 4,594.79 | |
| Operating Profit Before Taxation | | | (571.42) | |
| Other Income | | | 847.96 | |
| Finance Charges | | | 52.33 | |
| Profit Before Tax & Prior Period Adj. | | | 224.21 | |
| Prior Period Adjustment Income/ Expenses | | | 10.31 | |
| Provision for Taxation | | | 176.72 | |
| Provision for Deferred Tax (Assets)/Liability | | | (35.64) | |
| Net Profit After Tax | | | 83.93 | |

23.19. Employee Benefits

Contributions to defined schemes such as provident Fund, Employees' State Insurance Schemes are charged as incurred on actual basis. The Company also provides for other retirement benefits in the form of gratuity and leave encashment based on valuation made by independent actuaries as at the balance sheet date.

23.20. Related Party Transactions:

The Company had no Related Party Transactions during the financial year.

23.21. Unsecured Loans taken / accepted

The company has given an unsecured loans to M/s Lord Budha Educational Society on which no interest has been charged.

23.22. Material Events.

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

24. Notes on accounts

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

24.1. Contingent liabilities

The company has no letters of credit outstanding issued to various vendors as at March 31, 2012.

24.2. Payment to Auditors

| | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Audit Fee | 603,591 | 429,214 |
| Tax Audit Fee | 106,516 | 70,786 |
| In other capacity | NIL | NIL |

24.3. Quantitative Details.

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

24.4. Imports On CIF basis

(Amount. in ₹)

| | 31.03.2012 | 31.03.2011 |
|-------------------|------------|------------|
| Capital Goods | Nil | Nil |
| Software Packages | Nil | Nil |

24.5 Expenditure in Foreign Currency.

| | 31.03.2012 | 31.03.2011 |
|---------------------------------------|-------------|-------------|
| Expenditure incurred overseas: | | |
| - By USA | | |
| - Incurred by US Branch | 706,841,657 | 562,926,633 |
| - By India Office | Nil | 91, 08,000 |

24.6. Earning in foreign exchange

| | 31.03.2012 | 31.03.2011 |
|--|-------------|---------------|
| Income from software development services and products including US Branch | 889,753,220 | 1,063,382,832 |

AUDITOR'S REPORT

As per our separate report of even date

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

For **SPMG & COMPANY**

Firm Registration Number: 509249C

Chartered Accountants

Sd/-

(Vinod Gupta)

Partner

M.No. : 090687

Sd/-

Dalip Kumar

Managing Director

Sd/-

S.N. Sharma

Director

Place : New Delhi

Date : May 23, 2012

Sd/-

Anil Sharma

Chief Financial Officer

Sd/-

Gagan Kaushik

Company Secretary

FCS Software Solutions Limited

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

Subsidiary **FCS Software Solutions America Limited**

Financial Year of the Subsidiary Company ended on March 31, 2012

No. of shares in the Subsidiary Company 10,000 shares of US\$ 0.01each

Percentage of holding (Equity) 100%

Percentage of holding (Preference) Nil

The net aggregate of profit/losses of the Subsidiary Company for its Financial Year so far as they concern the members of the Holding Company

a) Dealt with in the Accounts for the period ended 31.3.2012 Nil

b) Not dealt with in the Accounts for the period ended 31.3.2012 US\$ (73,482.08)
(Equivalent to ₹ 35,24,201.00)

The net aggregate of profit/losses of the Subsidiary Company for its previous Financial Year since it became a subsidiary so far as they concern the members of the Holding Company

a) Dealt with in the Accounts for the period ended 31.3.11 Nil

b) Not dealt with in the Accounts for the period ended 31.3.11 US\$ (258,831.54)
(Equivalent to ₹ 1,17,97,540.00)

For FCS SOFTWARE SOLUTIONS LTD

Sd/-
Dalip Kumar
Managing Director

Sd/-
S.N. Sharma
Director

Place : New Delhi
Date : May 23, 2012

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

F.C.S. Software Middle East FZE, UAE

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

Subsidiary **F.C.S. Software Middle East FZE, UAE**

Financial Year of the Subsidiary March 31, 2012
Company ended on

No. of shares in the Subsidiary Company 2,706 shares of AED 100,000 each

Percentage of holding (Equity) 100%

Percentage of holding (Preference) Nil

The net aggregate of profit/losses of the Subsidiary Company for its Financial Year so far as they concern the members of the Holding Company

a) Dealt with in the Accounts for the period ended 31.3.2012 Nil

b) Not dealt with in the Accounts for the period ended 31.3.2012 US\$ 669,896
Equivalent to ₹ 3,21,28,204 and
AED 2,458,517

The net aggregate of profit/losses of the Subsidiary Company for its previous Financial Year since it became a subsidiary so far as they concern the members of the Holding Company

a) Dealt with in the Accounts for the period ended 31.3.11 Nil

b) Not dealt with in the Accounts for the period ended 31.3.11 US\$ 69,26,977
Equivalent to ₹ 31,83,65,786 and
AED 25,422,002

For FCS SOFTWARE SOLUTIONS LTD

Sd/-
Dalip Kumar
Managing Director

Sd/-
S.N. Sharma
Director

Sd/-
Anil Sharma
Chief Financial Officer

Sd/-
Gagan Kaushik
Company Secretary

Place : New Delhi
Date : May 23, 2012

DIRECTOR REPORT

To,
The Shareholders,

The board of directors of FCS Software Solutions America Limited (the company) presents its report in respect of the period from April 1, 2011 to March 31, 2012.

Director

The name of the director in office during or till the end of the financial year is:

| Name | Position |
|-------------|-----------------|
| Dalip Kumar | Director |

He is the first director until the first annual general meeting of stockholders. He holds the position as a director as of the date of this report.

Principal Activity

The principal activity of the Company during the financial year was marketing software solutions in America.

