

FCS/STX/2023

2nd September, 2023

To,

The Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
P J Tower, Dalal Street,
Mumbai- 400001

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai- 400051

Subject: - Annual Report of the 30th Annual General Meeting of the Company as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, we are hereby submitting Annual Report of the 30th Annual General Meeting of the Company going to be held on Thursday, 28th September, 2023 for the Financial Year 2022-23.

This is for your information and record.

Please take note of the same.

Thanking You,

Yours faithfully,

For **FCS Software Solutions Limited**

HARSHA

Digitally signed by HARSHA
DN: cn=Harsha Sharma, postalCode=201305, st=Uttar Pradesh,
2.5.4.20=22236a82807c04454949b840069f1bc0098bec2
10205640314400949
serialNumber=8287401077A699173F055A48307710E273743
6
serialNumber=805CA0C1D712D13008D908A2769149169
28AC21107917E02C340AC00F8F0A0HARSHA
Date: 2023.09.02 14:39:24 +05'30'

Harsha Sharma

(Company Secretary)

Membership No.: A33548

Encl: Annual Report 2022-23

FCS Software Solutions Limited

Regd. off : 205, 2nd Floor, Aggarwal Chamber IV, 27, Veer Sawarkar Block, Vikas Marg, Shakerpur, Delhi 110 092

Tel: +91-011-42418371. www.fcsltd.com

Corporate Office: Plot No. 63, NSEZ, Noida Phase II, Noida-201305, Tel: 0120-4635900 Fax. 0120-4635941

Email id: investors@fcsltd.com website:- www.fcsltd.com

Noida Office: A-86, Sector-57, Noida-201301, India, Tel: 0120-3061100, Fax No-0120-3061111

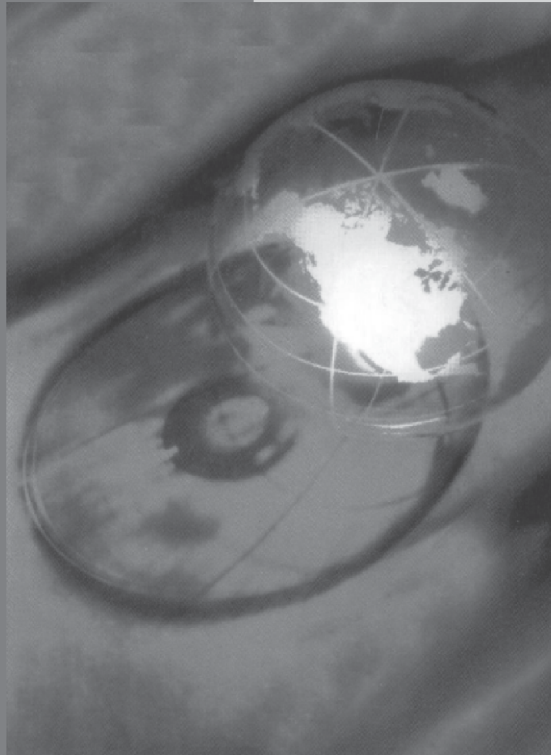
Plot No. 1A, Sector-73, Noida-201301

Chandigarh Office: Plot -J-7, Rajiv Gandhi Chandigarh Technology Park, Kishan Garh Chandigarh-160101

Panchkula Office: Plot No.-11, HSIIDC Park, Sector-22, Panchkula, Haryana -134109

Gurugram Office: Plot No-54, EHTP, Sector-34, Gurugram-122004

The efficiency catalyst



**30th ANNUAL
R E P O R T
2022 - 2023**



BOARD OF DIRECTORS

- Mr. Dalip Kumar**
(Chairman & Managing Director)
- Mr. Shayam Sunder Sharma**
(Non Executive Independent Director)
- Mrs. Neelam Sharma**
(Non Executive Director)
- Ms. Archana Sharma**
(Non-Executive Independent Director)
- Mr. Ravinder Sachdeva**
(Executive Whole-Time Director)
- Mr. Brijesh Singh Bhadauriya**
(Non Executive Independent Director)

CHIEF FINANCIAL OFFICER

Anil Kumar Sharma

COMPANY SECRETARY & COMPLIANCE OFFICER

Harsha Sharma

Statutory Auditors

M/s. SPMG & Co.
Chartered Accountants
New Delhi – 110005

Secretarial Auditors

M/s. VS Associates
Company Secretaries

Registered Office

205, 2nd Floor, Agrawal Chamber IV,
27, Near Sawarker Block, Vikas Marg,
Shakerpur, Delhi – 110 092

