



FCS SOFTWARE SOLUTIONS LIMITED



BOARD EVALUATION REPORT

(For the year 2019-20)

Prepared and Presented by the Chairman of
Independent Directors Meeting held on 11th February,
2020

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A. Executive Summary:

The independent directors undertook a board evaluation in their meeting held on 11th February, 2020. The meeting comprised of the following Independent Directors of the Company:

1. Mr. Shayam Sunder Sharma - Chairman & Independent Director
2. Mr. Raj Kumar Manikpuri - Additional Director (Independent Director)
3. Ms. Shweta Shatsri - Independent Director

Mr. Shiv Nandan Sharma, Independent Director of the company resigned from the board of directors of the company on 27th July, 2019 and Mr. Raj Kumar Manikpuri, Additional Independent director has been appointed by the board on 14th November, 2019 subject to approval of shareholder in ensuing annual general meeting.



The board self evaluated and addressed the issues of effectiveness of the whole board, individual director assessment, business or working style of all the departments and effectiveness of the Committees of the Board. The evaluation was in accordance with the policy framed in this regard. In general, the performance for the whole board was good. The board scored very well in the overall evaluation. It is recommended that the board implement actions to improve on the recommendations made.

B. Basic facts about the Board of Directors:

The board consists of six members consisting of 3 Independent Directors including 1 Woman Director and a Non-Executive Director. The Composition of Board of Directors as mentioned below:

Name of Director	Category of Directorship
Mr. Dalip Kumar	Chairman & Managing Director
Mr. Shayam Sunder Sharma	Non-Executive (Independent Director)
Mr. Raj Kumar Manikpuri	Additional Director (Independent Director)
Ms. Shweta Shatsri	Non-Executive (Independent Director)
Mr. Mahendra Pratap Singh	Non-Executive Director
Mr. Sunil Sharma	Executive Director

C. The methodology and Approach:

Following preliminary discussions with the corporation, it was agreed that the process would incorporate the following activities:



This process was followed during the meeting of Independent Directors for evaluation exercise.

The exercise began with an open, interactive and participatory board session. At the session a presentation of the framework, process, purpose and benefits of the board evaluation process was made. After the presentation members raised a number of issues in the discussion but agreed with the framework, members of the board completed the semi structured evaluation sheets covering assessment of the board as a whole.

The results then obtained are hereby presented to the board for discussion. The evaluation process has culminated in this report to the board based on information gained from actual evaluation scores by directors on questions posed.

The evaluation scale is a simple five point scale i.e. Very Good (1), Good (2), Average (3), Satisfactory (4) and Non- Satisfactory (5)

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

RATING SCALE

SCALE	PERFORMANCE
1	Very Good
2	Good
3	Average
4	Satisfactory
5	Non- Satisfactory

D. Areas examined:

1. Review the performance of the chairman taking into account the views of executive and non-executive directors

The Independent directors reviewed the performance of the Chairperson by taking into account the views of executive and non-executive directors of the Company.

The chairman discussed about the remuneration paid to directors of the Company. The Chairman & Managing Director, Mr. Dalip Kumar is not paid any remuneration from the Company and all independent directors are paid remuneration by way of sitting fees only.

2. Whole Board Evaluation

The Independent directors assess the quality, quantity and timeliness of flow of information between the Company management and the Board which is more necessary for the Board to effectively and reasonably perform their duties.

All independent directors were satisfied with the overall performance of the company.

3. Performance of the all departments

The Independent Directors of the Company reviewed the performance of all the departments and gave their suggestions for improvement in their performance.

4. Committees of Board

The Independent Directors of the Company reviewed performance of each committees of the Board of Directors by taking into account various aspects such as committee meetings were conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.

E. Findings:

The findings indicate that:

- (a) The board has proper management of board meetings and procedures.
- (b) The individual directors clearly understood strategic thinking and have the ability to contribute at a strategic level.
- (c) The individual directors clearly understood issues of corporate governance in the area of separation of powers, duties and responsibilities between board and management.
- (d) The individual have good personal attributes to do the job and have a range of skills, industry knowledge, and ability and willingness to learn; the individual directors are aware of shareholders and stakeholders.
- (e) The chairman is exceptionally good at promoting overall leadership to the board.
- (f) The chairman is good at harnessing the collective skills of the board and its committees with those of the executive team.
- (g) The chairman is good at ensuring timeliness and relevance of the information and material gains to the board.
- (h) The chairman is good at encouraging directors to participate fully in the deliberations of the board.
- (i) The chairman heads the board's evaluation process and generally demonstrates qualities of leadership.

The overall rating of the chairman, Individual Directors and its committees are good.

F. Recommendations and Actions Required:

The Committee of Independent Directors recommends the following:

- a) The organization needs to make board evaluation an integral part of its operations and this should be done in transparent and honest manner not a box ticking exercise.

- b) The strategic plan having annual business plans and the necessary finances to execute the same.
- c) The Board needs to consider the use of non Board members on its Committees so that they can bring on Board missing skills. The required skills in the committee view are professionals well versed with knowledge in the area of Risk management and Finance.
- d) A positive corporate image of an organization is one of its greatest assets. The Directors rated the public image as satisfactory. We recommend putting up a Public Relations and Marketing Policy and a communication strategy that will enhance communication with stakeholders. Further, we recommend provision of periodic briefs to the public on the successes and challenges facing the organization.
- e) In addition, there is need to put in place an appropriate communications policy and to identify staff with the right skills and competencies to actively promote the image of the Company.
- f) There is need for Board members to prepare early for Board meetings by reading and if necessary seeking clarifications on Board pre-read provided. This will have the effect of improving the efficiency of Board meetings.

On Behalf of Independent Directors
For **FCS Software Solutions Limited**

Shayam Sunder Sharma
(Independent Director)
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