Results

The turnover of the Company during the year was US\$ 3,650,773. The Company made a loss of US \$73482.08

Dividends

The Director recommended that no dividend be paid or declared, in view of the accumulated losses.

Review of Operations

The Company's focus is on the marketing of software products and rendering services related there to.

Event after Balance Sheet Date

There are no significant events to report since the book-close and balance sheet date of March 31, 2012.

Likely Developments and Future Results

The Company will continue to focus on pursuing opportunities in the IT and IT enabled Services in the local markets. The Company sees great opportunities in the Outsourcing Services. The next year will be full of challenges and our aim is to consolidate our position in the IT and ITES industry. The Company is confident of improving its financial performance in the years to come.

Director' Interests

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit, other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the Company or a related body corporate, by reason of a contract made by the Company or a related body corporate with the director or with a firm of which the director is a member, or with a company in which the director has a substantial interest.

Indemnification of Officers

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company:

- Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Directors' Responsibility Statement

Your Director confirm that –

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The director 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 or loss of the company for that period.
- The director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts on a going concern basis.

This report has been made in accordance with a resolution of director.

For and on behalf of the Board of Directors

Milpitas, CA
May 14, 2012

Sd/-
Dalip Kumar
Director

**INDEPENDENT AUDIT REPORT OF REGISTERED
PUBLIC ACCOUNTANT**

To the boards of directors
**FCS Software Solutions America Ltd.
USA.**

We have audited the accompanying consolidated balance sheet of FCS Software Solutions America Ltd. (the “company”) as of March 31, 2012 and 2011, and the related statements of income, change in shareholders’ equity and cash flow for each of the two years in the period ended March 31, 2012. These financial statements are the responsibility of the company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the public company accounting oversight board (united state). Those standard required that we plan perform the audit to obtain reasonable assurance about weather the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and discloser in the financial statements. An audit also include assessing the accounting principle used and significant estimate made by management, as well as evaluating the over well financial management statement presentation. We believe that our audit provide a responsible basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of FCS Software Solutions America Ltd. the subsidiaries as of March 31, 2012 and 2011, and the result of their operation of their cash flow for each of the two years in the period in the March 31, 2012, in conformity with accounting principles generally accepted in the united state of America.

Sd/-
M. Oscar Akbar
(Certified Public Accountant)

May 14, 2012
California, USA

**FCS SOFTWARE SOLUTIONS AMERICA LIMITED
BALANCE SHEET AS AT 31ST MARCH 2012**

ASSETS

| | Schedule | As at Mar 31, 2012 (Amt. in USD) | As at Mar 31, 2012 (Amt. in ₹) | As at Mar 31, 2011 (Amt. in USD) | As at Mar 31, 2011 (Amt in ₹) |
|-----------------------------|----------|--|--------------------------------------|--|-------------------------------------|
| Current Assets | | | | | |
| Cash and Bank Balances | 4 | 243,065.32 | 12,435,222.00 | 795,383.39 | 35,513,868.00 |
| Sundry Debtors | 3 | 58,584.00 | 2,997,157.00 | 217,055.81 | 9,691,542.00 |
| Other current assets | 5 | 17,864.51 | 913,949.00 | 25,099.51 | 1,120,693.00 |
| Total current assets | | 319,513.83 | 16,346,328.00 | 1,037,538.71 | 46,326,103.00 |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

| | | | | | |
|---|---|---------------------|----------------------|---------------------|----------------------|
| Accounts payables | 6 | 1,052,947.68 | 53,868,803.00 | 1,697,490.48 | 75,792,950.00 |
| Accounts payable- expenses | | - | - | - | - |
| Total current liabilities | | 1,052,947.68 | 53,868,803.00 | 1,697,490.48 | 75,792,950.00 |
| Accounts Payable - FCS USA | | - | - | - | - |
| Share Capital | 1 | 100.00 | 5,116.00 | 100.00 | 4,465.00 |
| Reserves and surplus | 2 | (733,533.85) | (37,527,591.00) | (660,051.77) | (29,471,312.00) |
| Total liabilities and stockholder's equity | | 319,513.83 | 16,346,328.00 | 1,037,538.71 | 46,326,103.00 |

Significant Accounting Policies
and Notes to Accounts

9

Sd/-
M. Oscar Akbar
(CPA)

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

Date : 14th May, 2012
Place : California, USA

FCS SOFTWARE SOLUTIONS AMERICA LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED
31ST MARCH, 2012

| Schedule | As at Mar 31, 2012 (Amt. in USD) | As at Mar 31, 2012 (Amt. in ₹) | As at Mar 31, 2011 (Amt. in USD) | As at Mar 31, 2011 (Amt in ₹) |
|--|--|--------------------------------------|--|-------------------------------------|
| INCOME | | | | |
| Software Development Services | 3,650,773.00 | 175,091,073.00 | 18,930,445.17 | 862,849,691.00 |
| TOTAL | 3,650,773.00 | 175,091,073.00 | 18,930,445.17 | 862,849,691.00 |
| EXPENSES | | | | |
| Software Development, Delivery and Support Expenses | 7 | 3,511,611.00 | 168,416,863.00 | 17,196,020.04 |
| Administration, Selling and Other Expenses | 8 | 212,644.08 | 10,198,411.00 | 1,164,589.67 |
| Total Operating Expenses | | 3,724,255.08 | 178,615,274.00 | 18,360,609.71 |
| Operating Profit/ (Loss) | | (73,482.08) | (3,524,201.00) | 569,835.46 |
| Financial Expenses | | | - | 828,667.00 |
| Income (loss) before income taxes | | (73,482.08) | (3,524,201.00) | (258,831.54) |
| Provision for income taxes | | - | - | - |
| Net Income (loss) | | (73,482.08) | (3,524,201.00) | (258,831.54) |
| Retained earnings, beginning of period | | (660,051.77) | (30,180,008.00) | (401,220.23) |
| Distribution | | - | - | - |
| Retained earnings, end of period & transferred to balance sheet | | (733,533.85) | (33,704,209.00) | (660,051.77) |
| Significant Accounting Policies and Notes to Accounts | 9 | | | |