Corporate office

Plot No. 83, NSEZ, Noida Dadri Road,
Phase –II, Noida -201 305 [U.P.]
Website: www.fcsltd.com

Website

www.fcsltd.com

CIN No:

L72100DL1993PLC179154

Bankers

Canara Bank
HDFC Bank
ICICI Bank

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Development Centers

- (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.-11, HSIIDC Park, Sector-22, Panchkula, Haryana-134109

Subsidiaries

(a) Foreign Subsidiaries:-

- (i) M/s.FCS Software Solutions GmbH
Goethestra Be 740237, Dusseldorf, Germany
- (ii) M/s. F.C.S. Software Solutions Middle East
FZE, P.O. Box 16111, Ras Ai Khaimah, U.A.E.
- (iii) M/s FCS Software (Shanghai) Co. Limited
Room B43, Floor 3, Building 6, No. 4299,
Jindu Road, Minhang District, Shanghai, China

(b) Indian Subsidiaries:-

- (iv) M/s.Insync Business Solutions Limited
- (v) M/s. Stablesecure Infraservices Private Limited

FROM THE CHAIRMAN

Dear Stakeholders,

I welcome to all stakeholders at 30th Annual General Meeting of the Company. I am deeply grateful for the trust and confidence you have bestowed on the Company. We very much appreciate your generous support during this period of uncertainty when inflation rate, geopolitics, war, demand volatility affects us. I want to thank you for taking the time out to join us.

As we strive for excellence, we will uphold our core values of integrity, transparency, and sustainability. In time of intense uncertainty, short term pressure and crunched resources, requires become better, efficient in their ability to resilient in the present scenario and securing their future growth. We will go ahead guided by lessons of the past and with positive aspirations for the future growth.

I would like to take this opportunity to thank all our employees for their sustained contribution. Further, I would like to express my heartfelt gratitude to all the esteemed Board members for their exceptional guidance and efforts. I would also like to thank our shareholders, bankers and RBI for their continued support to our Company over the past years. We will strive to strengthen our core and deliver strong value to all our stakeholders. Once again I thank you all for the confidence you have reposed in the Company and I pray that may the almighty aids us in all our future endeavours.

I would like to cordially invite to all the shareholders of the Company to attend the 30th Annual General Meeting of the Company (AGM) on 28th Day of September at 11.30 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Date: 29th August, 2023

Place: Noida

SD/-

Dalip Kumar

Chairman & Managing Director

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of **FCS SOFTWARE SOLUTIONS LIMITED** will be held on Thursday, 28th September, 2023 at 11.30 AM through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2023, together with the Report of the Auditors thereon, and, in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon, as laid before this meeting, be and are hereby received, considered and adopted”.

SPECIAL BUSINESS:

2. **Regularisation of appointment of Mr. Ravinder Sachdeva (DIN: 10280805) as the Whole Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with 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 Regulation 17(1C) any other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ravinder Sachdeva (DIN: 10280805), who was appointed as an Additional Director and designated as a Whole-Time Director (“Key Managerial Personnel”) of the Company by the Board of Directors on the recommendation of Nomination and Remuneration Committee with effect from 29th August, 2023 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to decide the terms and conditions of appointment including alteration of such terms & conditions as it may deem appropriate in relation to Mr. Ravinder Sachdeva in the capacity of Whole Time Director of the Company during his tenure of 5 (five) years commencing from 29th August, 2023 on the recommendations of Nomination & Remuneration Committee of the Company and in compliance with the applicable provisions of the Act including but not limited to Section 197 read with Section 198 and the rules made thereunder and other applicable laws.”

