

*The efficiency catalyst*



**20th ANNUAL  
R E P O R T  
2012-2013**

## **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) Plot-J-7, Rajiv Gandhi Technology Park,  
Chandigarh – 160 10
- (iv) FCS House, A-86, Sector – 57  
Noida – 201 301 [U.P.]
- (v) I.T. Park, Plot. No. 24, Sahastradhara Road,  
Dehradun -248 001
- (vi) Plot No. 1A, Sector-73, Noida-201301

### **Legal Advisors**

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

## Chairman's Message



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

I welcome all of you to the 20th Annual General Meeting of the Company. This year is special for us, this being our 20th year. Last 20 years have seen many ups and down, both in terms of technology changes as well as economy. Apart from the pressures of economy downturn throughout the globe, visa regimes have also been slowly becoming unfavorable to business climate. The year 2012 was a year of uncertainty with the global economic slowdown, lower GDP growth in India, slower technology spending and a volatile currency. However as we enter 2013, it does appear that the global economic crisis is bottoming out – creating a sense of cautious optimism. As per NASSCOM data, Global IT-BPM spend is expected to grow by 6 percent in 2013 to touch USD 2 trillion.

We started realignment of our business objectives and service segments in last 2 to 3 years. This realignment has been to solidify the future environment both in terms of handling socio-economic and technology. The existing model of IT services is becoming more and more commoditized and differentiation between small or large vendors has disappeared. Newer models are going to be heavily dependent on Infrastructure, cloud computing, virtual or private data centers, large data networks and big data analytics. Service models will slowly shift more towards transaction based fixed pricing versus time and material models. We are glad to inform that we are going in the right direction and we believe the coming years will validate our approach.

Our employees are the heart and brain of our business. We will continue to invest in people and specifically for increasing the diversity of our employees to join and grow in our FCS team. We are focused on building leadership as leaders multiply the value individual employees create and cement the bond within our organization.

To conclude, we are willing to invest in business to attain leadership and play a facilitating role in our clients businesses. We have a good strategy and are committed to its execution. We see good confidence levels in our leadership team and employees. I am personally confident that we are on a journey to build a strong, enduring and sustainable business for next 20 and many more years to come. I would like to thank each and every one of you—our customers, employees, shareholders, partners and supporters for your continued trust in making the Company capable enough to stand in such conditions and have vibrant future.

I would like to cordially invite all the shareholders of the Company to attend the 20th Annual General Meeting (AGM) on Monday, September 30, 2013 at 1.00 P.M, at The Executive Club, 439, Village Sahoorpur, Fatehpur Beri, New Delhi – 110 074.



**Dalip Kumar**

Chairman & Managing Director

Date : August 29, 2013

## **NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the Members of the Company is scheduled to be held on Monday, September 30, 2013 at the Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110074, at 1:00 P.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, 2013 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. Shiv Nandan 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.

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

Sd/-

**Gagan Kaushik**  
Company Secretary

Place : Noida  
Date : August 29, 2013

### **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 RS. 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 September 23, 2013 to September 30, 2013 (both days inclusive) for the purpose of Annual General Meeting.
3. Members/Proxy holders are requested to produce at the entrance the 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.

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

Sd/-

**Gagan Kaushik**  
Company Secretary

Place : Noida  
Date : August 29, 2013

## **ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING**

Mr. Shiv Nandan Sharma is a Botany Graduate from University of Delhi and Fellow Member of Institute of Chartered Accountants of India, which is a very rare & unique combination of qualification. He has also done a course on Climate Change and Disaster Management and also a Course on Comprehensive Natural Disaster Risk Management Framework conducted by the National Institute of Disaster Management (NIDM) New Delhi in collaboration with the World Bank Institute (WBI) Washington, he is also a life member of The International Center of Alternate Disputes Resolution (working under the aegis of Ministry of Law & Justice, Department of Legal Affairs, Government of India, New Delhi) and a Special Invitee to its Governing Body. Mr. Sharma is presently in Consulting business, Philanthropy & Venture Funding. His professional career span is over 35 years, he has expert knowledge of key areas of project planning and execution, marketing, strategic planning, commercial, taxation, finance, regulatory and legal including International Trade. He has been associated with many large fund raising in India and globally also. His multi facet professional acumen has been recognized at the Global level, through his nomination in the 30th edition of “Marquis who’s who in Finance and Industry” a USA based publication. During his illustrious career, he has held key positions including that of MD, CEO & President with large corporate houses like the Vardhman Group, Bhilwara Group, Polar Group, Jumbo Global Ltd., Atlas Cycles, Parsvnath and DCM group. He specializes in setting up infrastructure projects, **SEZs apart from successful track record in turnaround of sick & potentially sick companies and their restructuring , this has also enabled him to improve the operations & performance of healthy company's too.** Proving his strong acumen in an assignment with Madhya Pradesh Government as a nominee of MP Govt. undertaking, All India Financial Institutions and the State Bank Group. He is holding directorship in various other companies including Inter world Digital Ltd., e-Vishesh.com Limited etc. He has been recently nominated to the Board of Aeroflex Industries Ltd. by a well known Private Equity Fund pursuant to Mumbai High court order. He has off late been working on climate change, disaster management & Environment Impact assessments of large Industrial undertakings. He has presented many papers on Islamic finance, Arbitration and on SEZs in many National & International forums.

**Year at a Glance :**

(` in Lacs)

<b>For the year</b>	<b>2013</b>	<b>2012</b>
<b>Income</b>		
Revenue from operations	11,609.73	21,402.23
Other Income	442.57	390.85
Total Revenue	12,133.30	21,793.08
Operating profit (PBIDTA)	102.90	3,565.65
Operating profit / Total income (%)	0.01	0.16
EPS (par value of Rs. 1 each)		
Basic	(0.35)	0.01
Diluted	(0.25)	0.01
Dividend	-	-
At the end of the year		
Fixed assets – net	33,525.18	33,589.83
Net current assets	9,575.48	9,431.01
Total assets	58,741.84	58,216.81
Debt	3,154.69	1,764.96
Equity(shareholder's fund)	55,587.15	56,451.84
Net worth	50,189.69	50,278.69

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

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

- a. We have reviewed financial statements for the year ended March 31, 2013 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 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 : August 29, 2013

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

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



## Directors' Report

(for the Year 2012- 2013)

Dear Shareholders,

We are delighted to present the Report on our business and operations for the year ended March 31, 2013.

### Financial Highlights

(` in Lacs)

	Year ended March 31,	
	2013	2012
Gross Income	12133.31	21793.09
Profit/(Loss) before Depreciation, Interest & Tax (PBDIT)	102.90	3565.65
Misc. Income	5397.46	6173.15
Depreciation	3772.45	3620.81
Interest	106.10	46.66
Profit/(Loss) before Extra ordinary items	(3771.7)	101.26
Profit before tax (PBT)	(3775.65)	101.82
Profit after tax (PAT)	(3736.07)	157.02
Appropriation:		
Dividend recommended – Final	Nil	Nil
Tax	23.72	15.50
Transferred to General Reserve	Nil	(32.13)
Balance with General Reserve	3257.89	3225.76
Balance Brought Forward	11011.44	14691.62
Transferred to Balance Sheet	(3736.07)	157.01

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, 2013, the Company reported a total income of Rs. 12133.31 lacs.

#### Material changes and Commitments

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

#### Transfer to Reserves

No Amount is being transfer to Reserves.

#### Dividend

In view of requirement of funds for the expansion of Company's business, your directors did not recommend any dividend for the financial year 2012-13.

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

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

## **Subsidiaries**

FCS has two Wholly Owned Subsidiary Companies outside India, viz. FCS Software Solutions America Limited, incorporated in America and F.C.S Software Middle East FZE in UAE to cater to the needs of its clients in America and UAE so that they have better legal security, faster services and comfort in dealing with the Company. In Financial year 2012-13, looking at the growth of M/s. Insync Business Solutions Limited, an Indian public Company, a service provider of various services including Customer Life Cycle Management, IT Helpdesk (Tier based – L1, L2 & L3), Dealer Management, Back Office Operations, Outbound and inbound Calling, the Company found it as a good avenue for investment and acquired it as its Wholly Owned Subsidiary Company. As on date, FCS has three Wholly Owned Subsidiary Companies, two outside India and one in India.

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

## **Particulars of employees**

During the year ended March 31, 2013, no employee is drawing remuneration in excess of the amount prescribed under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975.

## **Directors' responsibility statement**

To the Members,

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

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts on a going concern basis.

## **Ensuring Compliance of laws**

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

## **Transfer to Investor Education and Protection fund**

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act 1956, all unclaimed/unpaid dividend, application money, remaining unclaimed/unpaid for a period of

seven years from the date they became due for payment, in relation to the Company, have been transferred to the Investor Education and Protection fund (IEPF) established by the Central Government. The total amount transferred to IEPF in financial year 2012-13 is Rs. 6,26,793 (Rupees Six Lacs Twenty Six Thousand Seven Hundred and Ninety Three Only). No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

### **Composition of audit committee**

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

### **Management Discussion and Analysis**

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

### **Corporate Governance**

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

### **Increase in Share Capital**

During the year, we issued 230000000 (twenty three crore) equity shares upon exercise of conversion option by holders of convertible preference warrants. As a result of this, the outstanding issued, subscribed, and paid up equity shares increased from 1029553100 as at March 31, 2012 to 1259553100 equity shares as at March 31, 2013. The funds raised from such issue are being utilized towards expanding the horizon of Company by entering into new technology markets.

### **Delisting from Luxembourg Stock Exchange**

During the year, we withdrew the listing of Global Depository Receipts (GDRs) of the Company from Luxembourg Stock Exchange as no GDRs stand outstanding.

### **Human Resources**

We believe that our employees are most crucial resource of the organization, a large part of our management focus is to care and support our employees. FCS has its well organized human resources department to focus on its human resources, as in order to optimally utilize the human resources, we need to properly hire, train, coach and mentor, and develop them to be great contributors to the business. 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. One of the secrets of FCS's flourishing business is that FCS is comprised of contented employees, where each employee recognizes that he/she contributes to FCS's success and feels that he/she is a part of the team. Our happy and loyal employees are 100% dedicated to our customers. FCS's contented employees would produce superior quality performance in optimal time and lead to growing profits. They are creative, innovative and come up with breakthroughs, which allow FCS to grow and change positively with time and changing market conditions.

### **Infrastructure**

FCS is keeping 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. For providing increased services, enlarged and improved infrastructure is required, the Company has developed its infrastructure accordingly to cater to the increased demand of its services. The Company is in process of establishing a development centre in Sector 73, Noida, which is near to its completion.

### **Social Programs**

FCS believes that business organizations have deep social responsibility and recognizes that such responsibility must be discharged not only by adopting ethical and fair business practices but also by addressing and involving actively in fundamental societal issues. The Company is growing due to the society surrounding it, and as such, FCS makes every effort to make the society grow. Towards this aim, FCS under its CSR programs has joined hands with governments departments and bodies to fill up the gap in the field of education and sports facilities.

FCS has come under Public-Private-Partnership Mode with Punjab Govt. to give free education in rural and remote areas under the scheme of Adarsh School. Each school has a capacity of 2000 students who will receive free quality education.

### **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. Shiv Nandan Sharma (Director), retire at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment.

### **Auditors**

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

### **Acknowledgements**

The Directors thank the Company's employees, customers, vendors, investors, service providers, bankers for their continued support.

The directors also convey a special thanks to the Government of India, particularly ministry of Communication and Information Technology, the Customs and Excise departments, the Income Tax department, Ministry of Corporate Affairs, Office of Registrar of Companies, New Delhi, Board of approval and Development Commissioner of Special Economic Zones, particularly of Noida and Chandigarh for their co-operation.

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

Place : Noida  
Date : August 29, 2013

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. 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 90 % of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was Rs. 10337.96 lacs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings) was Rs. 9744.01 lacs.

#### Foreign exchange earned and used

(` in Lacs)

	2013	2012
Earnings	10337.96	20,426.79
Outflows	9,744.01	18,311.63
Net foreign exchange earnings	593.95	2,115.15

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview**

FCS Software Solutions Limited has ended the financial year 2012-13 with a revenue of Rs. 12133.31 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.

### **Industry structure and developments**

The industry in India is positioning itself to address current and emerging opportunities. IP based platforms, reinvented business models, customer centric solutions and blended delivery is helping the industry emerge as a strategic business partner to global customers. Global economic crisis is bottoming out-creating a sense of cautious optimism. As per NASSCOM data, Global IT-BPM spend is expected to grow by 6 per cent in 2013 to touch USD 2 trillion, the rate of introduction of disruptive technologies is expected to be faster and SMAC (Social, Mobility, Analytics, Cloud) technologies is expected to increase to over USD 1 trillion by 2020. The vibrant start-up ecosystem in the country is creating innovative products and solutions that are targeted at the global and Indian market and enterprise.

The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth (1%-2%). Improving consumer confidence and structural policy decisions in the developed markets are providing the required momentum to kick-start the economy on to the path of recovery. In the emerging markets, strong consumer spending and upbeat investment sentiment continue to drive economic growth (5%-8%). Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real-time basis. As a result, spending on technology and related services grew at a rate faster than the GDP growth. NASSCOM Strategic Review Report 2013 estimates worldwide technology spending to exceed \$1.9 trillion in 2012, a growth of 4.8% over 2011. The shift towards global sourcing continues, which grew at 9% growth in 2012 over 2011. We are seeing a continuing trend of global businesses turning to offshore technology service providers to meet their need for variabilization of their cost structures, enhanced cost competitiveness and to increase their efficiency through differentiated solutions.

Over the past two decades, India has risen to become the leading destination for global sourcing of IT, BPO and research and development services. Established Indian IT services companies have a proven track record for providing business and technology solutions, offering a large, high quality and English-speaking talent pool, and a friendly regulatory environment. These factors, coupled with strong existing client relationships have facilitated India's emergence as a global outsourcing hub. Due to these dynamic business conditions, organizations have to make fast technological innovations that is driving corporations to transform their operations meeting corporations needs.

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.

In order to meet the need of higher quality and cost competitive technology solutions, corporations are increasingly turning to offshore service providers. As a result, offshore service providers have become critical to the operations of many enterprises and these service providers continue to grow. The market for offshore technology services have therefore grown. India is widely recognized as the premier destination for offshore technology service. According to NASSCOM Performance Review 2013, IT-BPM exports (IT Services and Business Process Management) from India are estimated to grow in year 2013-14 by 12-14%, US \$85-87 billion.

### **IT Exports**

Within Software and services exports, IT services exports account for 58 per cent, BPO export accounts for nearly 23 per cent and ER&D and Software Products account for 19 per cent. Financial year 2012 is a milestone year for Indian IT-BPO industry as aggregate revenues crossed USD 100 billion mark, and exports reached to USD 69 billion. Export revenues (including Hardware) were estimated to reach USD 69.1 billion in financial year 2012 growing by over 16 per cent. The industry's share of total Indian exports (merchandise plus services) increased from less than 4 per cent in financial year 1998 to about 25 per cent in financial year 2012. IT services exports is the fastest growing segment, growing by 19 per cent in financial year 2012, to account for exports of USD 40 billion. Software product exports to reach USD 1.5 billion, year on year growth of 13 per cent, driven by mobility and cloud applications, SMBs. India's Outsourced Software Product Development (OSPD) exports market crossed the billion dollar mark in financial year 2011. Despite its small base, the OSPD market has consistently experienced double-digit growth rates over the last five years. In financial year 2012, OSPD market is expected to grow faster than industry average at 17 per cent to cross USD 1.2 billion in exports. As per NASSCOM the information technology and IT-enabled services sectors are expected to grow 12-14 per cent and clock export revenues of \$84-87 billion in the next fiscal. NASSCOM expects the industry to clock export revenues of \$84-87 billion maintaining a growth rate of 12-14 per cent.

### **Opportunities and threats**

In order to meet the need of higher quality and cost competitive technology solutions, corporations are increasingly turning to offshore service providers. India is widely recognized as the premier destination for offshore technology service. According to NASSCOM Performance Review 2013, IT-BPM exports (IT Services and Business Process Management) from India are estimated to grow in year 2013-14 by 12-14%, US \$85-87 billion.

