

*The efficiency catalyst*



**14th ANNUAL  
REPORT  
2006-2007**





**Dalip Kumar**

*Chairman & Managing Director*

## BOARD OF DIRECTORS

**Mrs. Janak Sharma**

*Director*

**Mr. Shyam Sunder Sharma**

*Director*

**Mr. Shiv Nandan Sharma**

*Director*

**Mr. Hemant Paliwal**

*Director*

**Mr. Krishan Kant Arora**

*Additional Director*

**Mr. Gajendra Pratap Singh**

*AVP (Legal) & Company Secretary*

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## Auditors

M/S SPMG & Company  
Chartered Accountants

## Registered Office

205, 2<sup>nd</sup> Floor, Agrawal Chamber IV,  
27, Veer Sawarkar Block, Vikas Marg,  
Shakerpur, Delhi – 110 092

## Corporate office

FCS House, A-86, Sector – 57  
Noida – 201 301[U.P.]

## Branch office

- (i) 2880 Zanker Road, Suit 208  
San Jose, CA – 95134
- (ii) 368 Industrial Area, Phase II,  
Punchkula, Haryana
- (iii) 29, 2<sup>nd</sup> floor, North Usman Road,  
MT. Nagar, Chennai – 600 017.

## Subsidiary

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

## Bankers

Canara Bank  
Centurion Bank of Punjab  
Bank of America  
Cupertino National Bank

## **Chairman's Message**

### ***Dear Shareholders,***

It is very well said that the right way to profit is by serving your clients to the utmost. Our 14 years of steady growth is proof of the authenticity of this statement. FCS Software Solutions has reached a long way from where we were 14 years ago.

Amongst all our milestones, I take particular pride in our transformation into a public listed company in September 2005, and it gives me immense pleasure to address our shareholders across the India for the second time. I give them a heartiest welcome to the FCS family.

### ***Year at a glance***

We have successfully scaled up from a technology solutions start up to emerging as a stable technology solutions enterprise that serves many of the top Fortune 100 companies and illustrious names in the IT Industry.

Every day of the last year, we worked to grow our infrastructure, capacity, and expansion in Tier II and III towns - this will give us ability to take bigger orders and service more needs of same clients as well as reduce our cost of operations by shifting to lower cost centers.

For more then a decade FCS has built the expertise and acumen to be an effective and trusted transformation partner. We help to shape our client's strategy and empower them to shift their operational priorities. Our unique approach helps companies become more innovative, information - intensive, adaptive and competitive - the qualities essential for winning in today's world.

*The highlights for the year are that of promises kept !*

### **Financial:**

- Revenue growth of over 33.25 %
- PBIDT growth of over 53.66%
- PBT growth of over 57.37 %
- Recommending Dividend of 25 % (Inclusive of 10% interim dividend)

**Customers:**

- Signed multiyear contracts with existing and new customers.
- Total client base increased by 18 during the year.
- Order book of over US \$ 68 million in next few years.

**People:**

- The total strength of the professional now exceeds 849.
- The medical insurance scheme for every one.
- More focus on Training & Development programmes for employees.

As you would observe that it was a year of progress on all the perspectives and we plan to build upon these successes. Our focuses on Business Solution provider and long term goal of One - Stop - Shop for our customers resulted into asking of more of services and effective solutions. This in turn has provided us with multiyear relationships with our clients enabling planned sustainable growth for years to come.

**The Year ahead**

All though our existence since the last 14 years, FCS has believed in winning for our customers, our employees, our share holders and the society at large. We have geared up, not only to meet present challenges, but also future challenges. Looking ahead 2007 and beyond, we continue to see healthy, growing demand of our solutions and services.

The road ahead is exciting and challenging. But challenge is what we relish - as it helps us rekindle our passion to build a company that will win for its stakeholders. We will strive to live up to the faith that you have vested in us.

I thank you all for the unending confidence and trust you have in FCS. I along with team FCS will endeavor to work towards achieving the leadership position that we desire, and you as stakeholders deserve.

At the end, I would like to cordially invite you all the shareholders of the company to attend the Fourteenth Annual General Meeting (AGM) on Wednesday, July 25, 2007 at 9.30 A.M at the Executive Club, 439 Village Shahoorpur, Fathepur Beri, New Delhi-110 074, India.

If you are physically challenged and need special assistance at the AGM, please contact Mr. Vineet Kant Parasher, Manager (Admn.) on 098101 67853.