3. **Consider and approve remuneration of Mr. Ravinder Sachdeva (DIN: 10280805) as Whole Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, permissions and sanctions as

may be required and pursuant to recommendation of Nomination and Remuneration Committee and of the Board of Directors, the approval of the members of the Company be and is hereby accorded to appoint Mr. Ravinder Sachdeva (DIN: 10280805) as Executive Whole-Time Director ("Key Managerial Personnel") of the Company for a period of 5 (five) years commencing from 29th August, 2023, liable to retire by rotation, on the terms & conditions as set out below with liberty and authority to the Board of Directors (including Nomination and Remuneration Committee) to increase, alter, vary and modify the terms of remuneration from time to time within the scope of Section 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 as may be agreed to between the Board of Directors (including Nomination and Remuneration Committee):

- a) Monthly Remuneration: upto Rs. 8,00,000/- (Rupees Eight Lakhs only) per month;
- c) Benefits, perquisites, Allowances & performance based incentive: As may be determined by the Board from time to time;
- d) Gratuity, Leave Encashment, Provident Fund & Notice period: As per the policies of the Company.

RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Ravinder Sachdeva (DIN: 10280805), the Company has no profits or its profits are inadequate, the managerial remuneration aforesaid consisting of salary, perquisites, allowance, amenities and performance based incentive of Mr. Ravinder Sachdeva (DIN: 10280805), shall be the minimum remuneration as per applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the total managerial remuneration payable to the Executive Director(s) of the Company taken together in any financial year may exceed the limit of 10% of net profit of the Company and overall managerial remuneration payable to all Director(s) of the Company may exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act, read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT Mr. Ravinder Sachdeva (DIN: 10280805) shall not be entitled to any sitting fee for attending meetings of the Board and/ or Committee(s) thereof.

RESOLVED FURTHER THAT any of the Director of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary, desirable or expedient to give effect to aforementioned resolutions including filing of necessary e-form(s)/ return(s) with the concerned Registrar of Companies and to deal with all matters connected therewith or incidental thereto, without seeking any further approval of the Members of the Company."

4. Regularisation of appointment of Mrs. Neelam Sharma (DIN: 10291133) as Non-Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], Mrs. Neelam Sharma (DIN: 10291133), who was appointed as an Additional Director in the board of directors at their meeting held on August 29, 2023 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any of the Director of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary, desirable or expedient to give effect to aforementioned resolutions including filing of necessary e-form(s)/ return(s) with the concerned Registrar of Companies and to deal with all matters connected therewith or incidental thereto, without seeking any further approval of the Members of the Company."

ORDINARY BUSINESS:

5. Re-appointment of Mrs. Neelam Sharma (DIN: 10291133), who retires by rotation at this meeting and being eligible, offers herself for re-appointment

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

“RESOLVED THAT Mrs. Neelam Sharma, who retires by rotation and being eligible, offers herself for reappointment be and is hereby re-appointed as Non-Executive Director of the Company, liable to retire by rotation.”

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

Sd/-

Harsha Sharma

(Company Secretary)

Place: Noida

Date: 29th August, 2023

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 and 4 is annexed hereto and forms part of this notice.
2. The Ministry of Corporate Affairs (“MCA”) has vide its latest Circular No. 10/2022 dated 28th December, 2023 read with previous circulars issued by MCA being Circular No. 14/2020, Circular No.17/2020, Circular No. 20/2020, Circular No. 2/2021, Circular No. 2/2022 (“MCA Circulars”) pursuant to latest Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by Securities and Exchange Board of India (“SEBI”) read together with previous circulars issued by SEBI in this regard being Circular Nos. SEBI/ HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 issued by SEBI (hereinafter collectively referred to as “MCA Circulars or SEBI Circulars or the Circulars”), Annual General Meeting (AGM) is allowed to be held through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) without the physical presence of members at common venue till 30th September, 2023. The Board of Directors of the Company has decided to adopt the above circulars issued by MCA and SEBI in conducting Annual General Meeting of the Company through VC/OAVM.

Hence, Members can attend and participate in the ensuing AGM through VC/OAVM, which may not require physical presence of members at a common venue. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM is provided by our RTA i.e. Link Intime India Private Limited. **The Deemed Venue for the 30th AGM shall be the Registered office of the Company.**

3. **ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC/OAVM. IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD2/CIR/P/2022/62, DATED MAY 13, 2022, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send certified copy of (PDF/JPG Format) Board or governing body Resolution/Authorization letter, authorizing

its representative to attend the AGM through VC / OAVM on its behalf and vote in the manner prescribed in the notes below.