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. The large size of the addressable global market, with relatively low current level of penetration suggests significant headroom for future growth. IT services is the fastest growing segment in the Indian domestic market, growing by 18 per cent to reach Rs 589 billion, driven by increasing focus by service providers. Emerging technologies – cloud computing, mobility, social media and big data/analytics are unleashing

new opportunities for the industry.

FCS has positioned itself well for the growth in business with an aligned strategy, structure and capabilities. FCS is able to provide technology solutions to its clients across the world wide 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 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. FCS is optimistic on the future outlook of the Industry even during the down turn. We are confident about the fundamentals for the economy which is strong. The Global economy is also showing a promise of revival which is indicated by the improved performance of the IT Companies as well as other export oriented industries. The Indian middle class and the urban population continue to grow. The population is comparatively young and thriving, especially in the 25 to 45 years range.

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

## **Outlook**

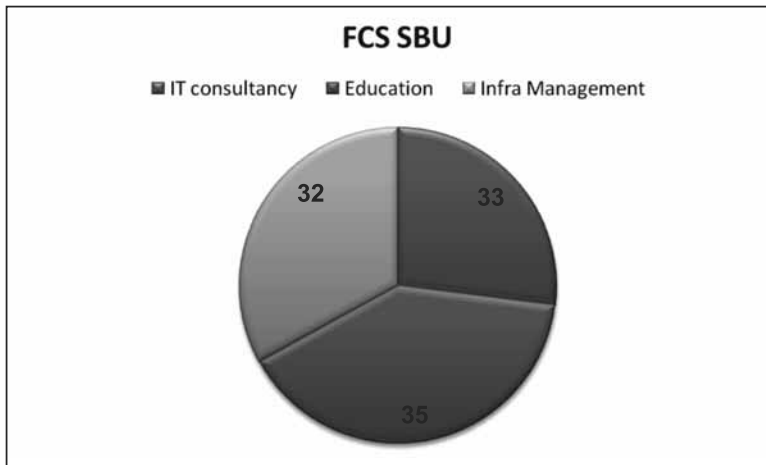
FCS is in the mode to expand its business, open up new areas of investment into banking, infrastructure projects, agricultural projects, power projects and insurance. FCS is striving to strengthen its position in one of the leading Company providing technology services. In order to increase our business 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.

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

FCS Software Solutions Ltd. is an integrated Information technology (IT) services and solutions provider Company. 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. We serve our clients globally. It provides IT & ITes consultancy services, education and infrastructure management services. FCS business is organized into three strategic business units (SBUs). Your company has performed satisfactorily well in all segments. The percentage wise revenue contribution of each segment is as below:



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



### IT Consulting

During Financial Year 2012-13 around 33% of the total revenue of FCS was derived from IT consulting. IT and ITes activities is primary source of revenue for the Company. The Company is engaged in software development, implementation and maintenance of software applications. We provide world-class technological solutions and help Corporates 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.

### Education

FCS has earned 35% of its total revenue out of education segment. FCS is focusing on up gradation of education. FCS also provided training and education services to big corporate as well as central and state government departments. In today's era, training of resources become essential for every corporate that tolls run over e-learning segment. FCS has developed over 10,000 learning hour of content for various Corporate, Educational Institutes, and universities.

### Infrastructure Management

FCS has developed its infrastructure accordingly to cope with the increased demand of its services. During the last two years, Your Company has been keeping its focus on the expansion of its business and clientele. The FCS has developed its one more unit at Dehradun which is now operational. 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 in view of providing upto the best standards, the existing as well as new services introduced by the Company. The company developed another location in Noida, which on the verge of completion. 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 32 % of the total revenue of FCS.

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

The internal audit function has been outsourced to a firm of Chartered Accountants, namely LKS & Associates, Chartered Accountants, II-B/146, 1st Floor, Sector-2, Vaishali, Ghaziabad-201010. M/s. LKS & Associates, are appointed as internal auditors of the Company. The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded as well as are more productive. The Company has a qualified and independent Audit Committee. The audit committee reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the board of directors informed of its major observations periodically. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions. The Internal Audit process includes review and evaluation of effectiveness of the existing processes, controls and compliance. The 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.

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

statutory auditors based upon their audit of the financial statements, are contained elsewhere in the Annual Report.

### **Financial performance with respect to operational performance**

The Company's total income has been reported for the year ended 31 March 2013 as Rs. 12133.31 lacs.

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

Our employees are most valuable assets of the Company and key contributors to our success. We encourage innovation, meritocracy and the pursuit of excellence. We have set up a scalable recruitment and human resources management process. We endeavor to impart the best training, working environment for retaining. The best talents in the industry remains unabated. 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.

The total number of employees in the Company was 930 as on March 31, 2013.

### **Cautionary Note**

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

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

Place : Noida  
Date : August 29, 2013

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

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY

Corporate Governance is an ethically driven business process that is committed to values and conduct aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decision and conducting the business with a firm commitment to values, while meeting shareholder's expectation. 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 Board of Director ('the board') is the core of our corporate governance practice and oversees how the Management serves and protects the long term interest of shareholders. We believe that an active well –informed and independent Board is necessary to ensure the higher standard of corporate governance.

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 a 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 and remuneration committee 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, 2012 to 31 March, 2013 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 of Board members and for making recommendations to the Members in the General Meeting. The Board considers the mix of education, skills, experience, character, commitment, and background, all in the context of the requirements of the Board at that point in time.

**Composition and Functions:** As on March 31, 2013 the Board consists of 4 Directors with considerable professional experience and expertise in various fields. The Board of Directors is headed

by Chairman & Managing Director and has the ideal composition with the half Directors being non-executive directors. Since the Company's Chairman is executive Director, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent directors. None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fee of Rs 10,000/- for attending each Board Meeting.

**Number of Board Meetings:** Six (6) Board Meetings were held during the financial year 2012 – 2013 on the following dates:

May 23, 2012, July 30, 2012, August 14 2012, September 12, 2012, November 12, 2012 and February 13, 2013.

### 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 31.3.2013		No. of Committee positions held in other public companies as on 31.3.2013	
				Member	Chairman	Member	Chairman
Mr. Dalip Kumar	Chairman & Managing Director	1	No	2	Nil	Nil	Nil
Mr. Govinda Sahu*	Whole time director	6	Yes	1	Nil	Nil	Nil
Mr. S.S. Sharma	Independent Non Executive Director	6	Yes	2	Nil	Nil	Nil
Mr. S.N. Sharma	Independent Non Executive Director	6	Yes	4	Nil	3	1

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

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

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

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

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

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

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

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 23, 2012, August 14, 2012, November 12, 2012, February 13, 2013.

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. Govinda Sahu	Executive director	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 28, 2012.

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

### REMUNERATION/COMPENSATION COMMITTEE

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

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

No Shares and convertible instruments are 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 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 May 23, 2012, August 14, 2012, November 12, 2012, February 13, 2013. 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, 2013 are as under:

S. No.	Authority	No. of complaints
1.	NSE	1
2.	BSE	1
3.	SEBI	1
4.	Shareholders	5
Total Grievances/Complaints received during the financial year		8
Total Grievances attended		8
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
2009-2010	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Monday, September 27, 2010	10.30 A.M	2
2010- 2011	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Monday September 26, 2011	9.00 A.M	1
2011-2012	The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110 074.	Tuesday August 28, 2012	9.00 A.M	2

**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.23.18 in Schedule-P to 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.

### WHISTLE BLOWER POLICY

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



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

### MANDATORY REQUIREMENTS

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

Particulars	Clause of Listing agreement	Compliance Status Yes/No
<b>I. Board of Directors</b>	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
<b>II. Audit Committee</b>	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
<b>III. Subsidiary Companies</b>	49 (III)	Yes
<b>IV. Disclosures</b>	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
<b>V. CEO/CFO Certification</b>	49 (V)	Yes
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes
<b>VII. Compliance</b>	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 requirements 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, namely, The Financial Express in English and Haribhumi in Hindi.

The financial results and public notices are also put up on Company's website [www.fcsltd.com](http://www.fcsltd.com)

For investors, the Company has created a separate e-mail ID [investors@fcsltd.com](mailto:investors@fcsltd.com)

#### **PUBLICATIONS OF THE FINANCIAL RESULTS DURING 2012-13**

<b>Quarter/Annual</b>	<b>Date of Board Meeting to approve the result</b>	<b>Date of Publication</b>	<b>English News Paper</b>	<b>Hindi Newspaper</b>
Q1 FY 2012	14-08-2012	17-08-2012	The Financial Express	Haribhumi in Hindi
Q2 FY 2012	12-11-2012	13-11-2012	The Financial Express	Haribhumi in Hindi
Q3 FY 2012	13-02-2013	15-02-2013	The Financial Express	Haribhumi in Hindi
Q4 & Annual FY 2013	30-05-2013	1-06-2013	The Financial Express	Haribhumi in Hindi

The quarterly, half yearly and annual financial statements are promptly and prominently displayed on the company's website i.e. [www.fcsltd.com](http://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 at the end of the report on corporate Governance and forms part of this Annual Report.

#### **SHAREHOLDERS INFORMATION**

##### **Annual General Meeting**

Date and Time	: September 30, 2013, 1:00 P.M.
Venue	: The Executive Club, 439, Village Shahrpur, Fatehpur Beri, New Delhi – 110 074
Financial Calendar	: 1st April, 2012 to 31st March, 2013

<b>Unaudited/Audited Financial Results</b>	<b>Quarter / Year ended</b>	<b>Month of approval of Financial Results</b>
Unaudited financial results for the quarter ended	June 2012	August 2012
Unaudited financial results for the quarter and half year ended	September 2012	November 2012
Unaudited financial results for the quarter ended.	December 2012	February 2013
Audited financial results for the year ended.	March 2013	May 2013

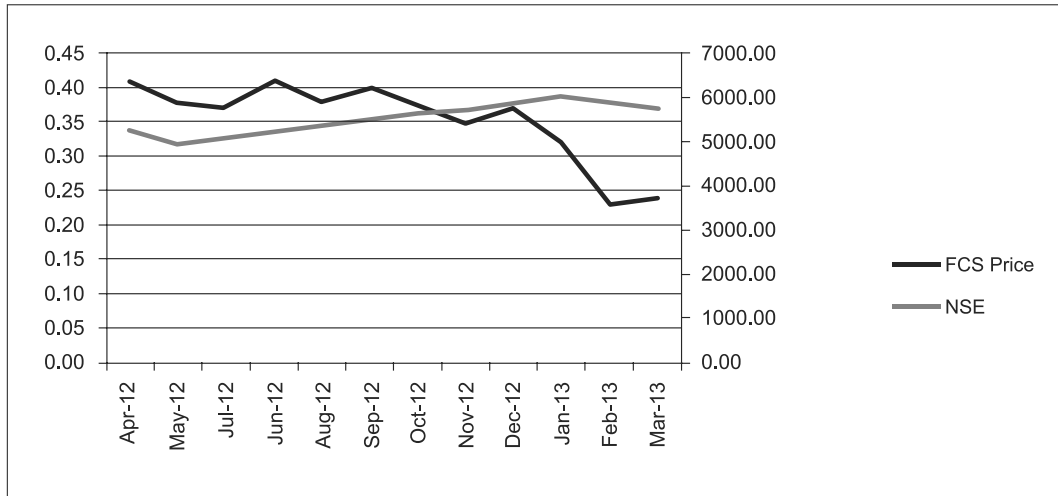
Date of Book Closure : Sep. 23, 2013 to Sep. 30, 2013(Both days inclusive)  
 Name of the Stock Exchange Exchange code  
 BSE 532666  
 NSE FCSSOFT  
 Listing fee for 2012-13 : Paid for both the above stock exchanges.  
 ISIN No. : INE512B01022 (for fully paid up shares)  
 ISIN No. : IN9512B01020 (for partly paid up shares)  
 Divident Payment Date :  
 No Dividend is recommended for the financial year 2012 – 2013.

### STOCK MARKET PRICE DATA

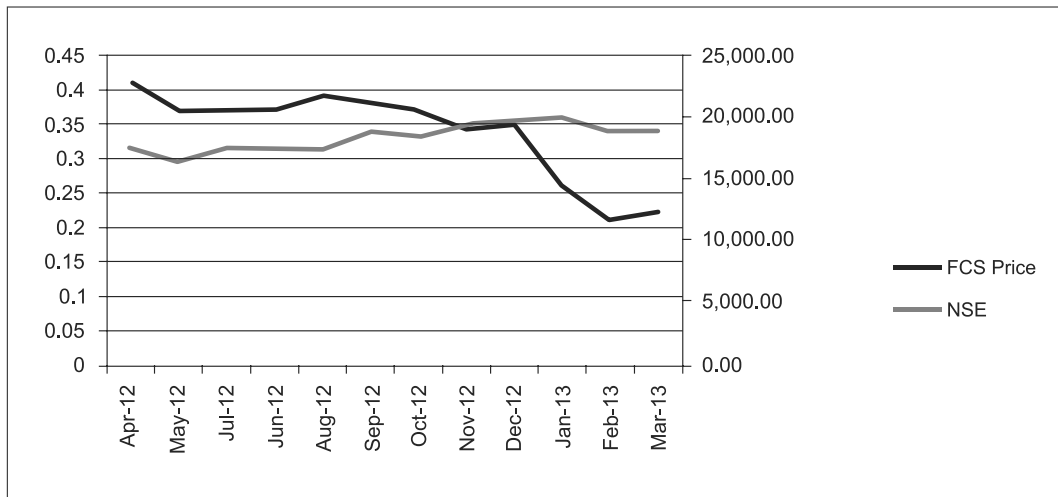
Monthly High and Low and the performance of our share price vis-à-vis NSE (Nifty) and BSE (Sensex) is given below and Chart A and B (overleaf) respectively.

#### Performance comparison with indices:

Month	BSE			NSE			
	High	Low	Volume	High	Low	Volume	Total Volume
	(₹)	(₹)	(Nos.)	(₹)	(₹)	(Nos.)	(Nos.)
Apr-12	0.46	0.37	10376596	0.45	0.35	10097936	20474532
May-12	0.41	0.36	8233424	0.4	0.35	8222807	16456231
Jun-12	0.4	0.36	8701054	0.4	0.35	17715653	26416707
Jul-12	0.45	0.36	13067578	0.45	0.35	13171322	26238900
Aug-12	0.43	0.36	9404806	0.4	0.35	11453078	20857884
Sep-12	0.43	0.37	12082752	0.45	0.35	13331167	25413919
Oct-12	0.4	0.36	8502672	0.4	0.35	12532832	21035504
Nov-12	0.39	0.33	9494955	0.4	0.3	8549513	18044468
Dec-12	0.39	0.34	8151735	0.4	0.35	8121490	16273225
Jan-12	0.38	0.26	36193188	0.4	0.2	40052423	76245611
Feb-12	0.26	0.21	19361134	0.3	0.2	17533477	36894611
Mar-12	0.29	0.22	8319949	0.3	0.2	7719068	16039017
<b>Total</b>			<b>151889843</b>			<b>168500766</b>	<b>320390609</b>



**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, 2013.

### SHAREHOLDING PATTERN BY SIZE

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Total Shares
Upto 500	39739	29.6069	9856587	0.7825
501-1000	26781	19.9528	24494272	1.9447
1001-2000	21627	16.1129	37770509	2.9987
2001-3000	9130	6.8022	24748490	1.9649
3001-4000	6053	4.5097	22827650	1.8124
4001-5000	6678	4.9753	32448600	2.5762
5001-10000	11468	8.5441	90878395	7.2151
10001- & above	12746	9.4962	1016528897	80.7055
<b>Total</b>	<b>134222</b>	<b>100</b>	<b>1259553400</b>	<b>100</b>

### SHAREHOLDING PATTERN BY OWNERSHIP

Categories	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Promoters-				
– Indian	185968560	14.76	135968560	13.21
– Foreign	0	0	0	0
Mutual Fund & UTI	0	0	0	0
Banks and Financial Institution and Insurance Companies	3000	0	3000	0
Central Government/State Government	568300			
Foreign Institutional Investor	0	0	0	0
Private Bodies Corporate	264160627	20.97	113361802	11.01
Indian Public-Individual	780327048	61.95	717914719	69.73
NRI/OCB's	18007515	1.42	15361967	1.49
Clearing Member	10359930	0.82	1551379	0.15
Other (Director & their relatives, HUF, Clearing Members)	158420	0.01	45391973	4.41
<b>Total</b>	<b>1259553400</b>	<b>100</b>	<b>1029553400</b>	<b>100</b>