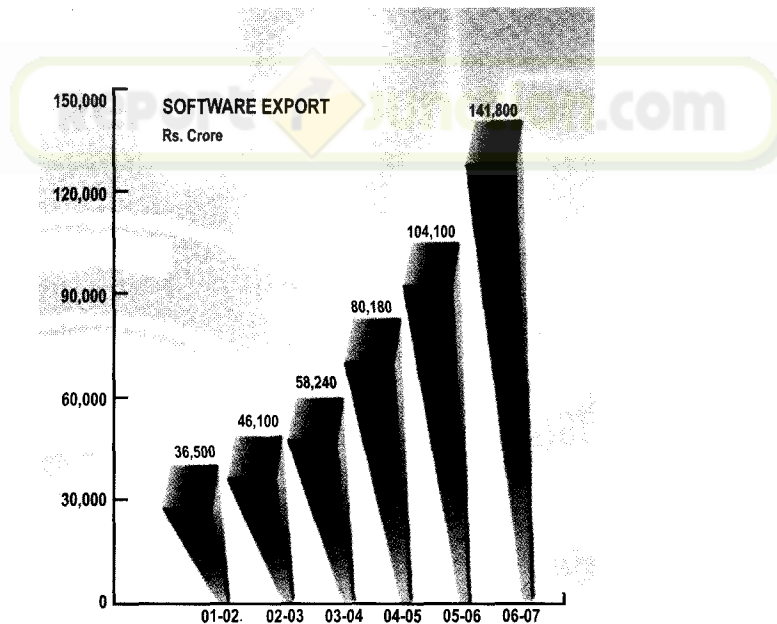
**Dalip Kumar**

*Chairman & Managing Director*

## Our Industry

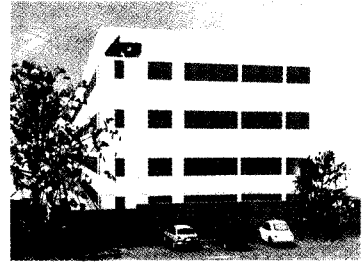
Racy. Fast. Unstoppable. That's how electric change is in India. Business - both domestic and foreign is more than ever growing bullish about its stakes in international market. The services sector, which contributes about 50 percent to India's GDP, is expected to grow with a faster pace in the years ahead. The year 07 saw few good staggering overseas acquisitions by Indian companies. India is transitioning from being the services provider to the global manufacturing base across the software industry of the world. The software and ITES exports from India grew from US\$ 12.9 billion in the year 2003-04 to US\$ 23.6 billion in 2005-06. It is estimated that total software and ITES exports from India will exceed US\$ 31.3 billion during the year 2006-07.

FCS is making its all efforts to go hand in hand with the industry growth and bringing niche in the global IT/ITES market.



Source: Ministry of Information Technology ([www.mit.gov.in](http://www.mit.gov.in))

## Our Company



FCS has entered its teen (14Yrs young), having rich focused experience; constantly growing infrastructure, penetrating sales efforts in new unexplored international markets. Keeping its approach of client oriented and customer centric it has bagged many more projects in the international and domestic market. In order to develop a niche in the global market, extensive sales research are being continuously done in parts of Australia, UK, Europe and Central Asia. The domestic development centers are in phase of expansion to Chandigarh, Dehradun, and two extra centers at Noida (U.P.)

We are continuously improving and deploying the industry best practices in operations. The company is keeping its day-to-day business in line with its well settled Work Culture and Core Values. The thrust of which remains same i.e. empowering freedom, treating time as a business tool, continuous learning for consistent innovations, listening the voice of customer, keeping trust along with the transparency, integrity and unending respect for colleagues.

## **Our People**

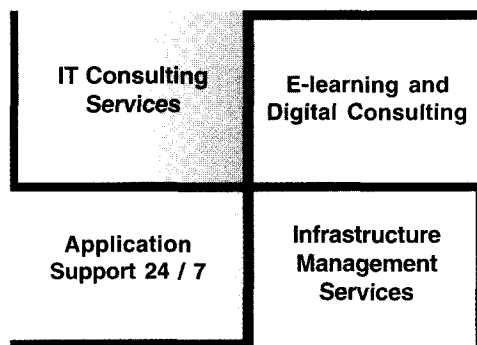
We strongly believe it's the people who make the organization, especially in our industry, which is manpower intensive industry. We have one of the most competent HR and recruitment team in-house who proactively focus on getting the best of the resources in the organization. Our well-defined hiring process, supported by professionally designed training and orientation courses equip our professionals to give world-class service to our clients.