Sd/-
M. Oscar Akbar
(CPA)

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

Date : 14th May, 2012
Place : California, USA

**FCS SOFTWARE SOLUTIONS AMERICA LIMITED
CASH FLOW FROM OPERATING ACTIVITIES**

| | As at Mar 31, 2012 (Amt. in USD) | As at Mar 31, 2012 (Amt. in ₹) | As at Mar 31, 2011 (Amt. in USD) | As at Mar 31, 2011 (Amt in ₹) |
|--|--|--------------------------------------|--|-------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit after tax as per Profit & Loss Account | (73,482.08) | (3,524,201.00) | (258,831.54) | (11,797,540.00) |
| Adjusted for: | | | | |
| Deferred Tax Provision | - | - | - | - |
| Provision for income tax | - | - | - | - |
| Depreciation/Preliminary Expenses written off | - | - | - | - |
| Interest Expenses | - | - | 828,667.00 | 37,770,642.00 |
| Operating Profit before Working Capital Changes | (73,482.08) | (3,524,201.00) | 569,835.46 | 25,973,102.00 |
| Adjustment in Operating Profit | - | - | - | - |
| Adjusted for: | | | | |
| Trade and Other Receivables | 158,471.81 | 6,694,385.00 | (79,228.29) | (3,470,008.00) |
| Trade Payable | (644,542.80) | (21,924,147.00) | 566,280.74 | 24,730,142.00 |
| Loan & Advances | 7,235.00 | 206,744.00 | 173,189.38 | 7,830,067.00 |
| Net Cash From Operating Activities | (552,318.07) | (18,547,219.00) | 1,230,077.29 | 55,063,303.00 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Capital WIP | - | - | - | - |
| Investment in Subsidiary | - | - | - | - |
| Net Cash used in Investing Activities | - | - | - | - |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES: | | | | |
| Proceed from Issue of Share Capital | - | 651.00 | - | (49.00) |
| Proceed from Long Term Borrowings | - | - | - | - |
| Increase in Foreign Currency transaction Reserve | - | (4,532,078.00) | - | 437,310.00 |
| Unsecured Loans | - | - | - | - |
| Interest Expenses | - | - | (828,667.00) | (37,770,642.00) |
| Net Cash used in Financial Activities | - | (4,531,427.00) | (828,667.00) | (37,333,381.00) |
| Net Increase/ Decrease in Cash and Cash Equivalents | (552,318.07) | (23,078,646.00) | 401,410.29 | 17,729,922.00 |
| Opening Balance of Cash and Cash Equivalents | 795,383.39 | 35,513,868.00 | 393,973.10 | 17,783,946.00 |
| Closing Balance of Cash & Cash Equivalents | 243,065.32 | 12,435,222.00 | 795,383.39 | 35,513,868.00 |

For FCS Software Solutions America Limited

Sd/-
M. Oscar Akbar
(CPA)

Sd/-
Dalip Kumar
Director

Date : 14th May, 2012
Place : California, USA

| SCHEDULE | As at Mar 31, 2012 (Amt. in USD) | As at Mar 31, 2012 (Amt. in ₹) | As at Mar 31, 2011 (Amt. in USD) | As at Mar 31, 2011 (Amt. in ₹) |
|--|---|---|---|---|
| SCHEDULE 1 : SHARE CAPITAL | | | | |
| Authorised | | | | |
| 10,000 common stock of par value 0.01 each | 100.00 | 5,116.00 | 100.00 | 4,465.00 |
| Issued, subscribed and paid up | | | | |
| 10,000 common stock of par value 0.01 each | 100.00 | 5,116.00 | 100.00 | 4,465.00 |
| Total | 100.00 | 5,116.00 | 100.00 | 4,465.00 |
| SCHEDULE 2: RESERVES and SURPLUS | | | | |
| Retained earnings, beginning of period | (660,051.77) | (30,180,008.00) | (401,220.23) | (18,382,468.00) |
| Add: During the period | (73,482.08) | (3,524,201.00) | (258,831.54) | (11,797,540.00) |
| Foreign exchange translation reserve | | (3,823,382.00) | | 708,696.00 |
| Total | (733,533.85) | (37,527,591.00) | (660,051.77) | (29,471,312.00) |
| SCHEDULE 3: SUNDRY DEBTORS | | | | |
| Accounts receivable | 58,584.00 | 2,997,157.00 | 217,055.81 | 9,691,542.00 |
| Total | 58,584.00 | 2,997,157.00 | 217,055.81 | 9,691,542.00 |
| SCHEDULE 4: CASH AND BANK BALANCES | | | | |
| Cash Balance | - | - | 1,856.00 | 82,870.00 |
| Cash with bank | 243,065.32 | 12,435,222.00 | 793,527.39 | 35,430,998.00 |
| Total | 243,065.32 | 12,435,222.00 | 795,383.39 | 35,513,868.00 |
| SCHEDULE 5: OTHER CURRENT ASSETS | | | | |
| Loan & Advances | 1,154.00 | 59,039.00 | 8,389.00 | 374,569.00 |
| Advances to FCS, UAE | 16,710.51 | 854,910.00 | 16,710.51 | 746,124.00 |
| Total | 17,864.51 | 913,949.00 | 25,099.51 | 1,120,693.00 |
| SCHEDULE 6: CURRENT LIABILITIES | | | | |
| Sundry Creditors | 1,052,947.68 | 53,868,803.00 | 1,697,490.48 | 75,792,950.00 |
| Expenses payables | - | - | - | - |
| Advances from FCS, USA | - | - | - | - |
| Total | 1,052,947.68 | 53,868,803.00 | 1,697,490.48 | 75,792,950.00 |
| SCHEDULE 7: SOFTWARE DEVELOPMENT, DELIVERY AND SUPPORT EXPENSES | | | | |
| Software Development expenses | 1,933,548.00 | 92,732,962.00 | 10,256,593.00 | 467,495,509.00 |
| Cost of Outside services | 1,578,063.00 | 75,683,901.00 | 6,939,427.04 | 316,299,084.00 |
| Total | 3,511,611.00 | 168,416,863.00 | 17,196,020.04 | 783,794,593.00 |
| SCHEDULE 8: ADMINISTRATION SELLING AND OTHER EXPENSES | | | | |
| Office Administration Expenses | 66,698.00 | 3,198,836.00 | 448,757.00 | 20,454,344.00 |
| Travelling & entertainment Expenses | 41,286.00 | 1,980,077.00 | 250,256.00 | 11,406,668.00 |
| Postage and courier expenses | 3,060.00 | 146,758.00 | 12,760.00 | 581,601.00 |
| Communication Expenses | 72,765.00 | 3,489,809.00 | 418,977.74 | 19,097,005.00 |
| Rent Expenses | 15,851.00 | 760,214.00 | 14,985.00 | 683,016.00 |
| Accounting and Legal | 8,250.00 | 395,670.00 | 8,850.00 | 403,383.00 |
| Insurance | 744.00 | 35,683.00 | 6,224.00 | 283,690.00 |
| Bank Service Charges | 3,990.08 | 191,364.00 | 3,779.93 | 172,289.00 |
| Total | 212,644.08 | 10,198,411.00 | 1,164,589.67 | 53,081,996.00 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Organization and Operations