### Dematerialization Of The Shares And Liquidity:

As on March 31, 2013, to the extent of 99.96% 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, 2013 is as under:

Segment	No. of Shareholders	% of Total No. of Shareholders	No. of Shares	% of Total No. of Shares
Physical	56	0.04	465113	0.04
Demat	134168	99.96	1259088287	99.96
Total	134224	100	1259553400	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 August 28, 2012 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
<b>(A) Shareholding of Promoter and Promoter Group</b>				
<b>1 Indian</b>				
Promoter	185962450	14.76	335962450	20.24
<b>2 Foreign</b>				
<b>Total Shareholding of Promoter and Promoter Group</b>	185962450	14.76	335962450	20.24
<b>(B) Public Shareholding</b>				
<b>1 Institutions</b>				
(a) Mutual Fund/UTI				
(b) Financial Institutions/Banks	5000	0.03	5000	0.03
(c) Central Government/State Government (s)	568300	0.04	564300	0.03
(d) Venture Capital Funds	0			
(e) Insurance Companies	0			
(f) Foreign Institutional Investors	0			
<b>Sub Total (B) (1)</b>	<b>573300</b>	<b>0.04</b>	<b>573300</b>	<b>0.03</b>

Categories	Pre Issue		Post Issue	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>B-2 Non Institutional</b>				
(a) Bodies Corporate	260695508	20.69	510695508	30.77
(b) Individuals	783918482	62.23	783918482	47.23
(c) Any Other	28403660	2.25	28403660	1.71
<b>Sub Total (B) (2)</b>	<b>1073017650</b>	<b>85.19</b>	<b>1323017650</b>	<b>79.72</b>
<b>(B) Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1073590950</b>	<b>85.23</b>	<b>1323590950</b>	<b>79.75</b>
<b>Total (A)+(B)</b>	<b>1259553400</b>	<b>100</b>	<b>1659553400</b>	<b>100</b>
<b>(C) Shares held by custodians and against which depository receipts have been issued</b>				
1 Promoter and Promoter group	0	0	0	0
2 Public	0	0	0	0
<b>Total (C)</b>				
<b>Grand Total (A)+(B)(C)</b>	<b>1259553400</b>	<b>100</b>	<b>1659553400</b>	<b>100</b>

#### PLANT LOCATIONS

The Company has 6 offices as on 31st March, 2013 spread in 4 cities across India apart from 1 office in Dubai and 1 office in USA. The addresses of these offices are available on our corporate website/Annual Report.

#### ADDRESS FOR CORRESPONDENCE

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

#### LITIGATION

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

#### BRAND ESTABLISHMENT

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

#### SECRETARIAL AUDIT

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

## **CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES**

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

## **DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 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. Shiv Nandan 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.

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## **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, 2013, 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 : August 29, 2013



## **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 2013, 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 Rs.3,552,013,171/- as at 31 March 2013, total revenues of Rs.594,443,333/- and total cash flows amounting to Rs.43,210,792/- 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 2013;
- (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 30, 2013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013**

PARTICULARS	Note No.	As on 31-03-2013 AMOUNT (₹)	As on 31-03-2012 AMOUNT (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	1,259,553,100	1,029,553,100
(b) Advance Preferential Share Warrants		100,000,000	283,100,000
(c) Reserves and Surplus	2	4,199,162,393	4,332,531,260
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	4,234,205	5,813,730
(b) Deferred tax liabilities (Net)		-	-
(c) Long-term provisions	4	3,156,700	5,178,432
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	145,589,609	21,867,455
(b) Trade payables		129,667,001	129,693,131
(c) Other current liabilities	6	28,832,511	10,959,754
(d) Short-term provisions	7	3,988,852	2,984,060
<b>Total</b>		<b>5,874,184,369</b>	<b>5,821,680,922</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	267,583,702	291,311,221
(ii) Intangible assets	9	2,789,092,783	2,826,944,399
(iii) Capital work-in-progress -Tangible		48,412,698	7,992,348
(iv) Capital work-in-progress - Intangible		247,428,571	232,734,800
(b) Non-current investments	10	704,775,900	732,389,800
(c) Deferred tax assets (net)		6,742,936	455,301
(d) Long term loans and advances	11	4,775,080	3,932,580
(e) Preliminary & other Misc Expenses	12	539,746,316	617,315,421
<b>(2) Current assets</b>			
(a) Work-in -Process	13	37,317,166	18,912,384
(b) Trade receivables	14	374,593,707	633,517,071
(c) Cash and cash equivalents	15	371,952,061	355,727,893
(d) Short-term loans and advances	16	431,169,026	65,472,400
(e) Other current assets	17	50,594,423	34,975,305
<b>Total</b>		<b>5,874,184,369</b>	<b>5,821,680,922</b>

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

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

Sd/-  
**Dalip Kumar**  
Managing Director

Sd/-  
**S.N. Sharma**  
Director

Place : New Delhi  
Date : May 30, 2013

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

Sd/-  
**Gagan Kaushik**  
Company Secretary

**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE  
YEAR ENDED 31ST MARCH 2013**

PARTICULARS	Note No.	As on 31-03-2013 AMOUNT (₹)	As on 31-03-2012 AMOUNT (₹)
<b>GROSS REVENUE</b>			
<b>I. Revenue from operations</b>	18	1,169,073,976	2,140,223,332
<b>II. Other Income</b>	19	44,257,204	39,085,362
<b>III. Total Revenue (I +II)</b>		<u>1,213,331,180</u>	<u>2,179,308,694</u>
<b>IV. EXPENSES</b>			
Employee benefit expense	20	1,068,868,646	1,610,382,062
Financial costs	21	10,610,144	4,665,833
Depreciation and amortization expense		377,244,888	362,081,231
Other expenses	22	133,780,329	192,053,476
<b>Total Expenses</b>		<u>1,590,504,008</u>	<u>2,169,182,602</u>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		(377,172,828)	10,126,092
<b>VI. Exceptional Items (Prior period)</b>		392640	(56146)
<b>VII. Profit before tax (V - VI)</b>		<u>(377,565,468)</u>	<u>10,182,238</u>
<b>VIII. Tax expense:</b>			
(1) Current tax		2,372,000	1,550,000
(2) Deferred tax		(6330114)	(7069344)
(3) Income Tax paid		-	-
<b>IX. Profit/(Loss) from the period from continuing operations (VII - VIII)</b>		<u>(373,607,354)</u>	<u>15,701,582</u>
<b>X. Earning per equity share:</b>			
(1) Basic		-0.35	0.01
(2) Diluted		-0.25	0.01

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

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

Sd/-  
**Dalip Kumar**  
Managing Director

Sd/-  
**S.N. Sharma**  
Director

Place : New Delhi  
Date : May 30, 2013

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

Sd/-  
**Gagan Kaushik**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED  
31st MARCH, 2013**

PARTICULARS	Year Ended 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	(373607354)	15701582
<b>Adjustments For :</b>		
Deferred Tax Provision	(6330114)	(7069344)
Provision for income tax	2372000	1550000
Depreciation and Amortization	377244888	362081231
GDR/Deferred Business Development Expenses W/o	79588535	85675265
Prior Period Expenditure	392640	(56146)
Finance Charges	10610144	4665833
<b>Cash from Operations before Working Capital Changes</b>	<b>90270739</b>	<b>462548421</b>
<b>Adjustments for changes in Working Capital:</b>		
Sales of Assests Net	3534774	
(Increase)/Decrease in Work-in-Process	(18404782)	(7040600)
(Increase)/Decrease in Trade Receivables	259510115	117648296
(Increase)/Decrease in Loans and Advances	(366539126)	587418901
(Increase)/Decrease in Other Current Assets	(7197984)	(7837108)
Increase/(Decrease) in Trade Payables	13985378	(62738066)
Increase/(Decrease) in Current Liabilities	(4178782)	595207
Increase/(Decrease) in Provisions	(2148940)	428804
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (1)</b>	<b>(31,168,608)</b>	<b>1,091,023,855</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and change in Capital Work-In-Progress	373,747,667	603,416,879
(Increase)/Decrease in Investments	(27,113,900)	612,240,000
(Increase)/Decrease in Capital Enhancement Exp	2,000,000	-
<b>NET CASH FROM IN INVESTING ACTIVITIES (2)</b>	<b>348,633,767</b>	<b>1,215,656,879</b>

PARTICULARS	Year Ended 31.03.2013 ( <sup>₹</sup> )	Year Ended 31.03.2012 ( <sup>₹</sup> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from Issue of Share Capital	230,000,000	-
Advance pursuant to Pref. Share Warrant	5000000	95000000
Proceed from Long Term Borrowings	121989134	(40047025)
Increase in Foreign Currency transaction Reserve	46549260	122871494
Repayment of Long Term Borrowings	153493	309471
Income Tax Paid	(1562638)	(17335386)
Prior Perod Expenditure	(392640)	56146
Finance Charges	(10610145)	(4665833)
<b>NET CASH USED IN FINANCING ACTIVITIES (3)</b>	<b>391,126,464</b>	<b>156,188,867</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b>11,324,089</b>	<b>31,555,843</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>355,727,892</b>	<b>324,172,050</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS -NEWLY SUSY.</b>	<b>4,900,080</b>	<b>-</b>
<b>CLOSING BALANCE OF CASH EQUIVALENTS</b>	<b>371,952,061</b>	<b>355,727,892</b>

**Notes :**

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

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

Place : New Delhi  
Date : May 30, 2013

**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, 2013**

	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>1. SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
Authorised Share capital		
185,00,00,000 Equity Shares of Rs. 1/- each	1,850,000,000	1,500,000,000
	<u>1,850,000,000</u>	<u>1,500,000,000</u>
<b>A. Issued, subscribed &amp; fully paid share capital</b>		
1,259,553,100 EQUITY SHARES OF Rs 1/- EACH	1,259,553,100	1,029,553,100
[Out of the above 30,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99]		
[Out of the above 35,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 35,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 200,00,000 shares of Rs. 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]		
[Out of the above 10,00,00,000 shares of Rs. 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09]		
[Out of the above 26,47,76,550 shares of Rs. 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10]		
[Out of the above 23,00,00,000 shares of Rs. 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]		
<b>Total</b>	<u><u>1,259,553,100</u></u>	<u><u>1,029,553,100</u></u>
<b>B. Shareholders holding more than 5% of the Ordinary Shares in the Company</b>		
	<u>2012-2013</u>	<u>2011-2012</u>
	<u>(No. of Shares)</u>	<u>(No. of Shares)</u>
	<u>%</u>	<u>%</u>
Mr. Dalip Kumar	185,790,060	135,790,060
	14.75	13.19
<b>C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five</b>		
<b>PARTICULARS</b>	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
Bonus Shares issued in the FY 2009-2010	26,47,76,550	26,47,76,550

PARTICULARS	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>2 RESERVES AND SURPLUS</b>		
Surplus in Statement of Profit & Loss		
At the beginning of the Year	1,469,162,066	1,456,608,711
Add: opening Surplus fund-newly acquired subty. as of 1st Oct. 2012	5,601,864	-
Profit & loss account for the year	(373,607,354)	15,701,582
Less: Transfer to General Reserve	-	(3,212,841)
Add: Excess Provision Made Last Year	<u>(12,638)</u>	<u>64,614.00</u>
	1,101,143,939	1,469,162,066
Capital Reserves	188,103,250	3,250
<b>Share Premium Account</b>	2,509,944,010	2,509,944,010
<b>General Reserve</b>		
At the beginning of the Year	325,789,411	322,576,571
Add : Transferred during the Year	<u>-</u>	<u>3,212,841</u>
	325,789,411	325,789,411
Foreign Currency Translation Reserve	<u>74,181,783</u>	<u>27632523</u>
<b>Total</b>	<b><u><u>4,199,162,393</u></u></b>	<b><u><u>4,332,531,260</u></u></b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
ICICI Bank Ltd. - (hypothecated against vehicle)	135,365	521,583
NOIDA AUTHORITY - (pledged against first charge over Land situated at 1A, Sector-73, Noida)	1,513,466	2,860,266
<b>Unsecured</b>		
Loans From Directors & Others*	<u>2,585,374</u>	<u>2,431,881</u>
<b>Total</b>	<b><u><u>4,234,205</u></u></b>	<b><u><u>5,813,730</u></u></b>
*represents non-interest bearing borrowings		
<b>4 LONG-TERM PROVISIONS</b>		
Provisions for employee benefits		
Retirement benefits	<u>3,156,700</u>	<u>5,178,432</u>
<b>Total</b>	<b><u><u>3,156,700</u></u></b>	<b><u><u>5,178,432</u></u></b>

PARTICULARS	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>5 SHORT-TEMS BORROWINGS</b>		
Secured		
Canara Bank-Working capital ( <i>Secured against Land &amp; Building situated at EHTP Gurgaon, Export Receivables and NOIDA land &amp; building and Plant &amp; Machineries at NOIDA and personal guarantee of the Directors</i> )	56,881,072	21,541,556
HDFC Bank OD Account - (Secured against fixed deposit)	88,708,537	325,899
<b>Total</b>	<b>145,589,609</b>	<b>21,867,455</b>
<b>6. OTHER CURRENT LIABILITIES</b>		
Other payables	28,832,511	10,959,754
<b>Total</b>	<b>28,832,511</b>	<b>10,959,754</b>
<b>7 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	1,306,852	1,434,060
Others	2,682,000	1,550,000
<b>Total</b>	<b>3,988,852</b>	<b>2,984,060</b>



### 8. Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK						
	As at April 1, 2012	As at New Subs.	ADDITIONS	Deductions	As at March 31, 2013	Upto March 31, 2012	New Subs.	For the Year	Deductions	As at March 31, 2013	As at April 1, 2012	Additions- New Subs.	As at March 31, 2013
Land													
Freehold	113,796,882	-	4,048,941	-	117,835,823	-	-	-	-	-	113,786,882	-	117,835,823
Buildings	83,465,243	-	-	-	83,465,243	19,489,979	-	3,198,763	-	22,666,742	63,975,264	-	60,776,501
Furniture, fixtures and office equipment:													
Furniture & Fixtures (see note 1)	26,673,517	133,900	2,691,468	-	29,498,885	17,710,433	36,035	1,908,771.00	-	19,655,239	8,963,084	97,865	9,843,646
Office Equipment	42,586,806		1,217,445	-	43,804,251	23,285,609		2,798,043	-	26,083,652	19,301,197		17,720,599
Vehicles	3,853,675		-	-	3,853,675	2,392,072		378,409	-	2,770,481	1,461,603		1,083,194
Computers	609,046,037	761,600	18,193,467	7,301,505	620,699,599	525,222,846	292,485	38,627,061	3,766,731	560,375,661	83,823,191	469,115	60,323,938
<b>Total (Tangible)</b>	<b>879,412,160</b>	<b>895,500</b>	<b>26,151,321</b>	<b>7,301,505</b>	<b>899,157,476</b>	<b>588,100,939</b>	<b>328,520</b>	<b>46,911,047</b>	<b>3,766,731</b>	<b>631,573,775</b>	<b>291,311,221</b>	<b>566,980</b>	<b>267,583,701</b>
Capital WIP (Tangible)	7,992,348		40,420,350.00	-	48,412,698	-	-	-	-	-	7,992,348	-	48,412,698

### 9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK						
	As at April 1, 2012	As at New Subs.	ADDITIONS	Deductions	As at March 31, 2013	Upto March 31, 2012	New Subs.	For the Year	Deductions	As at March 31, 2013	As at April 1, 2012	Additions- New Subs.	As at March 31, 2013
Software & IPR	3,253,069,759	-	292,482,225	-	3,545,551,984	426,125,360	-	330,333,841	-	756,459,201	2,826,944,399	-	2,789,092,763
<b>Total (Intangible)</b>	<b>3,253,069,759</b>	<b>-</b>	<b>292,482,225</b>	<b>-</b>	<b>3,545,551,984</b>	<b>426,125,360</b>	<b>-</b>	<b>330,333,841</b>	<b>-</b>	<b>756,459,201</b>	<b>2,826,944,399</b>	<b>-</b>	<b>2,789,092,763</b>
Capital WIP (Intangible)	232,734,800		14,693,771	-	247,428,571	-	-	-	-	-	232,734,800	-	247,428,571

