

*The efficiency catalyst*



**26th ANNUAL  
REPORT  
2018-2019**



<b>BOARD OF DIRECTORS</b>  <b>Dalip Kumar</b> (Chairman & Managing Director)  <b>Shayam Sunder Sharma</b> (Non Executive Independent Director)  <b>Shweta Shatsri</b> (Non-Executive Independent Director)  <b>Sunil Sharma</b> (Executive Director)  <b>Mahendra Pratap Singh</b> (Non-Executive Director)	<table> <tr> <th>CONTENTS</th><th>PAGE</th></tr> <tr> <td><i>Chairman's Communique</i></td><td>3</td></tr> <tr> <td><i>Notice</i></td><td>4</td></tr> <tr> <td><i>Years at a glance</i></td><td>16</td></tr> <tr> <td><i>CMD and CFO certification</i></td><td>17</td></tr> <tr> <td><i>Director's Report</i></td><td>18</td></tr> <tr> <td><i>Report on Corporate Governance</i></td><td>38</td></tr> <tr> <td><i>Management discussion and analysis</i></td><td>50</td></tr> <tr> <td><i>Auditors' report (Consolidated)</i></td><td>56</td></tr> <tr> <td><i>Consolidated Financial Statements</i></td><td>63</td></tr> <tr> <td><i>Auditor's report (Standalone)</i></td><td>86</td></tr> <tr> <td><i>Standalone Financial Statements</i></td><td>93</td></tr> </table>	CONTENTS	PAGE	<i>Chairman's Communique</i>	3	<i>Notice</i>	4	<i>Years at a glance</i>	16	<i>CMD and CFO certification</i>	17	<i>Director's Report</i>	18	<i>Report on Corporate Governance</i>	38	<i>Management discussion and analysis</i>	50	<i>Auditors' report (Consolidated)</i>	56	<i>Consolidated Financial Statements</i>	63	<i>Auditor's report (Standalone)</i>	86	<i>Standalone Financial Statements</i>	93
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<b>CHIEF FINANCIAL OFFICER</b> Anil Kumar Sharma  <b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b> Harsha Sharma  <b>Auditors</b> M/S. Aadit Sanyam & Associates Chartered Accountants New Delhi - 110005  <b>Registered Office</b> 205, 2nd Floor, Agrawal Chamber IV, 27, Veer Sawarker Block, Vikas Marg, Shakarpur, Delhi – 110 092  <b>Corporate office</b> Plot No. 83, NSEZ, Noida Dadri Road, Phase –II, Noida -201 305 [U.P.]  <b>Website</b> www.fcsltd.com  <b>CIN No:</b> L72100DL1993PLC179154  <b>Bankers</b> Canara Bank HDFC Bank ICICI Bank YES Bank	<b>Development Centers</b> I. FCS House, Plot No. 83, NSEZ, Noida Dadri Road, Phase-II, Noida, Gautam Budha Nagar-201305 (U.P) II. Plot-J-7, Rajiv Gandhi Technology Park, Chandigarh – 160101 III. FCS House, A-86, Sector – 57, Noida – 201301[U.P.] IV. Plot No. 1A, Sector-73, Noida-201301 V. Plot No. 54, EHTP, Sector-34, Gurugram-122004 VI. Plot No.-11, HSIIDC Park, Sector-22, Panchkula, Haryana-134109 VII. I.T. Park, Plot No.24, Sahastradhara, Road, Dehradun-248001  <b>Subsidiaries</b> <b>(a) Foreign Subsidiaries:-</b> I. M/s. FCS Software Solutions GmbH Goethestra Be740237, Dusseldorf, Germany II. M/s. F.C.S. Software Solutions Middle East FZE, P.O. Box 16111, Ras Ai Khaimah, U.A.E.  <b>(b) Indian wholly owned Subsidiaries:-</b> V. M/s.Insync Business Solutions Limited VI. M/s.Innova e Services Private Limited VII. M/s.Stablesecure Infraservices Private Limited VIII. M/s.cGain Analytics Private Limited IX. M/s.Zero Time Constructions Private Limited																								

## FROM THE CHAIRMAN

**My Dear fellow Stakeholders,**

I welcome all of you to the 26<sup>th</sup> Annual General Meeting of the company. We have been in business now for 26 years and with some ups and downs, we continue to serve the purpose with same vigor as when we started. In a company's life, there are moments that needs to be created and then built upon. While some companies get those chances more quickly, others have to be patient. In our case, we had many opportunities that we were able to avail of but then every time, market conditions changed that impacted the scaling up of our opportunities. Just as everyone is aware, the market conditions continue to be tough around globe. With high inflation, the costs continue to grow whereas the poor economic conditions make it difficult to pass the costs to the clients who are themselves facing difficult times. In times like this, one needs to have ability to sustain and that is what we have. We believe that we will be able to go through these tough times and then as the markets improve, we will be able to utilize our strengths to build further on scale and margins.

One of the key factors in last few years is that as markets mature, bigger companies get an advantage over smaller companies due to their better branding. This is one aspect that we consider as our weakness and we have started building a plan to address this weakness. In today's world, one needs to be strong in social media. We are going to build a strong social media presence to address our all stakeholders – employees, customers, shareholders, and professionals.

I take this opportunity to thank all of you for your continued support both in good times and bad times. I assure that everyone in the company will work extra hard to continue to earn the trust that we have built over all these years.