FCS Software Solutions America Ltd, was incorporated on October 2, 2006 in the State of Delaware. The primary business activity during the financial year was IT & IT Enabled Services. The company began its operations on February 1, 2007.

b) Basis of Accounting

Assets, liabilities, revenue and expenses are recognized on accrual basis of accounting for both financial statement and federal income tax purposes. The accounts are prepared on a going concern basis.

2. Accounts Receivable

Management believes that USD 58,584, Accounts receivable as on March 31, 2012, is fully collectable.

4. Income Taxes

The company has a net operating loss carry forwards USD 733,533.85, which are available to offset future federal and State taxable income.

5. Shareholder's Equity

The total authorized share capital of the company is 10,000 share of common stock, par value USD 0.01 per share.

10,000 share of Common Stock of USD 0.01 per share have been issued to FCS Software Solutions Ltd, (a foreign corporation), who owns 100% of the current issued share capital

6. Property & Equipments

The company has no depreciable assets at March 31, 2012.

7. Concentration of Credit Risks

The company often maintains cash deposits in commercial banks in excess of the federally insured limit.

The Company's accounts receivables is subject to the general economic risk inherent in high technology companies.

8. Lines Of Credit

The Company does not have a line of Credit.

Sd/-
M. Oscar Akbar
(CPA)

For **FCS Software Solutions America Limited**

Sd/-
Dalip Kumar
Director

Date : 14th May, 2012
Place : California, USA

F.C.S SOFTWARE MIDDLE EAST FZE

Report of the Directors

The Directors have pleasure in presenting their report and the audited financial statements for the period ended March 31, 2012.

PRINCIPAL ACTIVITIES

The main activity of the company is trading in computer software, Data Processing & equipment requisites.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENTS

The company's turnover was USD 20,388,550 (P.Y. USD 38,920,192) for the year ended March 31, 2012. The Company has achieved a gross margin of 36.26% (P.Y. 26.43%) and a net profit of USD 669,895 (P.Y. USD 6,926,977) during the year. The Directors are optimistic about the prospects for the ensuing year and expect to improve the performance of the company.

RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS

The Company is committed to the management of risk to achieve sustainability, employment and surpluses. The risk management framework identifies, assesses, manages and reports risk on a consistent and reliable basis. The primary risks are those of credit, market (liquidity, interest rate, foreign exchange) and operational risk.

The management recognizes their responsibility for system of internal control and for reviewing its effectiveness. In view of the above, company continuously monitors risks through means of administrative and information systems.

CREDITORS PAYMENT POLICY

The Company maintains a policy of paying suppliers in accordance with terms and conditions agreed with them.

AUDITORS

The Auditors, M/s FALCON INTERNATIONAL CONSULTING & AUDITING, Chartered Accountants, United Arab Emirates are willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting (AGM).

DIRECTORS RESPONSIBILITIES

The Company law requires the directors to prepare the financial statements for each financial year which gives a true and fair view of the state of affairs of the company and net profit for that period and to enable them to ensure that the financial statements comply with the relevant governing laws.

ACKNOWLEDGMENTS

The Directors wish to place on record the sincere gratitude for the continuous support extended by various government departments, bankers, customers, suppliers, employees and all well wishers.

On behalf of the Board of Directors
For **F.C.S SOFTWARE MIDDLE EAST FZE**

Dalip Kumar
Managing Director

May 15, 2012

INDEPENDENT AUDITOR'S REPORT

To The Shareholders

**M/s. F.C.S. Software Middle East FZE
P.O. Box.16111, Ras Al Khaimah – U.AE.**

We have audited the accompanying financial statements of M/s. F.C.S. Software Middle East FZE, Ras Al Khaimah, UAE., which comprise of the balance sheet as at March 31, 2012 and the statement of income, statement of changes in shareholders' equity, statement of cash flow for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementation and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform that audit to obtain reasonable assurance, whether the financial statements are free from material misstatements.

An audit involves performing procedure to obtain audit evidence about the amount and disclosure in the financial statements. The procedure selected depend on our judgment, including the assessment of the risk of the material misstatement of the financial statement , whether due to fraud or error. In making those risks assessments, reconsider internal control relevant to the entity's preparation and faire presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statement present fairly in all material respects, the financial position of M/s. FCS Software Middle East, FZE, Ras Al Khaimah, UAE. as of March 31, 2012, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Also in our opinion, during the period, there were no contraventions of the rules of Ras Al Khaimah free trade Zone Authority.