5. In compliance with aforesaid MCA Circulars and SEBI Circulars, Notice of 30th AGM together with the Annual Report for the financial year 2022-23 are being sent by electronic mode only to all Members whose email addresses are registered with the Company or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report for the financial year 2022-23 will also be available on the Company’s Website at www.fcsltd.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com.
6. As per Regulation 40 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, Securities of Listed Companies can be transferred only in dematerialized form with effect from April, 2019. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form with effect from 24th January, 2022. In view of this and to eliminate all risk associated with physical shares and for ease of portfolio management, member holding shares in physical form are requested to consider converting their holding to dematerialized form.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
9. Details as per the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment /re-appointment at the ensuing Annual General Meeting is appended to the Notice.
10. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first serve basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional investors, Directors, Key Managerial Personnel, the chairperson of Audit committee, Nomination and Remuneration Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.
11. Members are requested to send their queries at least 3 days before the date of meeting so that information can be made available at the meeting.
12. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 22nd September, 2023 to Thursday, 28th September, 2023 (both days inclusive) for the purpose of the Meeting.
13. Mr. Neeraj Arora, Practicing Company Secretary (Certificate of Practice No. 16186) has been appointed as scrutinizer to scrutinize the e-voting process in fair and transparent manner.

PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to investors@fcsltd.com till Sunday, September 24, 2023. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.

SPEAKER REGISTRATION FORM

| | |
|--|--|
| Name of Shareholder (including joint holder) | |
| DPID-CLID / Folio Number | |
| Permanent Account Number (PAN) | |
| Mobile Number | |
| Professional Query in brief | |

*All fields are mandatory

The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name, demat account/ folio number, email id, mobile number at investors@fcsltd.com. The same will be replied by the Company suitably.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

- ▶ Select the “**Company**” and “**Event Date**” and register with your following details: -
 - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
 - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
 - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.:** Enter your mobile number.
 - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request with the company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. 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’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

InstaMeet Support Desk

Link Intime India Private Limited

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
 1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.
 2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select “Register Online for IDeAS Portal” or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
 3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
 4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will

authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- * *Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*
 - * *Shareholders holding shares in **NSDL form**, shall provide ‘D’ above*
 - Set the password of your choice (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).
 - Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, 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.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

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

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. 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.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

General

- a) The voting period begins on 25th September, 2023 (9:00 am) and ends on 27th September, 2023 (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. 21st September, 2023.
- b) Shareholders may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
- c) 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. 21st September, 2023 may follow the same instructions as mentioned above for e-voting.
- d) Mr. Neeraj Arora, Practicing Company Secretary (Membership No. 10781) has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- e) 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 21st September, 2023.

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

**Place: Noida
Date: 29/08/2023**

**Sd/-
Harsha Sharma
(Company Secretary)**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AS PER REGULATION 36 OF LISTING REGULATIONS WITH THE STOCK EXCHANGE AND AS SECRETARIAL STANDARD – 2 ISSUED BY ICSI:

| | |
|---|---|
| Name of Director | Mr. Ravinder Sachdeva (DIN:10280805) |
| Date of Birth | 03/04/1976, 47 Years |
| Category/Designation | Executive Director (Whole-time) |
| Nationality | Indian |
| Date of Appointment on the Board | 29 th August, 2023 |
| Qualifications | Graduate |
| Number of Shares held in the Company | Nil |

| | |
|--|---|
| Expertise in specific functional area | More than 20 years of experience in handling various roles as visual media designer, e-learning developer and project head etc. |
| Last Drawn Remuneration incl. Sitting Fees for Board & Committee(s) Meetings (2022-23) | Rs. 2,71,280/- per month |
| Number of Board Meetings attended during the year | Nil |
| Relationship with any Director(s) of the Company | Not Applicable |
| Other Directorship in the Other Listed Companies | NIL |
| Committee position in other Listed entities | NIL |
| In case of independent directors, the skills and Capabilities required for the role and the manner in which the proposed person meets such requirements | Not Applicable |

| | |
|--|---|
| Name Of Director | Mrs. Neelam Sharma (DIN: 10291133) |
| Date of Birth | 01/08/1969, 54 Years |
| Category/Designation | Director (Non – Executive) |
| Nationality | Indian |
| Date of Appointment on the Board | 29 th August, 2023 |
| Qualifications | Masters in Social Service |
| Number of Shares held in the Company | 46,390 |
| Expertise in specific functional area | More than 20 years of experience in social work |
| Last Drawn Remuneration incl. Sitting Fees for Board & Committee(s) Meetings (2022-23) | Nil |
| Number of Board Meetings attended during the year | Not Applicable |
| Relationship with any Director(s) of the Company | She is wife of Mr. Dalip Kumar, Chairman & Managing Director of the Company. |
| Other Directorship in the Other Listed Companies | NIL |
| Committee position in other Listed entities | NIL |
| In case of independent directors, the skills and Capabilities required for the role and the manner in which the proposed person meets such requirements | Not Applicable |