We have a well-defined organizational hierarchy that helps us hire new talent with clearly defined growth plan in place. Our HR team continuously works towards adding new feature in our "Retention Policy" to overcome perhaps the biggest impediment to the growth of any service industry like ours, the problem of retention. In order to keep the attrition rate at minimum level, we have regular appraisal system. Appraisal system appreciates the achievements of individuals, apart from that of the team and the organization as a whole. We are always trying to build a creative and innovative environment where our people can meet their aspirations. Our processes also help to identify our leaders of the future and will help the employees to perform both tangibly and intangibly. The company puts serious focus on training and has already implemented FCS Training Campus (FTC) with explicit purpose to grow and nurture our existing and new employees.

The Company has successfully started the implementation of Employee Stock Option Plan namely FCS ESPS 2005 and FCS ESOS 2005 as a strategic move for the retention plan. The total shares under ESPS were 1,10,000 shares and under ESOS the total options vested in 2006-07 were exercised numbering 1,57,058 shares.



## **Our Business**



### **IT Consulting Services**

Many organizations today implement packaged solutions or custom-developed applications without consideration for how they will maintain and enhance the application after launch. Maintenance of applications spread across multiple platforms from legacy to client server systems to more recent multitier or browser-based designs has always been a challenge to enterprises.

FCS IT consulting division provides Application Maintenance. The Company provides ongoing functional and application support for a customer's application maintenance needs. FCS team, work for stabilizing, optimizing and extending client's application so that its functionality continues to meet the client's growing and changing needs. In partnership with companies such as IBM, Oracle, and Microsoft, we are now in a position to service clients all Application needs from license acquisition to System Integration and Deployment. We are now a mature player in Global Delivery Model and are executing multi-lingual and multi-zone orders for our clients.

### **E-learning and Digital Consulting**

US corporations look at E-learning or web / CD based training programs as one of the ways to achieve organizational growth and improved business performance. E-learning helps employees, vendors, and dealers of a company to better their performance and deal with fast-changing environments. E-learning makes training highly efficient, by making it available anytime, anywhere and reduces total cost of training. E-learning is used to train employees, customers and service technicians on product knowledge, concepts, strategies, risk and finance, compliance and technology.

### **Application Support 24/7**

The company provides toll free voice, e-mail, and chat support 24/7 where clients' employees can call to report any problem with the applications that they use to do their day-to-day work. Some of these business applications are mission critical and need to be supported on a set service level agreement.

### **Infrastructure Management Services**

Our clients now also depend on us to manage their servers - based either on client sites, or at Data Centers or in our premises. Our engineers remotely or onsite manage all Hardware, Network, LAN/WAN, Data and Voice networks that a client needs to run its applications. Our skills in Document Management Systems, Data Backup and Recovery, Virus Protection, SPAM Control, Hacking protection, and Business Continuity will 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.



## NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on Wednesday, July 25, 2007 at The Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi - 110 074, at 9.30 A.M. for transacting the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2007 and Profit and Loss Account for the year ended on that date, together with the reports of the Auditors and the Board of Directors thereon.
2. To re-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 and to authorize the Board to fix their remuneration.
3. To consider re-appointment of Shyam Sunder Sharma as Director who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re- appointment as non-executive director. Shyam Sunder Sharma does not hold any shares of the Company.
4. To consider & approve the declaration of the dividend at the rate of 25 % (including 10 % interim dividend) on the equity shares of the company.

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



**(G. P. Singh)**

*AVP (Legal) & Company Secretary*

Noida  
June 25, 2007

### 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 A SHOW OF HANDS, UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON OR BY PROXY HOLDING ATLEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTIONS OR BY THOSE HOLDING PAID UP CAPITAL OF AT LEAST RS. 50,000. A PROXY SHALL NOT VOTE EXCEPT ON A POLL.**
2. The Register of Members and Share Transfer Books of the Company shall remain closed from July 16, 2007 to July 25, 2007 (both days inclusive).
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 Director's 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 Contract, 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 notify any change in their address, immediately to the Company at the address mentioned below:

**205, 2nd Floor, Agrawal Chamber IV,  
27, Veer Sawarker Block,  
Vikas Marg, Shakerpur,  
Delhi - 110 092**

7. Subject to the provisions of Section 206 A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after July 25, 2007 to those members whose names appear on the Register of Members as on July 25, 2007.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updations of savings bank account details to their respective Depository Participants.
9. Members are requested to address all correspondences, including dividend matters, to the Registrar and Share Transfer Agents as mentioned below:

**Intime Spectrum Registry Ltd.  
A-31, 3rd Floor, Near PVR Naraina,  
Naraina Ind. Area, Phase I,  
New Delhi - 110 028, India.**

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



**(G. P. Singh)**

*AVP (Legal) & Company Secretary*

Noida  
June 25, 2007