**For FALCON INTERNATIONAL CONSULTING AND AUDITING
Chartered Accountant**

Sd/-
Managing Partner
Reg. No. 606

May 15, 2012

**F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
BALANCE SHEET AS ON MARCH 31, 2012**

| | Notes | 31-03-2012 USD | 31-03-2012 AED | 31-03-2012 INR | 31-03-2011 USD | 31-03-2011 AED | 31-03-2011 INR |
|---|-------|-------------------|--------------------|----------------------|-------------------|--------------------|----------------------|
| NON-CURRENT ASSETS | | | | | | | |
| FIXED ASSETS - INTANGIBLE | | | | | | | |
| Computer Software & IPR Products | | 62,396,677 | 228,995,803 | 2,826,944,399 | 59,180,258 | 217,191,547 | 2,642,398,520 |
| CURRENT ASSETS | | | | | | | |
| Trade receivables | 5 | 7,697,719 | 28,250,629 | 393,815,307 | 9,560,523 | 35,087,119 | 426,877,352 |
| Other receivables & Pre-paid bus. Dev. Exp. | 6 | 13,745,308 | 50,445,280 | 608,040,880 | 15,463,472 | 56,750,942 | 690,444,025 |
| Cash and cash equivalents | 7 | 104,424 | 383,235 | 5,342,332 | 181,948 | 667,748 | 8,123,962 |
| | | 21,547,451 | 79,079,144 | 1,007,198,519 | 25,205,943 | 92,505,809 | 1,125,445,339 |
| MISC. EXPENSES | | | | | | | |
| Pre-paid business development Exp. | | | | | | | |
| | | 83,944,128 | 308,074,947 | 3,834,142,918 | 84,386,201 | 309,697,356 | 3,767,843,859 |
| TOTAL ASSETS | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Trade payables | 8 | 518,744 | 1,903,790 | 26,538,943 | 1,630,713 | 5,984,716 | 72,811,331 |
| Other payables | 9 | 16,711 | 61,328 | 854,910 | 16,711 | 61,328 | 746,124 |
| | | 535,455 | 1,965,118 | 27,393,853 | 1,647,423 | 6,046,044 | 73,557,455 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Long term liabilities | 10 | - | - | - | - | - | - |
| | | 535,455 | 1,965,118 | 27,393,853 | 1,647,423 | 6,046,044 | 73,557,455 |
| TOTAL LIABILITIES | | | | | | | |
| SHAREHOLDERS' FUNDS | | | | | | | |
| Share capital | | 73,732,970 | 270,600,000 | 3,378,045,643 | 73,732,970 | 270,600,000 | 3,292,177,111 |
| Statutory reserve | 11 | 786,936 | 2,888,055 | 35,358,429 | 719,946 | 2,642,202 | 32,145,589 |
| Retained earnings | 12 | 8,849,059 | 32,476,046 | 391,313,532 | 8,246,153 | 30,263,382 | 368,190,725 |
| Equity fund | | 83,368,965 | 305,964,101 | 3,804,717,604 | 82,699,069 | 303,505,584 | 3,692,513,424 |
| Shareholders' current account | 13 | 39,708 | 145,728 | 2,031,461 | 39,708 | 145,728 | 1,772,980 |
| TOTAL EQUITY AND LIABILITIES | | 83,944,128 | 308,074,947 | 3,834,142,918 | 84,386,201 | 309,697,356 | 3,767,843,859 |

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

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

Approved by the directors on May 15, 2012
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

**F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012**

| | Notes | 01-04-2011 to 31-03-2012 USD | 01-04-2011 to 31-03-2012 AED | 01-04-2011 to 31-03-2012 INR | 28-10-2010 to 31-03-2011 USD | 28-10-2010 to 31-03-2011 AED | 28-10-2010 to 31-03-2011 INR |
|-----------------------------------|-------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Sales | | 20,388,550 | 74,825,979 | 977,834,858 | 38,920,192 | 142,837,107 | 1,773,982,352 |
| Cost of sales | 14 | (12,995,090) | (47,691,980) | (623,244,516) | (28,632,475) | (105,081,186) | (1,305,068,192) |
| Gross profit | | 7,393,460 | 27,133,999 | 354,590,342 | 10,287,717 | 37,755,921 | 468,914,160 |
| Deduct | | | | | | | |
| General & administrative expenses | 15 | 470,866 | 1,728,080 | 22,582,736 | 520,664 | 1,910,836 | 23,731,863 |
| Amortisation of intangible assets | | 6,248,081 | 22,930,455 | 299,657,941 | 2,832,417 | 10,394,973 | 126,467,419 |
| Finance costs | 16 | 4,618 | 16,947 | 221,461 | 7,659 | 28,109 | 349,098 |
| Total expenses | | 6,723,564 | 24,675,482 | 322,462,138 | 3,360,740 | 12,333,918 | 150,548,380 |
| Net Profit for the period | | 669,896 | 2,458,517 | 32,128,204 | 6,926,977 | 25,422,003 | 318,365,780 |

The accompanying notes form an integral part of these financial statements

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

Approved by the directors on May 15, 2012
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