Inter-se relationship between directors as required under Regulation 36 (3) (c) of Listing Regulation:

Mrs. Neelam Sharma is the wife of Mr. Dalip Kumar, Chairman & Managing Director of the Company.

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

Place: Noida
Date: 29/08/2023

Sd/-
Harsha Sharma
(Company Secretary)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned under Items of the accompanying Notice dated August 29, 2023

Item No. 2

Based on the recommendations of the Nomination & Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on Tuesday, 29th August, 2023 has appointed Mr. Ravinder Sachdeva (DIN:10280805) as an Additional Director in the capacity of Executive Director on the Board of the Company who holds his office up to date of this Annual General Meeting.

The appointment of Mr. Ravinder Sachdeva (DIN: 10280805) as an Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 152 of the Companies Act, 2013 ("the Act"). The Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of a Director.

Mr. Ravinder Sachdeva (DIN: 10280805) has also given his consent to act as a Director and has given a declaration stating that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mr. Ravinder Sachdeva (DIN: 10280805) fulfils the conditions for his appointment as an Executive Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Ravinder Sachdeva (DIN: 10280805) possesses appropriate skills, experience and knowledge.

The relevant particulars of Mr. Ravinder Sachdeva (DIN: 10280805) as required under the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per SS-2 issued by the Institute of Company Secretaries of India (ICSI) is annexed to this notice.

Copy of letter of appointment of Mr. Ravinder Sachdeva (DIN: 10280805) setting out the terms and conditions of appointment is available for inspection by the members at the website of the Company at www.fcsltd.com

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.2 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 2 of the Notice for approval by the members.

Item No. 3

It would be appropriate to approve remuneration of Mr. Ravinder Sachdeva as an Executive Whole-Time Director of the Company for the period of his appointment. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee recommends remuneration of Mr. Ravinder Sachdeva, Executive Whole-Time Director of the Company subject to the approval of shareholders of the Company in Annual General Meeting to be held on Thursday, 28th day of September, 2023 as a Special Resolution, at the remuneration, in accordance with norms laid down in Section 197 and other applicable provisions of the Companies Act, 2013 and the rules made there under Schedule V of the Companies Act, 2013.

The proposed remuneration and terms and conditions of appointment of Mr. Ravinder Sachdeva (DIN: 10880805) are as given below:

Remuneration, benefits and perquisites:

- I. **Salary:** A total Salary within the range of Rs. 8,00,000/- (Eight Lakhs Only) per month including all the allowances and perquisites, shall be payable to him or any of his relatives with the power to the Board or any committee thereof, to increase the salary within the said range on the basis of his performance.
- II. **Limit on Remuneration:** The remuneration as specified in clauses above shall be subject to the overall limit as specified under Section 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

The Board of Directors or any committee thereof may alter/vary the remuneration from time to time, provided that the aggregate of the above salary, allowances, perquisite, variable pay and other benefits shall not exceed Rs. 8,00,000/- (Eight lakhs only) per month.

- III. **Minimum Remuneration:** Subject to the provisions of the Companies Act, 2013 and or any other approval required, if any, under any other act, the consent of the shareholders is being accorded that the above remuneration shall be minimum remuneration payable to this Director in the event of absence or inadequacy of profit in any financial year during his tenure.

Save and except Mr. Ravinder Sachdeva and his relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution set out at item No. 4 of the Notice.

The Board recommends this resolution for the approval of the members as Special Resolution.

- IV. **Sitting Fees:** He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committees thereof.

Item No. 4

Based on the recommendations of the Nomination & Remuneration Committee and under the provisions of Section 161 of the Act, the Board of Directors in their meeting held on Friday, 29th August, 2023 has appointed Mrs. Neelam Sharma (DIN: 10291133) as an Additional Director in the capacity of Non-Executive Director on the Board of the Company who holds her office up to date of this Annual General Meeting.