I would like to cordially invite to all the shareholders of the Company to attend the 26<sup>th</sup> Annual General Meeting of the Company (AGM) on 13<sup>th</sup> November, 2019 at 9:00 A.M. at The Executive Club, 439, Village, Sahoopur, Fatehpur, Beri, New Delhi-110074.

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

**Date:** 14/10/2019

## NOTICE

NOTICE is hereby given that the 26th ANNUAL GENERAL MEETING OF THE MEMBERS OF **M/s FCS SOFTWARE SOLUTIONS LIMITED** will be held at The Executive Club, 439, Village Sahoorpur, Fatehpur Beri, New Delhi- 110074 on Wednesday, the 13th day of November, 2019 at 9:00 A.M. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To consider re-appointment of Mr. Sunil Sharma (DIN-05359128), Executive Director of the Company, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment as an Executive Director of the Company.

### SPECIAL BUSINESS:

3. **Re-Appointment of Mr. Shayam Sunder Sharma as an independent director of the company for the second term of 5 years**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ( “Act”) read with Schdeule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Mr. Shayam Sunder Sharma (DIN:00272803), Independent Director, whose period of office expires on September 23, 2019, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for the second term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years with effect from 24th September, 2019 to 23rd September, 2024.

4. **Re-Appointment of Mrs. Shweta Shatsri as an independent director of the company for the second term of 5 years**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ( “Act”) read with Schdeule IV to the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Mrs. Shweta Shatsri (DIN:06480421), Independent Director, whose period of office expires on September 23, 2019, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for the second term of five consecutive years under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 be and is hereby re-appointed as an Independent Director of the Company, not subject to retirement by rotation, for a term of 5 (Five) consecutive years with effect from 24th September, 2019 to 23rd September, 2024.

**5. Consider & approve Re-appointment of Mr. Dalip Kumar, Chairman & Managing Director**

To consider and if thought fit, to pass with or without modification (s), if any, the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Sections 117(3), 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Dalip Kumar (DIN- 00103292) be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of five years with effect from 01.04.2020 to 31.03.2025 on the remuneration and other terms and conditions, as recommended by the Nomination and Remuneration Committee as set out in the explanatory statement annexed.

**RESOLVED FURTHER THAT** Ms. Harsha Sharma, Company Secretary of the Company, be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**6. Consider and approve remuneration of Mr. Sunil Sharma, executive Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 197 of Companies Act, 2013 and other applicable and related provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”), read with Schedule V of the Act and Chapter XIII of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for payment of maximum remuneration upto Rs. 12,00,000/- (Rupees Twelve Lakhs) annually to Mr. Sunil Sharma (DIN No. 05359128), by way of salary, perquisites and allowances as may be mutually agreed between the Board of Directors and Mr. Sunil Sharma.”

**7. Consider & approve remuneration of Mr. Dalip Kumar, Chairman & Managing Director of the Company**

To consider and approve the payment of remuneration to Mr. Dalip Kumar, Chairman & Managing Director of the Company for a period of 5 (Five) years w.e.f. 01 April, 2020 and if thought fit, pass the following resolution as a Special Resolution, with or without modification(s):

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to requisite approval of Central Government, if necessary and such other approval as may be required, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Nomination and Remuneration Committee has recommended to the Board the re-appointment of Mr. Dalip Kumar as Chairman & Managing Director of the Company for a period of 5 (Five) years with effect from 1st April, 2020 to 30th March, 2025 on the terms & conditions including remuneration by way of salary, perquisites and allowances as set out hereunder:

- a) Salary: upto Rs. 1,00,000/- (Rupees One Lakh only) per month;
- b) Commission: upto 3% of the net profits calculated in the manner laid down under section 197 of the Companies Act, 2013
- c) Benefits, Perquisites & Allowances: As may be determined by the Board from time to time;
- d) Gratuity, Leave Encashment & Provident Fund: As per the policies of the Company.

**“RESOLVED FURTHER THAT** the remuneration payable to Mr. Dalip Kumar, Chairman & Managing Director shall not exceed the overall ceiling of the total managerial remuneration as provided under sections 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);”

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

Sd/-

**Harsha Sharma**  
(Company Secretary)

**Place:** Noida

**Date:** 14/10/2019

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts relating to the business stated under Item No. 3, 4, 5, 6 & 7 is annexed hereto.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty-eight hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.**
3. Pursuant to Section 105 of Companies Act, 2013 and rules made there under, a person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip at the Registration Counter at the AGM.
7. The Register of Members and Shares Transfer Books of the Company will remain closed from November 7, 2019 to November 8, 2019 (both days inclusive) for the purpose of Annual General Meeting.
8. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.

## Voting through electronic means

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

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

### Instructions for shareholders to vote electronically:

- **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)



**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

- **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund / Corporate Body**’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

**General**

- (A) The voting period begins on 10th November, 2019 (9:00 am) and ends on 12th November, 2019 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in

dematerialized form, as on the cut- off date i.e. 6th November, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

- (B) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 6th November, 2019 may follow the same instructions as mentioned above for e-voting.
- (C) Mr. Shashi Shekhar, Practicing Company Secretary (Membership No. 37987) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (D) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 6th November, 2019.

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

Sd/-

**Place:** Noida

Harsha Sharma

**Date:** 14.10.2019

(Company Secretary)