**F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2012**

| | 31-03-2012 USD | 31-03-2012 AED | 31-03-2012 INR | 31-03-2011 USD | 31-03-2011 AED | 31-03-2011 INR |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Net profit for the period | 669,896 | 2,458,517 | 32,128,204 | 6,926,977 | 25,422,002 | 318,365,786 |
| Adjusted for | | | | | | |
| Amortisation of Intangible Assets | 6,248,081 | 22,930,455 | 299,657,941 | 2,832,417 | 10,391,974 | 126,467,419 |
| Funds generated from operations | 6,917,977 | 25,388,972 | 331,786,145 | 9,759,394 | 35,813,976 | 444,833,205 |
| Changes in working capital | | | | | | |
| (Increase)/decrease in trade receivables | 1,862,804 | 6,836,490 | 33,062,045 | (5,165,147) | (18,956,089) | (228,470,079) |
| (Increase)/decrease in other receivables & prepayments | 1,718,164 | 6,305,662 | 82,403,145 | 13,222,670 | 48,527,201 | 604,448,425 |
| Increase / (decrease) in trade payables | (1,111,969) | (4,080,926) | (46,272,388) | (4,712,050) | (17,293,224) | (213,500,991) |
| Increase / (decrease) in other payables | - | - | 108,786 | (113,289) | (415,772) | (5,122,076) |
| Net cash inflow / (outflow) from operating activities | 2,468,999 | 9,061,226 | 69,301,588 | 3,232,184 | 11,862,116 | 157,355,279 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Addition in fixed Assets | 9,464,500 | 34,734,711 | 484,203,820 | 62,012,675 | 227,586,520 | 2,768,865,939 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Share Capital | - | - | 85,868,533 | 73,705,722 | 270,500,000 | 3,290,947,135 |
| Increase / (decrease) in transaction reserve | - | - | (5,792,557) | - | - | (10,075,439) |
| Increase / (decrease) in misc. expenses | - | - | - | - | - | - |
| Increase / (decrease) in shareholders account | - | - | 258,481 | 39,708.00 | 145,728 | 1,772,981 |
| Increase / (decrease) in long term liabilities | - | - | - | (26,651,187) | (97,809,855) | (1,203,034,581) |
| Net cash inflow / (outflow) from financing activities | (9,464,500) | (34,734,711) | (403,869,363) | (14,918,432) | (54,750,647) | (689,255,843) |
| Net Increase / (decrease) in cash and cash equivalents | (77,524) | (284,513) | (2,781,630) | (1,926,854) | (7,074,555) | (87,067,359) |
| Cash & bank balances at the beginning of the period | 181,948 | 667,748 | 8,123,962 | 2,108,802 | 7,739,304 | 95,191,321 |
| Cash and cash equivalents at the end of the period | 104,424 | 383,235 | 5,342,332 | 181,948 | 664,748 | 8,123,962 |
| Represented By: | | | | | | |
| Cash and cash equivalents (Note No.7) | 104,424 | 383,235 | 5,342,332 | 181,948 | 667,748 | 8,123,962 |

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out page 3.

Approved by the directors on May 15, 2012
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

**F.C.S SOFTWARE MIDDLE EAST FZE
RAS AL KHAIMAH, U.A.E.
STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2012**

| | Share Capital | Statutory Reserve | Retained Earnings | Current Accounts | Total USD |
|---------------------------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Capital Introduced | 27,248 | 27,248 | 2,011,874 | — | 2,066,370 |
| Additional Capital | 73,705,722 | | | | 73,705,722 |
| Net profit for the year | — | | 6,926,977 | — | 6,926,977 |
| Transfer to statutory reserve | — | 692,698 | (692,698) | | — |
| Net Movement in Current Account | | | | 39,708 | 39,708 |
| Balance as on 31-03-2011 - USD | 73,732,970 | 719,946 | 8,246,153 | 39,708 | 82,738,777 |
| Balance as on 31-03-2011 - AED | 270,600,000 | 2,642,202 | 30,263,382 | 145,728 | 303,651,312 |
| Balance as on 31-03-2011 - INR | 3,292,177,111 | 32,145,589 | 368,190,719 | 1,772,980 | 3,694,286,399 |
| Net profit for the year-2012 | | | 669,896 | | 669,896 |
| Transfer to statutory reserve | | 66,990 | (66,990) | | |
| Net movements in current account | | | | — | — |
| Balance as on 31-03-2012 - USD | 73,732,970 | 786,936 | 8,849,059 | 39,708 | 83,408,673 |
| Balance as on 31-03-2012 - AED | 270,600,000 | 2,888,055 | 32,476,046 | 145,728 | 306,109,829 |
| Balance as on 31-03-2012 - INR | 3,378,045,643 | 35,358,429 | 391,313,532 | 2,031,461 | 4,083,804,900 |

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out page 3.

Approved by the directors on May 15, 2012
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

Notes to the Financial Statements for the period ended March 31, 2012.

1. LEGAL STATUS & BUSINESS ACTIVITIES

- a) F.C.S Software Middle East FZE, ("the Establishment") is registered with Free Trade Zone, Ras Al Khaimah, U.A.E. (Commercial License No. 5004413) as a Free Zone Establishment on October 28, 2009.
- b) The main activity of the company is trading in computer software, Data Processing & equipment requisites.
- c) The management and control of the company is vested with the Managing Director Mr. Dalip Kumar (Indian national).
- d) The registered office address of the Company is P.O. Box. 16111, Ras Al Khaimah, U.A.E.

2. SHARE CAPITAL

Authorised, issued and paid up capital of the Company is USD 73,732,970 divided into 2706 (Twenty Seven Hundred Six) Share of USD 27,248 each fully paid and held by the shareholders as follows:

| Sl No. | Name of the Shareholder | Nationality | No. of Shares | Value USD | Shareholding % |
|--------|----------------------------|-------------|---------------|-------------------|----------------|
| 1. | FCS Software Solutions Ltd | Indian Co. | 2706 | 73,732,970 | 100 |
| | Total | | 2706 | 73,732,970 | 100 |

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB). The significant accounting policies adopted, and those have been consistently applied, are as follows:

3.1 Property, plant and equipment

The company does not any possesses any property, plant & equipments.

3.2 Staff end-of-service benefits

No provision for gratuity has been made and same shall be accounted on cash basis.

3.3 Revenue recognition

Revenue from sale of goods shall be recognized when all the following conditions have been satisfied:

- a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefit associated with the transaction will flow to the company; and
- e) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.4 Foreign Currency transactions

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Gains or losses resulting from foreign currency transactions are taken to the income statement.