The appointment of Mrs. Neelam Sharma (DIN: 10291133) as Non-Executive Director shall be effective upon approval by the members in their Meeting under the provisions of Section 152 of the Companies Act, 2013 ("the Act"). The Company has received notice in writing from a member under Section 160 of the Act proposing her candidature for the office of a Director. Mrs. Neelam Sharma. (DIN: 10291133) has also given her consent to act as a Director and has given a declaration stating that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, Mrs. Neelam Sharma (DIN: 10291133) fulfils the conditions for her appointment as Non-Executive Director as specified in the Act and the Listing Regulations. Mrs. Neelam Sharma (DIN: 10291133) possesses appropriate skills, experience and knowledge.

The relevant particulars of Mrs. Neelam Sharma (DIN: 10291133) as required under the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per SS-2 issued by the Institute of Company Secretaries of India (ICSI) is annexed to this notice.

Copy of letter of appointment of Mrs. Neelam Sharma (DIN: 10291133) setting out the terms and conditions of appointment is available for inspection by the members at the website of the Company at www.fcsltd.com

None of the Directors / Key Managerial Personnel of the Company / their relatives except Mr. Dalip Kumar, Chairman & Managing Director of the Company who is the spouse of Mrs. Neelam Sharma are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 4 of the Notice for approval by the members.

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

Place: Noida
Date: 29/08/2023

Sd/-
Harsha Sharma
(**Company Secretary**)

Years at a Glance (Consolidated FS)

(Rs. In Lakhs)

| For the year | 2023 | 2022 |
|--|-----------------|------------------|
| Revenue from operations | 3,491.39 | 3,461.69 |
| Operating profit (EBITDA) | 812.44 | 654.16 |
| Other Income | 221.62 | 188.30 |
| Profit before tax (PBT) | 218.82 | 39.79 |
| Profit after tax (PAT) | 145.98 | (5.23) |
| EPS (par value of Re. 1 each) | | |
| Basic | 0.01 | (0.00) |
| Diluted | 0.01 | (0.00) |
| Dividend | - | - |
| At the end of the year | | |
| Property, Plant and Equipment | 3,849.51 | 4,176.08 |
| Investment Property | 15,792.98 | 15,865.24 |
| Investment | 15561.41 | 14392.30 |
| Non-Current Assets | 2673.62 | 2387.17 |
| Net current assets | 327.35 | 394.60 |
| Total assets | 38937.50 | 37887.39 |
| Borrowings (Non-current and Current) | 1861.27 | 2,181.28 |
| Liabilities | 1194.78 | 917.25 |
| Pending Allotment & non controlling interest | - | - |
| Total Liabilities & Debts | 3056.07 | 3,098.53 |
| Equity (Shareholders Fund)/ Net Worth | 35881.44 | 34,788.86 |

Directors' Report (For the Year 2022-23)

Dear Stakeholders

The Board of Directors is pleased to present the thirtieth (30th) Director's Report on business and operations along with financial statements of the Company for financial year ended 31st March, 2023.

1. Financial Results

The financial statements for the year ended March 31, 2023, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the annual accounts. The following are the financial highlights for the Financial Year 2022-23.

(Rs. in Lakhs)

| Particulars | Standalone | | Consolidated | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Revenue from operation | 3,494.88 | 3,431.59 | 3491.39 | 3,461.69 |
| Other Income | 220.56 | 185.53 | 221.62 | 188.30 |
| Total Income | 3,715.44 | 3,617.12 | 3,713.02 | 3,649.99 |
| Operating Expenditure | 2886.60 | 2842.02 | 2932.78 | 2887.61 |
| Depreciation and Amortizationexps | 419.56 | 385.68 | 419.56 | 385.68 |
| Total Expenses | 3306.17 | 3227.70 | 3352.35 | 3273.29 |
| Profit before Share of profit / (Loss) of Associates, ExceptionalItem, Finance Cost and tax | 409.27 | 389.42 | 360.67 | 376.70 |
| Share of Profit / (Loss) of Associates | NA | NA | 0.41 | (0.32) |
| Exceptional Items | 31.80 | (107.90) | 31.80 | (107.90) |
| Profit before Finance Cost and tax | 441.07 | 281.52 | 392.87 | 268.48) |
| Finance Cost | 174.05 | 228.61 | 174.05 | 228.69 |
| Profit before tax | 267.02 | 52.91 | 218.82 | 39.79 |
| Tax expense | 72.35 | 44.98 | 72.84 | 45.01 |
| Profit after Tax | 194.66 | 7.92 | 145.98 | (5.23) |
| Other Comprehensive Income | 2602.35 | 154.26 | 2,606.63 | 2592.10 |
| Total Income for the Period | 2797.01 | 162.18 | 2,752.61 | 2586.57 |

There was no revision of the financial statements for the year under review.