PARTICULARS	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>10 NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments-Non Traded Unquoted		
<b>In Associates</b>		
<i>M/s.Enstaserv eServices Ltd 9980 Equity shares of Rs.10/- each fully paidup.</i>	99,800	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid</i>	50,000	50,000
<b>Others</b>		
<i>M/s. Pumarth Prperties &amp; Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215</i>	90,000,000	90,000,000
<i>M/s Indian Durobuild Private Limited, 250000 Equity Sharesof Rs. 10 each fully paid up</i>	2,500,000	10,000,000
<i>M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid up</i>	0	10,000,000
<i>M/s Maksad Buildcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid</i>	0	10,000,000
<i>M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of Rs.1700/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1690</i>	612,000,000	612,000,000
<i>Goodwill Insync Business Solutions Limited*</i>	126,100	240,000
<b>Total</b>	<b><u>704,775,900</u></b>	<b><u>732,389,800</u></b>
<b>*Note:</b> Represents the amount paid over and above NAV paid by FCS Software Solutions Limited commensurate with the AS-23 issued by ICAI.		
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Security Deposits	4,769,860	3,927,360
Excise Deposits (PLA)	5,220	5,220
<b>Total</b>	<b><u>4,775,080</u></b>	<b><u>3,932,580</u></b>
<b>12 PRELIMINARY &amp; OTHER MISC EXPENSES</b>		
Deferred Business Development Exp	608,040,880	690,444,025
Preliminary Exp	19,430	-
GDR Expenses	11,274,541	12,546,661
<b>Sub total</b>	<b>619,334,851</b>	<b>702,990,686</b>
Less: Deferred Business Development Exp W/o	76,011,558	82,403,145
Less: Preliminary Exp W/o	4,857	
Less: GDR Expenses W/o	3,572,120	3,272,120
<b>Total</b>	<b><u>539,746,316</u></b>	<b><u>617,315,421</u></b>

PARTICULARS	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>13 INVENTORIES</b>		
Work-in-Process	37,317,166	18,912,384
<b>TOTAL</b>	<b>37,317,166</b>	<b>18,912,384</b>
<b>14 TRADE RECEIVABLES</b>		
Unsecured		
Sundry Debtors	374,593,707	633,517,071
<b>Total</b>	<b>374,593,707</b>	<b>633,517,071</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	223,179,847	125,926,211
Cash on hand	1,503,473	407,684
Others	147,268,741	229,393,998
<b>Total</b>	<b>371,952,061</b>	<b>355,727,893</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Other Loans and Advances (Employees, unexpired expenses etc.)	5,191,989	65,472,400
Advance to Suppliers	72,802,122	-
Advances to others	353,174,915	-
<b>Total</b>	<b>431,169,026</b>	<b>65,472,400</b>
<b>17 OTHER CURRENT ASSETS</b>		
Interest Accrued on Fixed Deposit	7,740,400	16,779,518
With Statutory Authorities (Includes earlier years)	41,891,057	17,628,226
CENVAT Credits	962,965	567,561
<b>Total</b>	<b>50,594,423</b>	<b>34,975,305</b>

PARTICULARS	2012-2013 ( <sup>^</sup> )	2011-2012 ( <sup>^</sup> )
<b>18 REVENUE FROM OPERATIONS (FOR COMPANIES OTHER THAN A FINANCE COMPANY)</b>		
Revenue from - Software Development & Other Services	1,150,669,194	2,133,182,732
- Decrease/Increase in Work-in -Process	18,404,782	7,040,600
<b>Total</b>	<b>1,169,073,976</b>	<b>2,140,223,332</b>
<b>19 OTHER INCOME</b>		
Interest income	31,450,149	21,604,098
Applicable net gain foreign currency transactions	3,385,475	6,007,650
Profit on sales of Assets	2,656,626	
Rent Income	6,700,915	10,717,195
Amount Written Back	64,038	756,419
<b>Total</b>	<b>44,257,204</b>	<b>39,085,362</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, Bonus & Subcontracting exp	1,031,561,000	1,602,232,508
Contribution to provident and other funds	2,710,652	2,362,296
Software Consultancy Charges	29,430,128	1,542,064
Staff welfare expenses	5,166,866	4,245,194
<b>Total</b>	<b>1,068,868,646</b>	<b>1,610,382,062</b>
<b>21 FINANCE COSTS</b>		
Interest expenses	10,610,144	4,665,833
<b>Total</b>	<b>10,610,144</b>	<b>4,665,833</b>

<b>PARTICULARS</b>	<b>2012-2013</b>	<b>2011-2012</b>
	(₹)	(₹)
<b>22 OTHER EXPENSES</b>		
Salaries & Staff Benefits	25,974,466	35,012,624
Advertisement Expenses	98,200	100,706
Bank Charges/Interest	1,511,007	1,713,534
Business Promotion	-	177,811
Travelling & Conveyance	17,494,847	26,102,202
Power & Fuel	10,734,665	9,322,423
Computer Consumables	71,935	90,230
Brokerage Exp	-	262,350
Telephone, Postage & Telegraph	31,533,513	44,095,834
Rent	3,218,403	2,846,547
Legal & Professional charges	13,389,922	7,027,087
Insurance Charges	1,910,743	2,109,175
Meeting Fees	120,000	120,000
Auditor's Remuneration		
- Audit Fees	659,860	603,591
- Tax Audit Fee	111,490	106,516
Printing & Stationary	3,331,587	3,411,296
Repair And Maintenance	13,696,302	13,493,340
Security Charges	1,519,056	1,272,854
Service Charges	691,873	222,500
Membership & Subscription	-	24,804,354
Rates & Taxes	1,515,741	718,179
Filing Fee/ Other Roc Expenses	1,512	5,000
News Papers, Books & Periodicals	35,856	17,152
Office Maintenance	2,140,037	3,020,009
GDR Expenses W/o	1,649,277	1,644,420
Amount Written Off	418	1,483,487
Capital Enhancement W/O	1,927,700	1,627,700
Bad & Doubtful Debts	441,919	10,642,558
<b>Total</b>	<b>133,780,329</b>	<b>192,053,476</b>

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

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

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

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

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

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

### **23.2. Revenue recognition.**

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on development of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. However, those expenses on which revenue had not recognized was considered as work in process as per para 23.6.

### **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 are 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 details below:-

PARTICULARS	2012-2013 ( ` )	2011-2012 ( ` )
<b>NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments-Non Traded Unquoted		
<b>In Associates</b>		
<i>M/s.Enstaserv eServices Ltd 9980 Equity shares of ` 10/- each fully paidup.</i>	<b>99,800</b>	99,800
<i>M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of ` 10/- fully paid</i>	<b>50,000</b>	50,000
<b>Others</b>		
<i>M/s. Pumarth Properties &amp; Holdings Private 400000 equity shares @ ` 10 each at premium of ` 215</i>	<b>90,000,000</b>	90,000,000
<i>M/s Indian Durobuild Private Limited 250000 Equity Shares of ` 10 each fully paid up</i>	<b>2,500,000</b>	10,000,000
<i>M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of ` 100 each fully paid up</i>	-	10,000,000
<i>M/s Maksad Buildcon Private Limited 100000 Equity Shares of ` 100 each fully paid</i>	-	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>	<b>612,000,000</b>	612,000,000
<i>Good will Insync Business Solutions Limited*</i>	<b>1,26,100</b>	240,000
<b>Total</b>	<b>704,775,900</b>	<b>732,389,800</b>

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

### 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 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
Profit After taxation available to equity shareholders ( ` )	(373,607,354)	1,56,80,807
Weighted average number of equity shares used in Calculating basic earnings per share	1065056509	1,029,553,100
Add: Effect of diluted issue of shares	400000000	230,000,000
		18,00,00,000
Weighted average number of equity shares used in Calculating diluted earnings per share	1465056509	1305902223
Face Value of Shares ( ` )	Rs. 1/-	Rs. 1/-
Basic earnings per share ( ` )	(0.35)	0.01
Diluted earnings per share ( ` )	(0.25)	0.01

### 23.11. Income Tax

- a. 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.
- b. In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of Rs. 6,330,114/- for the year ended 31st March ,2013, has been provided and the post tax profit has accordingly increased.

	Year Ended 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>Deferred Tax Liability/Assets</b>		
(1) Depreciation	44,73,636	(10,09,904)
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
- For Gratuity	5,66,324	3,59,830
- Leave Encashment	17,45,455	11,05,375
<b>Deferred Tax (Liability)/Assets (Net) (see note-1)</b>	<b>67,85,415</b>	<b>4,55,301</b>

Note-1: Figures for computing deferred tax has been considered from the date since the date when Insync Business Solution Limited becomes subsidiary of FCS Software Solutions Limited.

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 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>A. Managing Director</b>		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
<b>B. Executive Directors</b>		
Salary and perquisites	2,457,000	1,023,750
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
<b>C. Non Executive Directors</b>		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
Sitting Fee	120,000	120,000
	<b>2,577,000</b>	<b>1,143,750</b>

**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 2013 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 2013**

(Amount in Lacs)

Description	India	UAE	USA	Total
Revenue from external customers	1168.725	3974.140	6363.827	11506.692
Expenses	498.111	7680.865	6098.112	14277.088
Segment Result	670.61	(3706.73)	265.71	(2770.40)
Unallocated Expenses				1337.80
Operating Profit Before Taxation				(4108.20)
Other Income				442.57
Finance Charges				106.10
Profit Before Tax & Prior Period Adj.				(3771.73)
Prior Period Adjustment (Income)/ Expenses				3.93
Provision for Taxation				23.72
Provision for Deferred Tax				(63.30)
<b>Net Profit After Tax</b>				<b>(3736.07)</b>

**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 Adjustment (Income)/ Expenses				(0.56)
Provision for Taxation				15.50
Provision for Deferred Tax				(70.69)
<b>Net Profit After Tax</b>				<b>157.02</b>

**23.18. Related Party Transactions:**

**A. Other related parties:**

**Provision of Services:**

- Readystate Infrastructure Private Limited 110,336,734 NIL

**Loans & Advances:**

- Lord Budha Educational Society 294,450,436 37,500,000

**23.19. Material Events.**

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

**24. Notes on accounts.**

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

**24.1. Contingent liabilities**

The company has no letters of credit outstanding issued to various vendors as at March 31, 2013.

**24.2 Payment to Auditors.**

	Current Year	Previous Year
Audit Fee	6,59,860	6,03,591
Tax Audit Fee	1,11,490	1,06,516
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 `)

	31.03.2013	31.03.2012
Capital Goods	Nil	Nil
Software Packages	Nil	Nil

**24.5 Expenditure in Foreign Currency.**

	31.03.2013	31.03.2012
<b>Expenditure incurred overseas:</b>		
- By USA	482,244,867	885,456,931
- By UAE	448,601,531	945,706,655
- By India Office	43,555,128	Nil

**24.6. Earning in foreign exchange**

	31.03.2013	31.03.2012
Income from software development services and products	1,033,796,643	2,042,679,151

As per our separate 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 30, 2013

**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

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

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

## **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 2013, 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 principles 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 2013, 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, 2013;
    - 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 : 30/05/2013

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, 2013. 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 ongoing projects were valued as work in process, to the extent expenses incurred thereon.
4. (a) The company has not taken any unsecured loan during the period from Company, Firm and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.  
(b) As informed to us the Company had not granted any other loan, secured or unsecured to other companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal controls.
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 : 30/05/2013

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

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

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

**BALANCE SHEET AS AT 31ST MARCH 2013**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As on 31-03-2013 AMOUNT (₹)</b>	<b>As on 31-03-2012 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	1,259,553,100	1,029,553,100
(b) Advance Preferential Share Warrants		100,000,000	283,100,000
(c) Reserves and Surplus	2	4,164,009,074	3,943,386,881
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	2,074,487	3,782,227
(b) Deferred tax liabilities (Net)		-	-
(c) Long-term provisions	4	3,156,700	5,178,432
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	145,589,609	21,867,455
(b) Trade payables		21,613,020	49,285,386
(c) Other current liabilities	6	21,874,584	10,959,754
(d) Short-term provisions	7	2,039,957	2,984,060
<b>Total</b>		<b><u>5,719,910,530</u></b>	<b><u>5,350,097,295</u></b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	267,138,895	291,311,221
(ii) Intangible assets	9	-	-
(iii) Capital work-in-progress -Tangible		48,412,698	7,992,348
(iv) Capital work-in-progress - Intangible		247,428,571	232,734,800
(b) Non-current investments	10	4,083,326,982	4,110,440,559
(c) Deferred tax assets (net)		6,683,550	455,301
(d) Long term loans and advances	11	4,760,080	3,932,580
(e) Preliminary & other Misc Expenses	12	7,702,421	9,274,541
<b>(2) Current assets</b>			
(a) Work-in -Process	13	37,317,166	18,912,384
(b) Trade receivables	14	215,271,949	236,704,556
(c) Cash and cash equivalents	15	328,741,269	337,950,339
(d) Short-term loans and advances	16	431,069,198	65,413,362
(e) Other current assets	17	42,057,751	34,975,305
<b>Total</b>		<b><u>5,719,910,530</u></b>	<b><u>5,350,097,295</u></b>

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

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

Place : New Delhi  
Date : May 30, 2013

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 2013**

PARTICULARS	Note No.	As on 31-03-2013 AMOUNT ( ` )	As on 31-03-2012 AMOUNT ( ` )
<b>I. Revenue from operations</b>	18	574,630,643	987,297,401
<b>II. Other Income</b>	19	45,814,051	39,085,362
<b>III. Total Revenue (I +II)</b>		<b>620,444,694</b>	<b>1,026,382,763</b>
<b>IV. EXPENSES</b>			
Employees benefit expenses	20	457,567,663	821,086,629
Financial costs	21	10,610,144	4,665,833
Depreciation and amortization expense		46,788,873	62,423,291
Other expenses	22	103,350,835	156,684,921
<b>Total Expenses</b>		<b>618,317,515</b>	<b>1,044,860,674</b>
<b>V. Profit(Loss) before exceptional and extraordinary items and tax (III - IV)</b>		2127179	(18,477,911)
<b>VI. Exceptional Items (Prior period)</b>		392640	(56146)
<b>VII. Profit before tax (V - VI)</b>		<b>1,734,539</b>	<b>(18,421,765)</b>
<b>VIII Tax expense:</b>			
Current tax		1,025,000	1,550,000
Deferred tax		(6228249)	(7069344)
<b>IX. Profit/(Loss) from the peroid from continuing operations (VII - VIII)</b>		<b>6937788</b>	<b>(12,902,421)</b>
<b>X. Earning per equity share:</b>			
(1) Basic		0.006	(0.01)
(2) Diluted		0.005	(0.01)

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

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

Place : New Delhi  
Date : May 30, 2013

**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,2013

PARTICULARS	Year Ended 31.03.2013 AMOUNT ( ` )	Year Ended 31.03.2012 AMOUNT ( ` )
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	6,937,788	(12,902,421)
<b>Adjustments For :</b>		
Deferred Tax Provision	(6,228,249)	(7,069,344)
Provision for income tax	1,025,000	1,550,000
Depriciation and Amortization	46,788,873	62,423,291
GDR/Deferred Business Development Expenses W/o	3,572,120	3,272,120
Prior Perod Expenditure	392,640	(56,146)
Finance Charges	10,610,144	4,665,833
<b>Cash from Operations before Working Capital Changes</b>	<b>63,098,316</b>	<b>51,883,333</b>
<b>Adjustments for changes in Working Capital:</b>		
Sales of Assesets Net	3,534,774	-
(Increase)/Decrease in Work-in-Process	(18,404,782)	(7,040,600)
(Increase)/Decrease in Trade Receivables	21,432,606	77,891,917
(Increase)/Decrease in Loans and Advances	(366,483,336)	587,103,370
(Increase)/Decrease in Other Current Assets	(7,082,447)	(7,837,108)
Increase/(Decrease) in Trade Payables	(27,672,366)	5,458,442
Increase/(Decrease) in Current Liabilities	10,914,830	595,207
Increase/(Decrease) in Provisions	(2,440,835)	428,804
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (1)</b>	<b>(323,103,240)</b>	<b>708,483,365</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and change in Capital Work-In-Progress	81,265,442	119,213,059
(Increase)/Decrease in Investments	(27,113,577)	698,109,183
(Increase)/Decrease in Capital Enhancement Exp	2,000,000	-
(Increase)/Decrease in Defferred Business Development Exp	-	-
<b>NET CASH FROM IN INVESTING ACTIVITIES (2)</b>	<b>56,151,865</b>	<b>817,322,242</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Proceed from Issue of Share Capital	230,000,000.00	-
Proceed from Issue of Share Premium	-	-
Advance pursuant to Pref. Share Warrant	5,000,000.00	95,000,000
Proceed from Long Term Borrowings	121,989,135.00	(40,047,025)
Increase in Foreign Currency transaction Reserve	25,597,044.00	133,196,146
Repayment of Long Term Borrowings	25,279.00	50,948
Income Tax Paid	(1,562,638.00)	(17,335,387)
Prior Period Expenditure	(392,640.00)	56,146
Finance Charges	(10,610,144.19)	(4,665,833)
<b>NET CASH USED IN FINANCING ACTIVITIES (3)</b>	<b>370,046,036</b>	<b>166,254,995</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b>(9,209,069)</b>	<b>57,416,118</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>337,950,338.00</b>	<b>280,534,221</b>
<b>CLOSING BALANCE OF CASH EQUIVALENTS</b>	<b>328,741,269.00</b>	<b>337,950,338</b>