3.5 Trade Receivables

All the receivables are considered good and they are recoverable, necessary provisions are made for doubtful debts as and when they arise. All trade receivables are subject to confirmation

3.6 Trade Payables

All trade payables are subject to confirmation.

3.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

3.8 Financial Instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Current and non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise cash and bank balances and loans and advances and stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognized in the income statement.

Current and non-current financial liabilities, which comprise current and non-current bank borrowings, trade and other payables and shareholders' current accounts, are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

3.9 Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each balance sheet date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the

case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Doubtful Debt Provisions

Management regularly undertakes a review of the amounts of trade receivables, loans and advances owed to the Company from third parties (note no.4) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of Provisions required.

Impairment

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

F.C.S SOFTWARE MIDDLE EAST FZE
NOTES RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

| | 31-03-2012 USD | 31-03-2012 AED | 31-03-2012 INR | 31-03-2011 USD | 31-03-2011 AED | 31-03-2011 INR |
|---|-------------------|--------------------|----------------------|-------------------|--------------------|----------------------|
| 4 INTANGIBLE ASSETS | | | | | | |
| Addition during the year | 71,477,174 | 262,321,229 | 3,253,069,759 | 62,012,675 | 227,586,517 | 2,768,865,939 |
| Less: Amortisation during the year | 9,080,498 | 33,325,426 | 426,125,360 | 2,832,417 | 10,394,970 | 126,467,419 |
| | 62,396,677 | 228,995,803 | 2,826,944,399 | 59,180,258 | 217,191,547 | 2,642,398,520 |
| 5 TRADE RECEIVABLES | | | | | | |
| Sundry debtors | 7,697,719 | 28,250,629 | 393,815,307 | 9,560,523 | 35,087,119 | 426,877,352 |
| | 7,697,719 | 28,250,629 | 393,815,307 | 9,560,523 | 35,087,119 | 426,877,352 |
| AGEING ANALYSIS | | | | | | |
| Due for less than 30 days | 7,697,719 | 28,250,629 | 393,815,307 | 9,560,523 | 35,087,119 | 426,877,352 |
| Due between 31 to 60 days | - | - | - | - | - | - |
| Due for more than 60 days | - | - | - | - | - | - |
| | 7,697,719 | 28,250,629 | 393,815,307 | 9,560,523 | 35,087,119 | 426,877,352 |
| 6 OTHER RECEIVABLES & PREPAYMENTS | | | | | | |
| Prepayments/Deferred Business Development Exp. | 13,745,308 | 50,445,280 | 608,040,880 | 15,463,472 | 56,750,942 | 690,444,025 |
| PDC received | - | - | - | - | - | - |
| | 13,745,308 | 50,445,280 | 608,040,880 | 15,463,472 | 56,750,942 | 690,444,025 |
| 7 CASH AND CASH EQUIVALENTS | | | | | | |
| Cash at Bank | 104,424 | 383,235 | 5,342,332 | 181,948 | 667,748 | 8,123,962 |
| | 104,424 | 383,235 | 5,342,332 | 181,948 | 667,748 | 8,123,962 |
| 8 TRADE PAYABLES | | | | | | |
| Sundry creditors | 518,744 | 1,903,790 | 26,538,943 | 1,630,713 | 5,984,716 | 72,811,331 |
| | 518,744 | 1,903,790 | 26,538,943 | 1,630,713 | 5,984,716 | 72,811,331 |
| 9 OTHER PAYABLES | | | | | | |
| Other payable | 16,711 | 61,328 | 854,910 | 16,711 | 61,328 | 746,124 |
| | 16,711 | 61,328 | 854,910 | 16,711 | 61,328 | 746,124 |
| 10 LONG TERM LIABILITY | | | | | | |
| Share application money (Pending for allotment) | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| 11 STATUTORY RESERVE | | | | | | |
| Transfer to statutory reserve | 719,946 | 2,642,202 | 32,145,589 | 719,946 | 2,642,202 | 32,145,589 |
| | 719,946 | 2,642,202 | 32,145,589 | 719,946 | 2,642,202 | 32,145,589 |
| 12 RETAINED EARNINGS | | | | | | |
| Opening balance | 8,966,099 | 32,905,584 | 415,040,547 | 2,039,122 | 7,483,581 | 96,674,767 |
| Net profit for the period | 669,896 | 2,458,517 | 32,128,204 | 6,926,977 | 25,422,003 | 318,365,780 |
| Transfer to statutory reserve | (786,936) | (2,888,055) | (35,358,429) | (719,946) | (2,642,202) | (32,145,589) |
| Foreign currency transaction reserve | - | - | (20,496,790) | - | - | (14,704,239) |
| | 8,849,059 | 32,476,046 | 391,313,532 | 8,246,153 | 30,263,382 | 368,190,719 |
| 13 SHAREHOLDERS' CURRENT ACCOUNT | | | | | | |
| Net movements in current account | 39,708.00 | 145,728.00 | 2,031,461.00 | 39,708.00 | 145,728.00 | 1,772,980.00 |
| | 39,708.00 | 145,728.00 | 2,031,461.00 | 39,708.00 | 145,728.00 | 1,772,980.00 |
| 14 COST OF SALES | | | | | | |
| Data Center Service Charges | 11,276,926 | 41,386,318 | 540,841,371 | 26,914,311 | 98,775,524 | 1,226,754,285 |
| Software Service expenses | - | - | - | - | - | - |
| Data Center Maintenance Expenses | 1,718,164 | 6,305,662 | 82,403,145 | 1,718,164 | 6,305,662 | 78,313,907 |
| Marketing & Business Dev. Expenses | - | - | - | - | - | - |
| | 12,995,090 | 47,691,980 | 623,244,516 | 28,632,475 | 105,081,186 | 1,305,068,192 |