2. Overview of Financial Performance and State of Company's affairs

During the financial year 2022-23, Company's consolidated revenue from operations was Rs. 3491.39 Lakhs as against Rs. 3,461.69 lakhs in the previous financial year 2021-22.

A detailed analysis on the Company's state of affairs and performance is included in the "Management

Discussion & Analysis Report" which forms part of this Director's Report.

3. Share Capital

The paid up capital of the Company as on March 31, 2023 was Rs. 17,095.53 Lakhs comprising of 17,095.53 Lakh equity shares of Re.1 each. During the year under review, there has been no change in the capital structure of the Company.

4. Changes in the nature of business

There were no change in the nature of business of the company during the year under review.

5. 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.

6. Transfer to Reserves

The Board of Directors of our company, has decided not to transfer any amount to the Reserves for the year under review.

7. Dividend

The Board of Directors of your Company, after considering the circumstances holistically and in order to conserve the resources, has decided that it would be prudent not to recommend any dividend for the year ended 31st March, 2023.

8. Director and Key Managerial Personnel (KMP)

The Board of our Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Cessation:-

- Ms. Shweta Shastri (DIN: 06480421), Independent Director of the Company has tendered her resignation from the Board on 5th May, 2022 which was duly taken on records by the board of Directors of the Company.
- Mr. Sunil Sharma (DIN: 05359128), Executive Director of the Company has tendered his resignation from the Board on 5th July, 2023. He has provided the resignation letter to the Board of the Company.
- Mr. Mahendra Pratap Singh (DIN: 08201381), Non-Executive Director of the Company has tendered his resignation from the Board on 28th August, 2023. He has provided the resignation letter to the Board of the Company.

Appointment:-

- Ms. Archana Sharma (DIN: 08300527) was appointed as an Additional Director in the capacity of a non- executive Independent director with effect from 6th May, 2022 by the Board of Directors. Aforesaid appointment was approved by the Members at the 29th AGM held on August 3, 2022.
- Mr. Brijesh Singh Bhadauriya (DIN: 00489983) was appointed as an Additional Director in the capacity of a non- executive Independent director with effect from 7th July, 2022 by the Board of Directors. Aforesaid appointment was approved by the Members at the 29th AGM held on August 3, 2022.
- Mr. Ravinder Sachdeva (DIN: 10280805) was appointed as an Additional Director in the capacity of a Executive Whole time Director with effect from 29th August, 2023 by the Board of Directors.
- Mrs. Neelam Sharma (DIN: 10291133) was appointed as an Additional Director in the capacity of a Non-Executive Director with effect from 29th August, 2023 by the Board of Directors.

Retire by Rotation:-

Pursuant to the provisions of Section 152 and other applicable provisions of Companies Act, 2013, one third of directors who are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Mrs. Neelam Sharma (DIN: 10291133), Non-executive director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible she has offered herself for re-appointment.

Women Director :-

In terms of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has appointed Mrs. Archana Sharma (DIN: 08300527) and Mrs. Neelam Sharma (DIN: 10291133) who is serving on the Board of the Company since 06.05.2022 and 29.08.2023 respectively.

Key Managerial Personnel:-

There had been no change in the Key Managerial Personnel of the Company during the year under review.

9. Number of Meetings of the Board of Directors

The Board met six times during the financial year 2022-23, the details of the Board Meeting with regard to their dates and attendance of each director have been provided in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Evaluation of Board's Performance

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of its own performance, and that of its Committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"). The manner in which such formal annual evaluation was made by the Board is given below:

- Performance evaluation policy for Board, Committees of the Board and Directors were approved by the Board at its meeting and the same were placed on the Company's website www.fcsitd.com.
- The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the board.
- The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings.
- Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

11. Board Committee

The Board has 4 (Four) Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

Details of all the committees along with their composition, terms of reference and meetings held during the year are provided in the Report on Corporate Governance, as part of this Annual Report.