### Notes :

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

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

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

Place : New Delhi  
Date : May 30, 2013

**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, 2013**

PARTICULARS	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>1. SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
Authorised Share capital		
185,00,00,000 Equity Shares of ₹ 1/- each	185,00,00,000	1,500,000,000
	<u>185,00,00,000</u>	<u>1,500,000,000</u>
<b>A. Issued, subscribed &amp; fully paid share capital</b>		
125,95,53,100 EQUITY SHARES OF Rs 1/- EACH	1,259,553,100	1,029,553,100
[Out of the above 30,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 29.9.99]		
[Out of the above 35,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 35,00,000 shares of Rs. 10/- each have been issued as bonus shares by capitalisation of general reserve dt. 20.4.00]		
[Out of the above 200,00,000 shares of Rs. 1/- each have been issued as conversion of preferential warrents dt. 13.11.09]		
[Out of the above 10,00,00,000 shares of Rs. 1/- each have been issued as GDR 5000,000 (1 GDR equal of 20 equity Shares) dt. 02.12.09]		
[Out of the above 26,47,76,550 shares of Rs. 1/- each have been issued as bonus shares by capitalisation of general reserve dt. 02.03.10]		
[Out of the above 23,00,00,000 shares of Rs. 1/- each have been issued upon conversion of preferential warrents dt. 13.02.2013]		
<b>Total</b>	<u><u>1,259,553,100</u></u>	<u><u>1,029,553,100</u></u>
<b>B. Shareholders holding more than 5% of the Ordinary Shares in the Company</b>		
	<b>2012-2013</b>	<b>2011-2012</b>
	(No. of Shares)	(No. of Shares)
	%	%
Mr. Dalip Kumar	185,790,060	135,790,060
	14.75	13.19
<b>C. Bonus Shares allotted as fully paidup Bonus Shares for the period of five immediately preceding Years</b>		
<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (₹)</b>	<b>2011-2012 AMOUNT (₹)</b>
Bonus Shares issued in the FY 2009-2010	26,47,76,550	26,47,76,550

PARTICULARS	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>2 RESERVES AND SURPLUS</b>		
Surplus in Statement of Profit & Loss		
At the beginning of the Year	1,091,055,958	1,101,028,249
Profit & loss account for the year	6,937,788 (12,902,421)	
Less: Transfer to General Reserve	-	-
Add: Excess Provision Made Last Year (12,638)		64,614
Add: Employee Stock option	- 1,097,981,107	2,865,516
MAT Credit Entitlement	-	-
Capital Reserves	188,103,250	3,250
<b>Share Premium Account</b>	2,509,944,010	2,509,944,010
<b>General Reserve</b>		
At the beginning of the Year	290,430,982	290,430,982
Add : Transferred during the Year	- 290,430,982	- 290,430,982
Foreign Currency Translation Reserve	77,549,725	51,952,681
<b>Total</b>	<b>4,164,009,074</b>	<b>3,943,386,881</b>
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
ICICI Bank Ltd. - (hypothecated against vehicle)	135,365	521,583
NOIDA AUTHORITY - (pledged against first charge over Land situated at 1A, Sector-73, Noida)	1,513,466	2,860,266
<b>Unsecured</b>		
Loans From Directors & Others*	425,656	400,378
<b>Total</b>	<b>2,074,487</b>	<b>3,782,227</b>
*represents non-interest bearing borrowings		
<b>4 LONG-TERM PROVISIONS</b>		
Provisions for employee benefits		
Retirement benefits	3,156,700	5,178,432
<b>Total</b>	<b>3,156,700</b>	<b>5,178,432</b>

PARTICULARS	2012-2013 ( <sup>₹</sup> )	2011-2012 ( <sup>₹</sup> )
<b>5 SHORT-TERMS BORROWINGS</b>		
Secured		
<i>Canara Bank-Working capital (Secured against Land &amp; Building situated at EHTP Gurgaon, Export Receivables and NOIDA land &amp; building and Plant &amp; Machineries at NOIDA and personal guarantee of the Directors)</i>	56,881,072	21,541,556
HDFC Bank OD Account - (Secured against fixed deposit)	88,708,536	325,899
<b>Total</b>	<b>145,589,609</b>	<b>21,867,455</b>
<b>6 OTHER CURRENT LIABILITIES</b>		
Other payables	21,284,669 589,915	10,959,754
<b>Total</b>	<b>21,874,584</b>	<b>10,959,754</b>
<b>7 SHORT-TERM PROVISIONS</b>		
Provision for employee benefits	1,014,957	1,434,060
Others	1,025,000	1,550,000
<b>Total</b>	<b>2,039,957</b>	<b>2,984,060</b>

### 8. Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2012	ADDITIONS	Deductions	As at March 31, 2013	Upto March 31, 2012	For the. Year	Deductions	As at March 31, 2013	As at April 1, 2012	As at March 31, 2013
Land										
Freehold	113,786,882	4,048,941	-	117,835,823	-	-	-	-	113,786,882	117,835,823
Buildings	83,465,243	-	-	83,465,243	19,489,979	3,198,763	-	22,688,742	63,975,264	60,776,501
Furniture, fixtures and office equipment;										
Furniture & Fixtures	26,673,517	2,691,468	-	29,364,985	17,710,433	1,899,009.00	-	19,609,442	8,963,084	9,755,543
Office Equipment	42,586,806	1,217,445	-	43,804,251	23,285,609	2,798,043	-	26,083,652	19,301,197	17,720,599
Vehicles	3,853,675	-	-	3,853,675	2,392,072	378,409	-	2,770,481	1,461,603	1,083,194
Computers	609,046,037	18,193,467	7,301,505	619,937,999	525,222,846	38,514,649	3,766,731	559,970,764	83,823,191	59,967,235
<b>Total (Tangible)</b>	<b>879,412,160</b>	<b>26,151,321</b>	<b>7,301,505</b>	<b>898,261,976</b>	<b>588,100,940</b>	<b>46,788,873</b>	<b>3,766,731</b>	<b>631,123,082</b>	<b>291,311,221</b>	<b>267,138,895</b>
Capital WIP (Tangible)	7,992,348	40,420,350	-	48,412,698	-	-	-	-	7,992,348	48,412,698

### 9. Intangible

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2012	ADDITIONS	Deductions	As at March 31, 2013	Upto March 31, 2012	For the. Year	Deductions	As at March 31, 2013	As at April 1, 2012	As at March 31, 2013
Software & IPR	-	-	-	-	-	-	-	-	-	-
Total (Intangible)										
Capital WIP (Intangible)	232,734,800	14,693,771	-	247,428,571	-	-	-	-	232,734,800	247,428,571

PARTICULARS	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>10 NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments-Non Traded Unquoted		
<b>In Associates</b>		
M/s.Enstaserv eServices Ltd 9980 Equity shares of ₹ 10/- each fully paidup.	99,800	99,800
M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000	50,000
<b>Others</b>		
M/s. Pumarth Prperties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000	90,000,000
M/s Indian Durobuild Private Limited, 250000 Equity Shares of Rs. 10 each fully paid up	2,500,000	10,000,000
M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid up	-	10,000,000
M/s Maksad Buildcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid	-	10,000,000
M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of Rs.1700/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1690	612,000,000	612,000,000
<b>In Subsidiaries</b>		
100000 Equity shares of AED 1/- each fully paidup in 2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE	3,378,045,643	3,378,045,643
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.10/- fully paid*	626,100	240,000
USD 0.01 PAR VALUE OF 10,000 COMMON STOCK In FCS Software Solutions America Ltd.	5,439	5,116
<b>Total</b>	<b>4,083,326,982</b>	<b>4,110,440,559</b>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Unsecured considered good		
Security Deposits	4,754,860	3,927,360
Excise Deposits (PLA)	5,220	5,220
<b>Total</b>	<b>4,760,080</b>	<b>3,932,580</b>

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

PARTICULARS	2012-2013 AMOUNT (')	2011-2012 AMOUNT (')
<b>12 PRELIMINERY &amp; OTHER MISC EXPENSES</b>		
Deferred Business Development Exp		
GDR Expenses	11,274,541	12,546,661
<b>Sub total</b>	11,274,541	12,546,661
Less: GDR Expenses W/o	3,572,120	3,272,120
<b>Total</b>	<b>7,702,421</b>	<b>9,274,541</b>
<b>13 INVENTORIES</b>		
Work-in-Process	37,317,166	18,912,384
<b>Total</b>	<b>37,317,166</b>	<b>18,912,384</b>
<b>14 TRADE RECEIVABLES</b>		
Unsecured Sundry Debtors	215,271,949	236,704,556
<b>Total</b>	<b>215,271,949</b>	<b>236,704,556</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	180,692,591	108,148,657
Cash on hand	779,937	407,684
Deposits Account	147,268,741	229,393,998
<b>Total</b>	<b>328,741,269</b>	<b>337,950,339</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Other Loans and Advances (Employees, unexpired expenses etc.)	5,092,161	65,413,362
Advance to Suppliers	72,802,122	
Advances to others	353,174,915	
<b>Total</b>	<b>431,069,198</b>	<b>65,413,362</b>



<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (₹)</b>	<b>2011-2012 AMOUNT (₹)</b>
<b>17 OTHER CURRENT ASSETS</b>		
Interest Accrued on Deposits	7,737,247	16,779,518
With Statutory Authorities (Includes earlier years)	33,499,704	17,628,226
CENVAT Credits	820,800	567,561
<b>Total</b>	<b>42,057,751</b>	<b>34,975,305</b>
<b>18 REVENUE FROM OPERATIONS</b>		
Revenue from - Software Development & Other Services	556,225,861	980,256,801
- (Decrease)/Increase in Work-in -Process	18,404,782	7,040,600
<b>Total</b>	<b>574,630,643</b>	<b>987,297,401</b>
<b>19 OTHE INCOME</b>		
Interest income	31,446,996	21,604,098
Net gain(Loss) on foreign currency transactions	3,385,475	6,007,650
Profit on sales of Assets	2,656,626	-
Rent Income	8,260,915	10,717,195
Amount Written Back	64,038	756,419
<b>Total</b>	<b>45,814,051</b>	<b>39,085,362</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, Bouns & Subcontracting exp	406,841,181	812,937,075
Contribution to provident and other funds	1,733,544	2,362,296
Software Consultancy Charges	43,930,128	1,542,064
Staff welfare expenses	5,062,810	4,245,194
<b>Total</b>	<b>457,567,663</b>	<b>821,086,629</b>
<b>21 FINANCE COSTS</b>		
Interest expenses	10,610,144	4,665,833
<b>Total</b>	<b>10,610,144</b>	<b>4,665,833</b>

<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (‘)</b>	<b>2011-2012 AMOUNT (‘)</b>
<b>22 OTHER EXPENSES</b>		
Salaries & Staff Benefits (Administrative)	20,828,744	26,535,694
Advertisement Expenses	98,200	100,706
Bank Charges/Interest	1,105,380	1,300,709
Business Promotion	-	177,811
Travelling & Conveyance	12,759,772	20,656,727
Power & Fuel	10,734,665	9,322,423
Computer Consumables	71,935	90,230
Brokerage Exp	-	262,350
Telephone, Postage & Telegraph	18,493,424	33,366,415
Rent	1,076,868	1,025,352
Legal & Professional charges	11,569,260	6,275,934
Insurance Charges	1,887,225	2,073,493
Meeting Fees	120,000	120,000
Auditor’s Remuneration:		
- Audit Fees	631,770	603,591
- Tax Audit Fee	111,490	106,516
Printing & Stationary	3,294,113	3,411,296
Repair And Maintenance	11,288,856	7,396,281
Security Charges	1,519,056	1,272,854
Service Charges	691,873	222,500
Membership, Subscription and Donations	-	24,804,354
Rates & Taxes	1,515,741	718,179
Filing Fee/ Other Roc Expenses	1,512	5,000
News Papers, Books & Periodicals	35,856	17,152
Office Maintenance	1,500,638	1,421,189
GDR Expenses W/o	1,644,420	1,644,420
Excess Accrued interest Written Off	418	1,483,487
Capital Enhancement Written off	1,927,700	1,627,700
Bad & Doubtful Debts written off	441,919	10,642,558
<b>Total</b>	<b>103,350,835</b>	<b>156,684,921</b>

## **23. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

### **23.2. Revenue recognition.**

Revenue from software development services and other projects on a time-and –material basis is recognized based on services rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. However, those expenses on which revenue had not recognized was considered as work in process as per para 23.6.

### **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	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>NON-CURRENT INVESTMENTS (AT COST UNLESS STATED OTHERWISE)</b>		
Investments in Equity instruments-Non Traded Unquoted		
<b>In Associates</b>		
M/s.Enstaserv eServices Ltd 9980 Equity shares of ₹ 10/- each fully paidup.	99,800	99,800
M/s Myzeal IT Solutions Pvt. Ltd. 5000 Equity Shares of Rs.10/- fully paid	50,000	50,000
<b>Others</b>		
M/s. Pumarth Prperties & Holdings Private 400000 equity shares @ Rs. 10 each at premium of Rs 215	90,000,000	90,000,000
M/s Indian Durobuild Private Limited, 250000 Equity Shares of Rs. 10 each fully paid up	2,500,000	10,000,000
M/s Shahi India Buildcomcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid up	-	10,000,000
M/s Maksad Buildcon Private Limited 100000 Equity Shares of Rs. 100 each fully paid	-	10,000,000
M/s Master Talant Eduservices Pvt. Ltd. 360000 Equity Shares of Rs.1700/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1690	612,000,000	612,000,000
<b>In Subsidiaries</b>		
2706 Equity shares of AED 100000/- each fully paidup in M/s.FCS SOFTWARE MIDDLE EAST FZE	3,378,045,643	3,378,045,643
M/s Insync Business Solutions Limited 50000 Equity Shares of Rs.10/- fully paid *	626,100	240,000
USD 0.01 PAR VALUE OF 10,000 COMMON STOCK In FCS Software Solutions America Ltd.	5,439	5,116
	<b><u>4,083,326,982</u></b>	<b><u>4,110,440,559</u></b>

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

### 23.9. Investment in subsidiary

The company has its 100% wholly owned subsidiary FCS Software Solutions America Ltd. U.S.A. & FCS Software Middle East FZE, UAE. The company extended its captive investments of 100% in Insync Business Solutions Limited in October 2012.