| | 31-03-2012 USD | 31-03-2012 AED | 31-03-2012 INR | 31-03-2011 USD | 31-03-2011 AED | 31-03-2011 INR |
|---|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| 14 GENERAL & ADMINISTRATIVE EXPENSES | | | | | | |
| Rent & licensing expenses | 22,122 | 81,189 | 1,060,981 | 28,373 | 104,129 | 1,293,242 |
| Legal & professional charges | 7,412 | 27,202 | 355,480 | 7,976 | 29,272 | 363,547 |
| Travelling & conveyance expenses | 72,256 | 265,180 | 3,465,398 | 48,072 | 176,424 | 2,191,123 |
| Repairs & maintenance | 127,128 | 466,560 | 6,097,059 | 190,144 | 697,830 | 8,666,783 |
| Project expenses | 60,720 | 222,844 | 2,912,146 | 83,892 | 307,884 | 3,823,798 |
| Communication & utility expenses | 147,891 | 542,760 | 7,092,852 | 71,603 | 262,784 | 3,263,684 |
| Office expenses | 33,337 | 122,345 | 1,598,820 | 90,603 | 332,513 | 4,129,686 |
| | 470,866 | 1,728,080 | 22,582,736 | 520,664 | 1,910,836 | 23,731,863 |
| 15 FINANCE COST | | | | | | |
| Bank charges | 4,618 | 16,947 | 221,461 | 7,659 | 28,109 | 349,098 |
| | 4,618 | 16,947 | 221,461 | 7,659 | 28,109 | 349,098 |
| 16 RELATED PARTY | | | | | | |
| The company enters into transaction with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards(IFRS). Related parties comprise companies and entities under common ownership and/or common management and control their partners and key management personnel.The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties. | | | | | | |
| At the balance sheet date due to related party is as under: | | | | | | |
| FCS Software Solutions America Ltd | 16,711 | 61,328 | 854,910 | 16,711 | 61,328 | 746,124 |
| | 16,711 | 61,328 | 854,910 | 16,711 | 61,328 | 746,124 |
| 17 CONTINGENT LIABILITY | | | | | | |
| Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's account as of balance sheet date. | | | | | | |
| 18 FINANCIAL INSTRUMENTS | | | | | | |
| Financial instruments of the company comprises of cash and bank balances, trade receivables, other receivables and trade payables. | | | | | | |
| Risk Management | | | | | | |
| Credit risk | | | | | | |
| The financial assets that potentially expose the company to credit risk comprise principally of bank accounts, trade receivables and other receivables. | | | | | | |
| The company's bank accounts are placed with high credit quality financial institutions. | | | | | | |
| Exchange rate risk | | | | | | |
| There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the conversion of Dhiraams is fixed. | | | | | | |
| 19 | All the figures have been rounded off to the nearest USD. | | | | | |
| 20 COMPARATIVE AMOUNTS | Figures of the previous year are regrouped/reclassified wherever necessary to confirm the current year's presentation. | | | | | |

Approved by the directors on May 15, 2012
For F.C.S. Software Middle East FZE

Sd/-
Dalip Kumar
Managing Director

FCS SOFTWARE SOLUTIONS LIMITED

Regd. Office: 205, 2nd Floor, Agrawal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakarpur, Delhi - 110 092

Corporate Office: FCS House, Plot No. 83, NSEZ, Noida-201305 (U. P.)

PROXY FORM

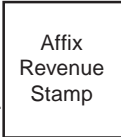
Folio No. : No. of Shares held :

DP ID No. : Client ID No. :

I/We.....of.....
in the district of.....being member/members of the above named Company,
hereby appoint.....of.....in the district
of.....or failing him/her.....of.....
in the district.....my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 19th
Annual General Meeting of the Company, to be held on August 28, 2012 at the Executive Club, 439, Village
Shahoorpur, Fatehpur Beri, New Delhi-110 074 at 9.00 AM and any adjournment thereof:

Signed this.....day of.....2012.

Signature :



Note : This form should be signed across the stamp as per specimen signature with the company. The proxy must reach the Registered Office of the company not less than 48 Hours before the time fixed for holding the aforesaid meeting.

FCS SOFTWARE SOLUTIONS LIMITED

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ATTENDANCE SLIP

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

Folio No. : No. of Shares held :

DP ID No. : Client ID No. :

Name of the Member :
(in block letters)

NAME OF PROXY :
(if any)

I hereby record my presence at the 19th Annual General Meeting of the company being held on Tuesday, August 28, 2012.

.....
Signature of the Member/Proxy



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.spmgindia.com

Registered Office

205, 2nd Floor, Agrawal Chamber IV,
27, Veer Sawarkar Block, Vikas Marg,
Shakarpur, Delhi - 110092
Phone: 011-42444235
Fax : 011-42444235
E mail: investors@fcsltd.com
Web site: www.fcsltd.com

Internal Auditors

M/S LKS & Associates
Chartered Accountants
II-D/146, First Floor,
Sector-2, Vaishali,
Ghaziabad - 201010
Ph.: 011-47082855
E mail: Kapil.kraindia@gmail.com

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.
A-40, Naraina Ind. Area, Phase II,
Near Batra Banquet Hall
New Delhi - 110028, India.
Phone: 011-41410592-94
Fax : 011-41410591
E mail: delhi@linkintime.com
Web site: www.linkintime.com

Development centers

- (I) Plot No. 83, NSEZ,
Noida Dadri Road,
Phase -II, Noida -201305 [U.P.]
- (ii) FCS House, A-86, Sector - 57
Noida-201301 [U.P.]
- (ii) 2375, Zanker Road, Suit 250
San Jose, CA - 95134.

Company Secretary & Compliance Officer

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

Subsidiaries

FCS Software Solutions America Ltd.
42 Reads Way , New Castle
State of Delaware 19720

F.C.S. Software Middle East FZE
PO Box 16111
Ras Al Khaimah, UAE

BOOK-POST



Registered Office

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

Corporate office

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