### 23.10. Retirement Benefits.

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

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

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

### 23.11. Earning per Share.

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

	Year Ended 31.03.2013 AMOUNT ( ` )	Year Ended 31.03.2012 AMOUNT ( ` )
Profit After taxation available to equity shareholders ( ` )	6,937,788	(12,902,421)
Weighted average number of equity shares used in Calculating basic earning per share	1065056509	1,029,553,100
Add: Effect of diluted issue of shares	400000000	230,000,000
		18,00,00,000
Weighted average number of equity shares used in Calculating diluted earning per share	1465056509	1305902223
Face Value of Shares (Rupees)	Rs. 1/-	Rs. 1/-
Basic earnings per share (Rupees)	0.006	(0.01)
Diluted earnings per share (Rupees)	0.005	(0.01)

### 23.12. Income Tax

- Provision is made for income tax on a yearly basis in pursuance with the provision prescribed under Income Tax Act, 1961 under the tax-payable method, based on the tax liability as computed after taking credit for allowances and exemptions as the case may be.
- In compliance of Accounting Standard-22 on "Accounting for taxes on Income" issued by ICAI, the company has recorded the deferred tax Asset of Rs. 62,28,249/- for the year ended March 31, 2013, has been provided and the post tax profit has accordingly increased

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

	Year Ended 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>Deferred Tax Liability/Assets</b>		
(1) Depreciation	44,61,967	(10,09,904)
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
- For Gratuity	4,91,495	3,59,830
- Leave Encashment	17,30,089	11,05,375
<b>Deferred Tax (Liability)/Assets (Net)</b>	<b>66,83,550</b>	<b>4,55,301</b>

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

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

**23.14. Managerial Remuneration\***

	Year Ended 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>A. Managing Director</b>		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
<b>B. Executive Directors</b>		
Salary and perquisites	2,457,000	1,023,750
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
<b>C. Non Executive Directors</b>		
Salary and perquisites	Nil	Nil
Contribution to Provident Fund and other funds	Nil	Nil
Commission	Nil	Nil
Sitting Fee	120,000	120,000
	<b>2,577,000</b>	<b>1,143,750</b>

**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 2013 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:

<b>For the Year Ended 31st March 2013</b>		(Amount in Lacs)		
<b>Description</b>	<b>India</b>	<b>USA</b>	<b>Total</b>	
Revenue from external customers	999.34	4,562.91	5,562.26	
Expenses	388.15	4,003.48	4,391.63	
Segment Result	611.20	559.43	1,170.63	
Unallocated Expenses			1,501.40	
Operating Profit Before Taxation			(330.77)	
Other Income			458.14	
Finance Charges			106.10	
Profit Before Tax & Prior Period Adj.			21.27	
Prior Period Adjustment (Income)/ Expenses			(0.79)	
Provision for Taxation			10.25	
Provision for Deferred Tax			(62.28)	
<b>Net Profit After Tax</b>			<b>69.38</b>	
<b>For the Year Ended 31st March 2012</b>		(Amount in Lacs)		
<b>Description</b>	<b>India</b>	<b>USA</b>	<b>Total</b>	
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			10.31	
Provision for Taxation			15.50	
Provision for Deferred Tax (Assets)/Liability			(70.69)	
<b>Net Profit After Tax</b>			<b>(129.02)</b>	

**23.19. Related Party Transactions:**

	31.03.2013	31.03.2012
A. List of Related parties-Where control exists		
Wholly owned subsidiary companies		
Provision of Services:		
- Insync Business Solutions Limited	37,909,000	15,682,598
B. other related parties:		
Receiving of Services:		
- Readystate Infrastructure Private Limited	110,336,734	NIL
Loans & Advances:		
- Lord Budha Educational Society	294,450,436	37,500,000

**23.21. Material Events.**

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

**24. Notes on accounts.**

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

**24.1. Contingent liabilities**

The company has no letters of credit outstanding issued to various vendors as at March 31, 2013.

**24.2. Payment to Auditors.**

	Current Year	Previous Year
Audit Fee	6,31,770	6,03,591
Tax Audit Fee	1,11,490	1,06,516
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 `)

	31.03.2013	31.03.2012
Capital Goods	Nil	Nil
Software Packages	Nil	Nil



**24.5 Expenditure in Foreign Currency.**

	31.03.2013	31.03.2012
<b>Expenditure incurred overseas:</b>		
- Incurred by US Branch	300,806,430	706,841,657
- By India Office	43,555,128	Nil

**24.6. Earning in foreign exchange**

	31.03.2013	31.03.2012
Income from software development services and products including US Branch	456,291,429	889,753,220

**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

Place : New Delhi

Date : May 30, 2013

Sd/-

**Dalip Kumar**

Managing Director

Sd/-

**Anil Sharma**

Chief Financial Officer

Sd/-

**S.N. Sharma**

Director

Sd/-

**Gagan Kaushik**

Company Secretary

## FCS Software Solutions America 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, 2013

No. of shares in the Subsidiary Company 10,000 shares of US\$ 0.01 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 31.3.2013 Nil

b) Not dealt with in the Accounts for the period ended 31.3.2013 US\$ (24,746)  
(Equivalent to ` 1,347,183.00)

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 31.3.12 Nil

b) Not dealt with in the Accounts for the period ended 31.3.12 US\$ (73482.08)  
(Equivalent to ` 3,524,201.00)

#### 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 30, 2013

**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, 2013  
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 31.3.2013 Nil

b) Not dealt with in the Accounts for the period ended 31.3.2013 US\$ (8,439,290)  
Equivalent to ` (381,521,412) and  
AED (30,972,193)

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 31.3.12 Nil

b) Not dealt with in the Accounts for the period ended 31.3.12 US\$ 669,896  
Equivalent to ` 32,128,204 and  
AED 2,458,517

**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 30, 2013

**Insync Business Solutions Limited**

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

**Subsidiary** **Insync Business Solutions Limited**

Financial Year of the Subsidiary March 31, 2013  
Company ended on

No. of shares in the Subsidiary Company 50,000 at Re.10/- 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 of 6 months ended on 31.3.2013 Nil

b) Not dealt with in the Accounts for the period of 6 months ended on 31.3.2013 INR 2,323,454

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 31.3.12 Nil

b) Not dealt with in the Accounts for the period ended 31.3.12 Nil

**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 30, 2013

## DIRECTORS' 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, 2012 to March 31, 2013.

### Director

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

<b>Name</b>	<b>Position</b>
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\$ 3,308,069. The Company made a loss of US \$24746

### 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 thereto.

Event after Balance Sheet Date

There are no significant events to report since the book-close and balance sheet date of March 31, 2013.

### 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's 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**

May 22, 2013

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, 2013 and 2012, 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, 2013. 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, 2013 and 2012, and the result of their operation of their cash flow for each of the two years in the period in the March 31, 2013, in conformity with accounting principles generally accepted in the united state of America.

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

May 22, 2013  
California, USA

**FCS SOFTWARE SOLUTIONS AMERICA LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2013**

**ASSETS**

	Schedule	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in `)	As at Mar 31, 2012 (Amt. in USD)	As at Mar 31, 2012 (Amt in `)
<b>Current Assets</b>					
Cash and Bank Balances	4	598,703	32,563,477	243,065	12,435,222
Sundry Debtors	3	38,584	2,098,584	58,584	2,997,157
Other current assets	5	17,469	950,113	17,865	913,949
<b>Total current assets</b>		<b>654,756</b>	<b>35,612,174</b>	<b>319,514</b>	<b>16,346,328</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**Current liabilities**

Accounts payables	6	1,412,936	76,849,586	1,052,948	53,868,803
Accounts payable- expenses		0	0	0	0
<b>Total current liabilities</b>		<b>1,412,936</b>	<b>76,849,586</b>	<b>1,052,948</b>	<b>53,868,803</b>
Accounts Payable - FCS USA		0	0	0	0
Share Capital	1	100	5,439	100	5,116
Reserves and surplus	2	(758,280)	(41,242,851)	(733,534)	(37,527,591)
<b>Total liabilities and stockholder's equity</b>		<b>654,756</b>	<b>35,612,174</b>	<b>319,514</b>	<b>16,346,328</b>

Significant Accounting Policies  
and Notes to Accounts 9

Sd/-  
**M. Oscar Akbar**  
(CPA)

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

Date : 22nd May, 2013  
Place : California, USA



**FCS SOFTWARE SOLUTIONS AMERICA LIMITED**  
**STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE PERIOD ENDED**  
**31ST MARCH, 2013**

Schedule	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in `)	As at Mar 31, 2012 (Amt. in USD)	As at Mar 31, 2012 (Amt in `)
<b>INCOME</b>				
Software Development Services	3,308,069	180,091,254	3,650,773	175,091,073
<b>TOTAL</b>	<b>3,308,069</b>	<b>180,091,254</b>	<b>3,650,773</b>	<b>175,091,073</b>
<b>EXPENSES</b>				
Software Development, Delivery and Support Expenses	7	3,086,925	168,052,209	3,511,611
Administration, Selling and Other Expenses	8	245,890	13,386,228	212,644
<b>Total Operating Expenses</b>		<b>3,332,815</b>	<b>181,438,437</b>	<b>3,724,255</b>
Operating Profit/ (Loss)		(24,746)	(1,347,183)	(73,482)
Financial Expenses		-	-	-
Income (loss) before income taxes		(24,746)	(1,347,183)	(73,482)
Provision for income taxes		-	-	-
Net Income (loss)		(24,746)	(1,347,183)	(73,482)
Retained earnings, beginning of period		(733,534)	(33,704,209)	(660,052)
Distribution		-	-	-
<b>Retained earnings, end of period</b> <b>&amp; transferred to balance sheet</b>		<b>(758,280)</b>	<b>(35,051,392)</b>	<b>(733,534)</b>

Significant Accounting Policies  
and Notes to Accounts 9

Sd/-  
**M. Oscar Akbar**  
(CPA)

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

Date : 22nd May, 2013  
Place : California, USA

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

	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in `)	As at Mar 31, 2012 (Amt. in USD)	As at Mar 31, 2012 (Amt in `)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit after tax as per Profit & Loss Account	(24,746)	(1,347,183)	(73,482)	(3,524,201)
Adjusted for:				
Deferred Tax Provision	-	-	-	-
Provision for income tax	-	-	-	-
Depreciation/Preliminary Expenses written off	-	-	-	-
Interest Expenses	-	-	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(24,746)</b>	<b>(1,347,183)</b>	<b>(73,482)</b>	<b>(3,524,201)</b>
Adjustment in Operating Profit	-	-	-	-
<b>Adjusted for:</b>				
Trade and Other Receivables	20,000	898,573	158,472	6,694,385
Trade Payable	359,988	22,980,783	(644,543)	(21,924,147)
Loan & Advances	396	(36,164)	7,235	206,744
<b>Net Cash From Operating Activities</b>	<b>355,638</b>	<b>22,496,009</b>	<b>(552,318)</b>	<b>(18,547,219)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital WIP		-		-
Investment in Subsidiary	-	-	-	-
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES:</b>				
Proceed from Issue of Share Capital	-	323	-	651
Proceed from Long Term Borrowings	-	-	-	-
Increase in Foreign Currency transaction Reserve		(2,368,077)		(4,532,078)
Unsecured Loans		-		-
Interest Expenses	-	-	-	-
<b>Net Cash used in Financial Activities</b>	<b>-</b>	<b>(2,367,754)</b>	<b>-</b>	<b>(4,531,427)</b>
Net Increase/ Decrease in Cash and Cash Equivalents	<b>355,638</b>	<b>20,128,255</b>	<b>(552,318)</b>	<b>(23,078,646)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>243,065</b>	<b>12,435,222</b>	<b>795,383</b>	<b>35,513,868</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>598,703</b>	<b>32,563,477</b>	<b>243,065</b>	<b>12,435,222</b>

Sd/-  
**M. Oscar Akbar**  
(CPA)

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

Date : 22nd May, 2013  
Place : California, USA

**SCHEDULE**

	As at Mar 31, 2013 (Amt. in USD)	As at Mar 31, 2013 (Amt. in `)	As at Mar 31, 2012 (Amt. in USD)	As at Mar 31, 2012 (Amt in `)
<b>SCHEDULE 1 : SHARE CAPITAL</b>				
<b>Authorised</b>				
10,000 common stock of par value 0.01 each	100.00	5,439.00	100.00	5,116.00
<b>Issued, subscribed and paid up</b>				
10,000 common stock of par value 0.01 each	100.00	5,439.00	100.00	5,116.00
<b>Total</b>	<b>100.00</b>	<b>5,439.00</b>	<b>100.00</b>	<b>5,116.00</b>
<b>SCHEDULE 2: RESERVES and SURPLUS</b>				
Retained earnings, beginning of period	(733,534)	(33,704,209)	(660,052)	(30,180,008)
Add: During the period	(24,746)	(1,347,183)	(73,482)	(3,524,201)
Foreign exchange translation reserve		(6,191,459)		(3,823,382)
<b>Total</b>	<b>(758,280)</b>	<b>(41,242,851)</b>	<b>(733,534)</b>	<b>(37,527,591)</b>
<b>SCHEDULE 3: SUNDARY DEBTORS</b>				
Accounts receivable	38,584	2,098,584	58,584	2,997,157
<b>Total</b>	<b>38,584</b>	<b>2,098,584</b>	<b>58,584</b>	<b>2,997,157</b>
<b>SCHEDULE 4: CASH AND BANK BALANCES</b>				
Cash Balance	-	-	-	-
Cash with bank	598,703	32,563,477	243,065	12,435,222
<b>Total</b>	<b>598,703</b>	<b>32,563,477</b>	<b>243,065</b>	<b>12,435,222</b>
<b>SCHEDULE 5: OTHER CURRENT ASSETS</b>				
Loan & Advances	758	41,228	1,154	59,039
Advacnes to FCS, UAE	16,711	908,885	16,711	854,910
<b>Total</b>	<b>17,469</b>	<b>950,113</b>	<b>17,865</b>	<b>913,949</b>
<b>SCHEDULE 6: CURRENT LIABILITIES</b>				
Sundry Creditors	1,412,936	76,849,586	1,052,948	53,868,803
Expenses payables	-	-	-	-
Advacnes from FCS, USA	-	-	-	-
<b>Total</b>	<b>1,412,936</b>	<b>76,849,586</b>	<b>1,052,948</b>	<b>53,868,803</b>
<b>SCHEDULE 7: SOFTWARE DEVELOPMENT, DELIVERY AND SUPPORT EXPENSES</b>				
Software Development expenses	2,039,883	111,051,239	1,933,548	92,732,962
Cost of Outside services	1,047,042	57,000,970	1,578,063	75,683,901
<b>Total</b>	<b>3,086,925</b>	<b>168,052,209</b>	<b>3,511,611</b>	<b>168,416,863</b>
<b>SCHEDULE 8: ADMINISTRATION SELLING AND OTHER EXPENSES</b>				
Office Administration Expenses	56,238	3,061,620	66,698	3,198,836
Traveling & entertainment Expenses	59,545	3,241,648	41,286	1,980,077
Postage and courier expenses	2,059	112,088	3,060	146,758
Communication Expenses	85,259	4,641,526	72,765	3,489,809
Rent Expenses	23,083	1,256,652	15,851	760,214
Accounting and Legal	16,425	894,177	8,250	395,670
Insurance	432	23,518	744	35,683
Bank Service Charges	2,847	154,999	3,990	191,364
<b>Total</b>	<b>245,890</b>	<b>13,386,228</b>	<b>212,644</b>	<b>10,198,411</b>

## **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 38584, Accounts receivable as on March 31, 2013, is fully collectable.

### **4. Income Taxes**

The company has a net operating loss carry forwards USD 758280, 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, 2013.

### **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 : 22nd May, 2013  
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, 2013.

#### **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 7,300,036 (P.Y. USD 20,388,550) for the year ended March 31, 2013. The Company had a loss of USD 8,439,290 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, 2013

## **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. FCS Software Middle East FZE, Ras Al Khaimah, UAE., which comprise of the balance sheet as at March 31, 2013 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, 2013, 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**

**May 15, 2013**

Sd/-  
**Managing Partner**  
**Reg. No. 606**

**F.C.S SOFTWARE MIDDLE EAST FZE  
RAS AL KHAIMAH, U.A.E.  
BALANCE SHEET AS ON MARCH 31, 2013**

	Notes	31-03-2013 USD	31-03-2013 AED	31-03-2013 INR	31-03-2012 USD	31-03-2012 AED	31-03-2012 INR
<b>NON-CURRENT ASSETS</b>							
<b>FIXED ASSETS - INTANGIBLE</b>							
Computer Software & IPR Products		60,597,064	222,391,223	2,789,092,783	62,396,677	228,995,803	2,826,944,399
<b>CURRENT ASSETS</b>							
Trade receivables	5	2,904,905	10,661,002	157,997,786	7,697,719	28,250,629	393,815,307
Other receivables & Pre-paid bus. Dev. Exp.	6	12,027,144	44,139,618	532,029,322	13,745,308	50,445,280	608,040,880
Cash and cash equivalents	7	29,970	109,990	1,630,078	104,424	383,235	5,342,332
		<b>14,962,019</b>	<b>54,910,610</b>	<b>691,657,186</b>	<b>21,547,451</b>	<b>79,079,144</b>	<b>1,007,198,519</b>
<b>TOTAL ASSETS</b>		<b>75,559,083</b>	<b>277,301,833</b>	<b>3,480,749,969</b>	<b>83,944,128</b>	<b>308,074,947</b>	<b>3,834,142,918</b>
<b>CURRENT LIABILITIES</b>							
Trade payables	8	572,989	2,102,870	31,164,872	518,744	1,903,790	26,538,943
Other payables	9	16,711	61,328	908,885	16,711	61,328	854,910
		<b>589,700</b>	<b>2,164,198</b>	<b>32,073,757</b>	<b>535,455</b>	<b>1,965,118</b>	<b>27,393,853</b>
<b>NON-CURRENT LIABILITIES</b>							
Long term liabilities	10	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>589,700</b>	<b>2,164,198</b>	<b>32,073,757</b>	<b>535,455</b>	<b>1,965,118</b>	<b>27,393,853</b>
<b>SHAREHOLDERS' FUNDS</b>							
Share capital		73,732,970	270,600,000	3,378,045,643	73,732,970	270,600,000	3,378,045,643
Statutory reserve	11	786,936	2,888,055	35,358,429	786,936	2,888,055	35,358,429
Retained earnings	12	409,770	1,503,853	33,112,422	8,849,059	32,476,046	391,313,532
<b>Equity fund</b>		<b>74,929,676</b>	<b>274,991,908</b>	<b>3,446,516,494</b>	<b>83,368,965</b>	<b>305,964,101</b>	<b>3,804,717,604</b>
Shareholders' current account	13	39,708	145,728	2,159,718	39,708	145,728	2,031,461
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>75,559,083</b>	<b>277,301,834</b>	<b>3,480,749,969</b>	<b>83,944,128</b>	<b>308,074,947</b>	<b>3,834,142,918</b>

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, 2013  
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, 2013**

	Notes	01-04-2012 to 31-03-2013 USD	01-04-2012 to 31-03-2013 AED	01-04-2012 to 31-03-2013 INR	28-10-2011 to 31-03-2012 USD	28-10-2011 to 31-03-2012 AED	28-10-2011 to 31-03-2012 INR
Sales		7,300,036	26,791,132	397,413,960	20,388,550	74,825,979	977,834,858
Cost of sales	14	(8,380,094)	(30,754,943)	(438,687,024)	(12,995,090)	(47,691,980)	(623,244,516)
<b>Gross profit</b>		<b>(1,080,058)</b>	<b>(3,963,811)</b>	<b>(41,273,064)</b>	<b>7,393,460</b>	<b>27,133,999</b>	<b>354,590,342</b>
<b>Deduct</b>							
General & administrative expenses	15	179,275	657,940	9,759,736	470,866	1,728,080	22,582,736
Finance costs	16	2,843	10,434	154,771	4,618	16,947	221,461
Amortisation of intangible assets		7,177,114	26,340,008	330,333,841	6,248,081	22,930,455	299,657,941
<b>Total expenses</b>		<b>7,359,232</b>	<b>27,008,382</b>	<b>340,248,348</b>	<b>6,723,564</b>	<b>24,675,482</b>	<b>322,462,138</b>
<b>Net Profit for the period</b>		<b>(8,439,290)</b>	<b>(30,972,193)</b>	<b>(381,521,412)</b>	<b>669,896</b>	<b>2,458,517</b>	<b>32,128,204</b>

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, 2013  
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, 2013**

	31-03-2013 USD	31-03-2013 AED	31-03-2013 INR	31-03-2012 USD	31-03-2012 AED	31-03-2012 INR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net profit for the period	(8,439,290)	(30,972,193)	(381,521,412)	669,896	2,458,517	32,128,204
Adjusted for						
Depreciation/Misc. Expenses W/o	7,177,114	26,340,008	330,333,841	6,248,081	22,930,455	299,657,941
Funds generated from operations	(1,262,177)	(4,632,185)	(51,187,571)	6,917,976	25,388,972	331,786,145
Changes in working capital						
(Increase)/decrease in trade receivables	4,792,814	17,589,627	235,817,521	1,862,804	6,836,490	33,062,045
(Increase)/decrease in other receivables & prepayments	1,718,164	6,305,662	76,011,558	1,718,164	6,305,662	82,403,145
Increase / (decrease) in trade payables	54,245	199,080	4,625,929	(1,111,969)	(4,080,926)	(46,272,388)
Increase / (decrease) in other payables	-	-	53,975	-	-	108,786
Net cash inflow / (outflow) from operating activities	6,565,223	24,094,369	316,508,983	2,468,999	9,061,226	69,301,588
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Addition in fixed Assets	5,377,501	19,735,428	292,482,225	9,464,500	34,734,711	484,203,820
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Share Capital	-	-	0	0	0	85,868,533
Increase / (decrease) in statutory reserve						
Increase / (decrease) in transalation reserve			23,320,302			(5,792,557)
Increase / (decrease) in misc. expenses	-	-	-	-	-	0
Increase / (decrease) in shareholders account	-	-	128,257	-	-	258,482
Increase / (decrease) in long term liabilities	-	-	-	-	-	0
Net cash inflow / (outflow) from financing activities	(5,377,501)	(19,735,428)	(269,033,666)	(9,464,500)	(34,734,711)	(403,869,363)
Net Increase / (decrease) in cash and cash equivalents	(74,455)	(273,245)	(3,712,254)	(77,525)	(284,513)	(2,781,630)
Cash & bank balances at the beginning of the period	104,424	383,235	5,342,332	181,948	667,748	8,123,962
<b>Cash and cash equivalents at the end of the period</b>	<b>29,970</b>	<b>109,990</b>	<b>1,630,078</b>	<b>104,423</b>	<b>383,235</b>	<b>5,342,333</b>
Represented By:						
Cash and cash equivalents(Note No.7)	29,970	109,990	1,630,078	104,424	383,235	5,342,332

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, 2013  
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, 2013**

	Share Capital	Statutory Reserve	Retained Earnings	Current Accounts	Total USD
Share Capital	73,732,970	719,946	8,246,153	39,708	82,738,777
Net profit for the year	—		669,896	—	669,896
Transfer to statutory reserve	—	66,990	(66,990)	—	—
<b>Balance as on 31-03-2012 USD</b>	<b>73,732,970</b>	<b>786,936</b>	<b>8,849,059</b>	<b>39,708</b>	<b>83,408,673</b>
<b>Balance as on 31-03-2012 AED</b>	<b>270,600,000</b>	<b>2,888,055</b>	<b>32,476,046</b>	<b>145,728</b>	<b>306,109,829</b>
<b>Balance as on 31-03-2012 INR</b>	<b>3,378,045,643</b>	<b>35,358,429</b>	<b>391,313,532</b>	<b>2,031,461</b>	<b>3,806,749,065</b>
Additional capital	—				—
Net profit/(Loss) for the year			(8,439,290)		(8,439,290)
Net movements in current account				—	—
<b>Balance as on 31-03-2013</b>	<b>73,732,970</b>	<b>786,936</b>	<b>409,769</b>	<b>39,708.00</b>	<b>74,969,383</b>
<b>Balance as on 31-03-2013 AED</b>	<b>270,600,000</b>	<b>2,888,055</b>	<b>1,503,850</b>	<b>145,728</b>	<b>275,137,633</b>
<b>Balance as on 31-03-2013 INR</b>	<b>3,378,045,643</b>	<b>35,358,429</b>	<b>33,112,422</b>	<b>2,159,718</b>	<b>3,448,676,212</b>

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, 2013  
For F.C.S. Software Middle East FZE

Sd/-  
Dalip Kumar  
Managing Director

## Notes to the Financial Statements for the period ended March 31, 2013.

### 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. 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
	<b>Total</b>		<b>2706</b>	<b>73,732,970</b>	<b>100</b>

### 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.

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)**

	31-03-2013 USD	31-03-2013 AED	31-03-2013 INR	31-03-2012 USD	31-03-2012 AED	31-03-2012 INR
<b>4 INTANGIBLE ASSETS</b>						
Gross end of the year	76,854,675	282,056,657	3,545,551,984	71,477,174	262,321,229	3,253,069,759
Less: Amortisation during the year	16,257,611	59,665,434	756,459,201	9,080,498	33,325,426	426,125,360
	<b>60,597,064</b>	<b>222,391,223</b>	<b>2,789,092,783</b>	<b>62,396,677</b>	<b>228,995,803</b>	<b>2,826,944,399</b>
<b>5 TRADE RECEIVABLES</b>						
Sundry debtors	2,904,905	10,661,002	157,997,786	7,697,719	28,250,629	393,815,307
	2,904,905	10,661,002	157,997,786	7,697,719	28,250,629	393,815,307
<b>AGEING ANALYSIS</b>						
Due for less than 30 days	548,828	2,014,199	29,850,755	7,697,719	28,250,629	393,815,307
Due between 31 to 60 days	536,760	1,969,909.00	29,194,376	-	-	-
Due for more than 60 days	1,819,317	6,676,894.00	98,952,655	-	-	-
	<b>2,904,905</b>	<b>10,661,002</b>	<b>157,997,786</b>	<b>7,697,719</b>	<b>28,250,629</b>	<b>393,815,307</b>
<b>6 OTHER RECEIVABLES &amp; PREPAYMENTS</b>						
Prepayments/Deferred Business Development Exp.	12,027,144	44,139,618	532,029,322	13,745,308	44,139,618	608,040,880
PDC received	-	-	-	-	-	-
	<b>12,027,144</b>	<b>44,139,618</b>	<b>532,029,322</b>	<b>13,745,308</b>	<b>44,139,618</b>	<b>608,040,880</b>
<b>7 CASH AND CASH EQUIVALENTS</b>						
Cash at Bank	29,970	109,990	1,630,078	104,424	383,235	5,342,332
	<b>29,970</b>	<b>109,990</b>	<b>1,630,078</b>	<b>104,424</b>	<b>383,235</b>	<b>5,342,332</b>
<b>8 TRADE PAYABLES</b>						
Sundry creditors	572,989	2,102,870	31,164,872	518,744	1,903,790	26,538,943
	572,989	2,102,870	31,164,872	518,744	1,903,790	26,538,943
<b>9 OTHER PAYABLES</b>						
Other payable	16,711	61,328	908,885	16,711	61,328	854,910
	<b>16,711</b>	<b>61,328</b>	<b>908,885</b>	<b>16,711</b>	<b>61,328</b>	<b>854,910</b>
<b>10 LONG TERM LIABILITY</b>						
Share application money	-	-	-	-	-	-
<b>(Pending for allotment)</b>	-	-	-	-	-	-
<b>11 STATUTORY RESERVE</b>						
Transfer to statutory reserve	786,935	2,888,055	35,358,429	786,936	2,888,055	35,358,429
	<b>786,935</b>	<b>2,888,055</b>	<b>35,358,429</b>	<b>786,936</b>	<b>2,888,055</b>	<b>35,358,429</b>
<b>12 RETAINED EARNINGS</b>						
Opening balance	9,635,995	35,364,101	447,168,751	8,966,099	32,905,584	415,040,547
Net profit for the period	(8,439,290)	(30,972,193)	(381,521,412)	669,896	2,458,517	32,128,204
Transfer to statutory reserve	(786,936)	(2,888,055)	(35,358,429)	(786,936)	(2,888,055)	(35,358,429)
Foreign currency trasalation reserve			2,823,512			(20,496,790)
	<b>409,769</b>	<b>1,503,853</b>	<b>33,112,422</b>	<b>8,849,059</b>	<b>32,476,046</b>	<b>391,313,532</b>
<b>13 SHAREHOLDERS' CURRENT ACCOUNT</b>						
Net movements in current account	39,708	145,728	2,159,718	39,708	145,728	2,031,461
	<b>39,708</b>	<b>145,728</b>	<b>2,159,718</b>	<b>39,708</b>	<b>145,728</b>	<b>2,031,461</b>
<b>14 COST OF SALES</b>						
Data Center Service Charges						
Software Service expenses	6,661,930	24,449,281	362,675,466	11,276,926	41,386,318	540,841,371
Data Center Maintenece Expenses						
Marketing & Business Dev. Expenses	1,718,164	6,305,662	76,011,558	1,718,164	6,305,662	82,403,145
	<b>8,380,094</b>	<b>30,754,943</b>	<b>438,687,024</b>	<b>12,995,090</b>	<b>47,691,980</b>	<b>623,244,516</b>
<b>14 GENERAL &amp; ADMINISTRATIVE EXPENSES</b>						
Rent & licensing expenses	16,254	59,653	884,883	22,122	81,189	1,060,981
Legal& professional charges	9,506	34,887	517,506	7,412	27,202	355,480
Travelling & cnveyance expenses	25,133	92,238	1,368,246	72,256	265,180	3,465,398
Repairs & maintenance	44,222	162,295	2,407,446	127,128	466,560	6,097,059
Project expenses	21,119	77,507	1,149,716	60,720	222,844	2,912,146
Communication & utility expenses	51,445	188,802	2,800,650	147,891	542,760	7,092,852
Office expenses	11,596	42,558	631,289	33,337	122,345	1,598,820
	<b>179,275</b>	<b>657,940</b>	<b>9,759,736</b>	<b>470,866</b>	<b>1,728,080</b>	<b>22,582,736</b>

**15 FINANCE COST**

Bank charges	2,843	10,434	154,771	4,618	16,947	221,461
	<b>2,843</b>	<b>10,434</b>	<b>154,771</b>	<b>4,618</b>	<b>16,947</b>	<b>221,461</b>

**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	908,885	16,711	61,328	854,910
	<b>16,711</b>	<b>61,328</b>	<b>908,885</b>	<b>16,711</b>	<b>61,328</b>	<b>854,910</b>

**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, 2013  
For F.C.S. Software Middle East FZE**

**Sd/-  
Dalip Kumar  
Managing Director**

## Directors' Report

To the Members,

The Directors of Insync Business Solutions Limited have pleasure in presenting the Audited Annual Accounts of the Company for the Year ended March 31, 2013.

### Financial Highlights

(` in Lacs)

	Year ended March 31,	
	2013	2012
Gross Revenues	838.84	280.90
Operating Profit (PBIDT)	48.25	29.20
Provision for tax	16.36	8.56
Profit after tax from ordinary activities	30.67	19.04
Extraordinary income	0	0
Net Profit	30.67	19.04
Profit/ Loss carried forward from last year	48.58	29.54
Transferred to Balance Sheet	79.25	48.58

### Public Deposits

The Company has not accepted any deposit from public.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March 2013 on a going concern basis.

### Auditors

M/s. SPMG & Company, Chartered Accountants, retires as Auditor of the Company at the conclusion of the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

### Particulars of employees



There were no employees in the company whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956.

**Conservation of Energy, Research & Development, Technology absorption, Foreign Exchanges and outgo**

The provision of Section 217 (1) (e) in respect of Conservation of Energy and Technology Absorption, being not applicable to the company, the particulars are required have not been furnished. Further during the year under review, the company has neither earned nor used any foreign exchange.

**Acknowledgements**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Banks and Shareholders during the year.

For and on behalf of the Board of Directors

Date : May 30, 2013  
Place : Delhi

Sd/-  
**Govinda Sahu**  
Director

Sd/-  
**Ashutosh Acharya**  
Director

## AUDITOR'S REPORT

### **To the Members of Insync Business Solutions Ltd**

1. We have audited the attached Balance Sheet of Insync Business Solutions Ltd, as at 31st March, 2013 and the Profit and Loss Account for the year ended on that annexed thereto. 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 financial statement. An audit also includes assessing the accounting principles 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 and Profit & Loss account dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet Profit and Loss Account 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 2013 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, 2013; and
    - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date.

**For SPMG & Company  
Chartered Accountant**

Sd/-

**(Vinod Gupta)**  
**FCA/Partner**  
**M.No.090687**

Place : New Delhi  
Dated : May 30, 2013

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

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

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets in respect of all its location.
2. The fixed assets have been physically verified by the management at all location at reasonable intervals. No discrepancies between book records and the physical assets have been noticed on such verification.
3. In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
4. The company had no inventories as such.
5. (a) According to the information and explanation given to us, the company has, during the year not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, paragraph 4 (iii)(a), (b),(c) and (d) of the order, are not applicable.  
(b) According to the information and explanation given to us, the company has, during the year not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Accordingly, paragraph 4 (iii)(e), (f) and (g) of the order, are not applicable.
6. In our opinion and according to the information and explanation given to us, during the course of the audit there are adequate internal control systems, commensurate with the size of the company and the nature of its business with regard to the purchase of consumables, fixed assets and further provision of services during the year. Further, on the basis of our examination and according the information and explanations given to us we have neither come across nor have any information of any instances major weaknesses in the aforesaid internal control system.
7. (a) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into the register maintained under section 301 of companies Act, 1956.  
(b) In our opinion and according to the information and explanation given to us, as there are no transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956, paragraph 4(v) (b) of the order is not applicable.
8. The company has not accepted any deposits from the public, paragraph 4 (vi) of the order is not applicable.
9. In our opinion the company has an internal control system commensurate with the size and nature of its business.
10. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the act for any of the products of the company.
11. (a) According to information and explanation given to us the company is depositing with appropriate authorities undisputed statutory dues including income tax, and other statutory dues to the extent applicable to it.  
(b) According to information and explanation given to us the company has no Contingent liabilities as such.

12. Based on the audit procedures and on the information and explanation given by the management, we are of the opinion that company has no credit facility(s) from any bank.
13. Based on our examination of the records and according to information and explanation given to us the company has classified investments in shares or securities at cost of acquisition.
14. According to the information and explanation given to us, and on an overall examination of the balance sheet of the company we report that the company had not borrowed funds for short-term or for long-term investment.
15. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the companies Act, 1956 during the year.
16. 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.
17. Other clauses of the order are not applicable to the company.

**For SPMG & Company  
Chartered Accountant**

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

Place : New Delhi  
Dated : May 30, 2013

**INSYNC BUSINESS SOLUTIONS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2013**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31-03-2013 AMOUNT (₹)</b>	<b>As at 31-03-2012 AMOUNT (₹)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	500,000	500,000
(b) Advance Preferential Share Warrants		-	
(c) Reserves and Surplus	2	7,925,319	4,858,184
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		-	-
(b) Defferred Tax Liability (Net)			42,479
(c) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		18,318,887	7,159,967
(c) Other current liabilities	3	6,957,927	2,179,412
(d) Short-term provisions	4	1,948,895	855,937
<b>Total</b>		<b>35,651,028</b>	<b>15,595,979</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	5	444,806	358,105
(b) Defferred Tax Assets (Net)		59,386	-
(c) Preliminary & other Misc Expenses	6	14,573	24,287
<b>(2) Current assets</b>			
(a) Trade receivables		17,504,751	9,443,265
(b) Cash and cash equivalents	8	9,017,237	3,215,857
(c) Short-term loans and advances	9	73,600	5,000
(d) Other current Assets	10	8,536,674	2,549,465
<b>Total</b>		<b>35,651,028</b>	<b>15,595,979</b>

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

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

Sd/-  
**Govinda Sahu**  
Director

Sd/-  
**Ashutosh Acharya**  
Director

Place : New Delhi  
Date : May 30, 2013

**INSYNC BUSINESS SOLUTIONS LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013**

PARTICULARS	Note No.	As at 31-03-2013 AMOUNT (₹)	As at 31-03-2012 AMOUNT (₹)
<b>GROSS REVENUE</b>			
I. Revenue from operations	11	83,884,567	28,090,633
II. Other Income		-	-
<b>Total Revenue (I +II)</b>		<b>83,884,567</b>	<b>28,090,633</b>
<b>III. EXPENSES</b>			
Employees benefit expenses	12	68,295,976	22,234,955
Financial costs	-	-	
Depreciation and amortization expense		223,299	155,615
Other expenses	13	10,763,475	2,935,207
<b>Total Expenses</b>		<b>79,282,750</b>	<b>25,325,777</b>
IV. Profit(Loss) before exceptional and extraordinary items and tax (II-III)		4,601,817	2,764,856
V. Exceptional Items (Prior period)		-	-
VI. Profit before tax (VI - V)		<b>4,601,817</b>	<b>2,764,856</b>
<b>VII. Tax expense:</b>			
Current tax		1,636,547	855,937
Deferred tax		(101,865)	4,691
VIII. Profit/(Loss) from the period from continuing operations (VI - VII)		<b>3,067,135</b>	<b>1,904,228</b>
<b>IX. Earning per equity share:</b>			
(1) Basic		6.13	3.81
(2) Diluted		6.13	3.81

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

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

Sd/- <b>Govinda Sahu</b> Director	Sd/- <b>Ashutosh Acharya</b> Director
---	---

Place : New Delhi  
Date : May 30, 2013

**INSYNC BUSINESS SOLUTIONS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013**

PARTICULARS	Note No.	As at 31-03-2013 AMOUNT (₹)	As at 31-03-2012 AMOUNT (₹)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Profit Before Tax</b>		3,067,134	1,904,228
<b>Adjustments For :</b>			
Deferred Tax Provision		(7,069,344)	(3,564,144)
Deferred Tax Provision		(101,865)	4,691
Provision for income tax		1,636,547	855,937
Depreciation and Amortization		223,299	155,615
GDR/Deferred Business Development Expenses W/o		9,714	9,714
Finance Charges		-	-
<b>Cash from Operations before Working Capital Changes</b>		4,834,829	2,930,185
<b>Adjustments for changes in Working Capital:</b>			
(Increase)/Decrease in Trade Receivables		(7,155,491)	(4,906,990)
(Increase)/Decrease in Loans and Advances		(43,600)	(5,000)
(Increase)/Decrease in Other Current Assets		(6,918,203)	186,994
Increase/(Decrease) in Trade Payables		11,158,920	1,396,706
Increase/(Decrease) in Current Liabilities		4,778,515	62,723
Increase/(Decrease) in Provisions		291,895	-
<b>NET CASH GENERATED BY OPERATING ACTIVITIES (1)</b>		<b>6,946,865</b>	<b>(335,382)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets and change in Capital Work-In-Progress		310,000	199,800
<b>NET CASH FROM IN INVESTING ACTIVITIES (2)</b>		<b>310,000</b>	<b>199,800</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Income Tax Paid		(835,484)	(1,282,168)
Finance Charges		-	-
<b>NET CASH USED IN FINANCING ACTIVITIES (3)</b>		<b>(835,484)</b>	<b>(1,282,168)</b>

PARTICULARS	Note No.	As at 31-03-2013 AMOUNT (₹)	As at 31-03-2012 AMOUNT (₹)
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)</b>		<b>5,801,381</b>	<b>(1,817,350)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>3,215,857</b>	<b>5,033,207</b>
<b>CLOSING BALANCE OF CASH EQUIVALENTS</b>		<b>9,017,238</b>	<b>3,215,857</b>

Notes :

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

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

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

Sd/- <b>Govinda Sahu</b> Director	Sd/- <b>Ashutosh Acharya</b> Director
---	---

Place : New Delhi  
 Date : May 30, 2013



**SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2013**

<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (₹)</b>	<b>2011-2012 AMOUNT (₹)</b>
<b>1. SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
Authorised Share capital 100,000 Equity Shares of ₹ 1/- each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>A. Issued, subscribed &amp; fully paid share capital</b>		
50,000 EQUITY SHARES OF Rs 10/- EACH	500,000	500,000
<b>Total</b>	<b><u>500,000</u></b>	<b><u>500,000</u></b>

<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (₹)</b>	<b>2011-2012 AMOUNT (₹)</b>
<b>2 RESERVES AND SURPLUS</b>		
Surplus in Statement of Profit & Loss		
At the beginning of the Year	4,858,184	2,953,956
Profit & loss account for the year	<u>3,067,135</u>	<u>1,904,228</u>
	7,925,319	4,858,184
<b>Total</b>	<b><u>7,925,319</u></b>	<b><u>4,858,184</u></b>

<b>PARTICULARS</b>	<b>2012-2013 AMOUNT (₹)</b>	<b>2011-2012 AMOUNT (₹)</b>
<b>3. OTHER CURRENT LIABILITIES</b>		
Audit fee Payable	28,090	25,000
Expenses Payable	4,420,068	436,937
Staff Welfare Fund	4,150	-
Service Tax Payable	477,857	-
TDS Payable	2,027,762	1,717,475
<b>Total</b>	<b><u>6,957,927</u></b>	<b><u>2,179,412</u></b>
<b>4 SHORT-TERM PROVISIONS</b>		
Provision For Income Tax	1,657,000	855,937
Others	291,895	-
<b>Total</b>	<b><u>1,948,895</u></b>	<b><u>855,937</u></b>

## 5 Tangible

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2012	ADDITIONS	Deductions	As at March 31, 2013	Upto March 31, 2012	For the Year	Deductions	As at March 31, 2013	As at April 1, 2012	As at March 31, 2013
Furniture, fixtures and office equipment;										
Furniture & Fixtures	133,900.00	-	-	133,900.00	26,326.00	19,471.00	-	45,797.00	107,574.00	88,103.00
Office Equipment	-	-	-	-	-	-	-	-	-	-
Computers	451,600.00	310,000.00	-	761,600.00	201,069.00	203,828.00	-	404,897.00	250,531.00	356,703.00
<b>Total (Tangible)</b>	<b>585,500.00</b>	<b>310,000.00</b>	<b>-</b>	<b>895,500.00</b>	<b>227,395.00</b>	<b>223,299.00</b>	<b>-</b>	<b>450,694.00</b>	<b>358,105.00</b>	<b>444,806.00</b>
Previous year figures	385,700.00	199,800.00	-	585,500.00	71,780.00	155,615.00	-	227,395.00	313,920.00	358,105.00

PARTICULARS	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>6 PRELIMINERY &amp; OTHER MISC EXPENSES</b>		
Preliminery Exp	24,287	34,001
Pre-operative Exp		-
<b>Sub total</b>	<b>24,287</b>	<b>34,001</b>
Less: Expenses W/o	9,714	9,714
<b>Total</b>	<b>14,573</b>	<b>24,287</b>
<b>7 TRADE RECEIVABLES</b>		
Sundry Debtors	17,504,751	9,443,265
<b>Total</b>	<b>17,504,751</b>	<b>9,443,265</b>
<b>8 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	8,293,701	2,834,734
Cash on hand	723,536	381,123
<b>Total</b>	<b>9,017,237</b>	<b>3,215,857</b>
<b>9 SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Security Deposit	15,000	-
Staff Advance/Imprest	58,600	-
Earnest Money	-	5,000
<b>Total</b>	<b>73,600</b>	<b>5,000</b>
<b>10 OTHER CURRENT ASSETS</b>		
TDS (Including Income Tax Refundable Earlier Years)	8,391,355	2,203,312
Interest Accrued	3,153	-
Service Tax Recoverable (Net)	142,166	346,153
<b>Total</b>	<b>8,536,674</b>	<b>2,549,465</b>
<b>11 REVENUE FROM OPERATIONS</b>		
Revenue from - Software Development & Other Services	83,881,414	28,090,633
	3,153	-
<b>Total</b>	<b>83,884,567</b>	<b>28,090,633</b>

PARTICULARS	2012-2013 AMOUNT (₹)	2011-2012 AMOUNT (₹)
<b>12 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and Bouns	31,842,920	6,452,707
Sub Contracting Exp	36,349,000	15,284,598
Staff welfare expenses	104,056	497,650
<b>Total</b>	<b>68,295,976</b>	<b>22,234,955</b>
<b>13 OTHER EXPENSES</b>		
Bank Charges/Interest	2,608	6,765
Travelling & Conveyance	125,182	512,660
Legal & Professional charges	44,179	145,150
Audit Fees	28,090	25,000
Prelimeneray & Preoperatind Exp W/o	9,714	9,714
Software Exp	364,800	364,800
Printing & Stationary	37,474	20,370
Filing Fee/ Other Roc Expenses	7,473	45,000
Office Maintenance Exp	308,110	314,402
Communication Exp.	8,015,824	171,000
Rent Exp	1,568,988	1,300,000
Interest exp. on Service tax	251,033	20,346
<b>Total</b>	<b>10,763,475</b>	<b>2,935,207</b>

#### 14 Significant Accounting Policies:

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.

**a) Basis of Accounting:**

The financial statement has been prepared under historical cost convention, in accordance with accounting standards issued by the Institute of Chartered Accountants of India and accordance with requirements of the Companies Act. 1956. Mercantile system of accounting has been followed during the year. Inventory has been valued at cost.

**b) Depreciation:**

Depreciation has been provided as per the rates prescribed under schedule XIV of the Companies Act, 1956.

**c) Preliminary Expenses:**

These shall be written off over a period of five years.

**d) Contingent Liabilities :**

No contingent liabilities recognized during the year.

**e) 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 Assets of Rs 101,865/- for the year ended March 31, 2013, has been provided and the post tax Profit has accordingly increased.

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

	Year Ended 31.03.2013 ( ` )	Year Ended 31.03.2012 ( ` )
<b>Deferred Tax Liability/Assets</b>		
(1) Depreciation	(30,810)	(42,479)
Add: Deferred Tax Assets		
(2) Provision for Retirement Benefits		
- For Gratuity	74,830	Nil
- Leave Encashment	15,366	Nil
<b>Deferred Tax Liability/(Assets) (Net)</b>	<b>59,386</b>	<b>(42,479)</b>

**f) Related Party Transaction :**

Related parties with whom transaction has taken place during the year:-

	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>Receipt of Services:</b>		
- FCS Software Solutions Limited*	37,909,000	15,682,598

Considered from 01.10.2012 i.e. the date since the Company becomes subsidiary of FCS Software Solutions Limited.

- i) In the opinion of the board all current assets, loans and advances have value on realization in the ordinary course of business at least equal to the amounts at which these are stated in the Balance Sheet.
- ii Additional information pursuant to provisions of Part-II of schedule VI of the companies Act 1956.

	Current Year	Previous Year
Foreign Exchange Earned	NIL	NIL
Foreign Exchange Spent	NIL	NIL

- ii Additional information pursuant to provisions of Part-II of schedule VI of the companies Act 1956.

iii. Auditor's Remuneration:

	Current Year	Previous Year
Audit Fee	28090/-	25000/-

- iv. Directors Remuneration paid u/s 198 of the Companies Act 1956. Salary and allowances: Rs. Nil (previous year: Rs. Nil).
- v. Expenditures incurred on employees who were employed throughout the year or part of the year and were in the receipt of remuneration of not less than Rs 60,00,000/- p.a. or Rs 5,00,000/- p.m. as the case may be——NIL
- vi. Previous year figures have been rearranged / regrouped whenever necessary to make these comparable with those of current year. Figures in brackets pertain to previous year.

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For **SPMG & COMPANY**

Firm Registration Number: 509249C

Chartered Accountants

Sd/-

**(Vinod Gupta)**

Partner

M.No. : 090687

**On behalf of the Board of Directors**

For Insync Business Solutions Limited

Sd/-

**Govinda Sahu**

Director

Sd/-

**Ashutosh Acharya**

Director

Place : New Delhi

Date : May 30, 2013

**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**

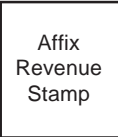
Folio No. : ..... No. of Shares held : .....

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 of..... as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at  
the 20th Annual General Meeting of the Company, to be held on September 30, 2013 at the Executive Club,  
439, Village Shahoorpur, Fatehpur Beri, New Delhi-110 074 at 1.00 PM and any adjournment thereof:

Signed this.....day of.....2013.

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**

**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.)

**ATTENDANCE SLIP**

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

Folio No. : ..... No. of Shares held : .....

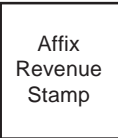
DP ID No. : ..... Client ID No. : .....

Name of the Member : .....  
(in block letters)

NAME OF PROXY : .....  
(if any)

I hereby record my presence at the 20th Annual General Meeting of the company being held on Monday, September 30, 2013.

.....  
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.spmg.in

### **Registered Office**

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

### **Internal Auditors**

M/S LKS & Associates  
Chartered Accountants  
II-D/146, First Floor,  
Sector-2, Vaishali,  
Ghaziabad - 201010

### **Corporate office**

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

### **Registrar & Share Transfer Agent (RTA)**

Link Intime (India) Private Ltd.  
Narang Tower-44, Community Centre,  
Naraina Industrial Area Phase-1  
New Delhi – 110028, India.

### **Development centers**

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

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

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

**BOOK-POST**



**Registered Office**

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

**Corporate office**

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