12. Management Discussion and Analysis

The report on Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Regulation-34 is annexed and form part of Annual Report.

13. Directors' responsibility statement

To the Members,

We, the directors of FCS Software Solutions Limited, pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, confirms the following:

1. that in the preparation of the annual accounts for the Financial Year ended 31st March 2023, 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, 2013 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.
5. that the Board of Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
6. that the Board of Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 will be available on the Company's website at www.fcsltd.com.

15. Statement on Declaration under Section 149(6) of the Companies Act, 2013

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) and 25(8) of Listing Regulations and have confirmed that they are not aware of any

circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties.

All Independent Directors have registered their name in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs and renewal of name in data bank of independent directors.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

16. Policy on directors' appointment and remuneration and other details

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

The Board of Directors of our Company have reviewed the affairs of all the subsidiary companies. A statement of holding company's interest in subsidiaries as required under Section 129 of the Companies Act, 2013, forms part of this annual report.

A Statement containing salient features of the financial statement of subsidiaries is provided in Form- AOC-1 as "**Annexure A**" to this Director's Report. In accordance with the third proviso of the Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and consolidated financial statements have been placed on the website of the Company, www.fcsltd.com

17. Particulars of Contract or Arrangement with Related Party

With reference to Section 134(3)(h) of Act, all contracts and arrangements with related parties were approved by audit committee and whenever required, also by the Board of Directors. All transactions entered into by the Company with related parties during the financial year were in the Ordinary course of business and on an arm's length basis. The Company did not enter into any transactions with KMP's other than payment of their remuneration. As stipulated by section 134(3)(h) of the Act read with rule 8(2) of Companies (Accounts) Rules, 2014, particulars of related party transactions are given in form no. AOC-2 as "Annexures-B" to this report. In compliance with Regulation 46(2)(g) of listing regulation policy on dealing with related party transactions as approved has been hosted on the Company's website.

A confirmation as to compliance of Related Party Transactions as per Listing Regulations is also sent to stock exchanges. Disclosure of related party transactions on consolidated basis is also sent to Stock Exchange after publication of financial results for half year.

18. Particulars of Loan, Guarantees or Investments

In Compliance with the provisions of Section 134(3)(g) forming part of this Annual Report particulars of loans, Guarantees and Investment covered under the provisions of section 186 of Companies Act, 2013 are provided in the notes to the Financial Statement.

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

The particulars as prescribed under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in "**Annexure C**" which forms part of this Report.

20. Particulars of Remuneration of Directors, Key Managerial Personnel and Employees

Information as per Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in "Annexure -D" to this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not provided since there were no employees who were drawing remuneration more than Rs. 102 lakhs per annum during the year or Rs. 8.5 lakhs per month if employed for part of the financial year under review.

21. MD/CFO Certifications:

The Managing Director and CFO certification of the financial statements for the year 2022-23 is annexed in this Annual Report and a Declaration by the Chairman & Managing Director as required under para D of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as an “Annexure E”.

22. Certificate of Non- Disqualification of Directors

The Certificate required as per Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of annual report is Annexed as “Annexure-F”.

The Board of Directors of the Company has appointed M/s. Vikas Gandhi & Associates, Practising Company Secretaries, to provide certificate of Non- disqualification from professional for the F.Y. 2022-23. The certificate of Non- disqualification of directors of M/s. Vikas Gandhi & Associates, Practising Company Secretaries for the financial year ended 31st March, 2023, is annexed herewith.

23. Deposits

The Company has not accepted any deposits within the purview of provisions of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, and as such, no amount on account of principal or interest was outstanding as on the date of Balance Sheet during the year under review. Hence, the requirement of furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

24. Corporate Social Responsibility (CSR)

In terms of provisions of section 135 of the Companies Act, 2013 & Rule 9 of Companies (Corporate Social Responsibility) Rule, 2014 and other clarification issued by Ministry of Corporate Affairs, the conditions to comply CSR is not applicable to the Company. Hence the provisions is not applicable.

25. Subsidiaries, Joint Ventures and Associate Company as per Companies Act, 2013

As of 31st March, 2023, Company has Three Wholly Owned Subsidiary Companies outside India, viz. F.C.S Software Middle East FZE in UAE, FCS Software Solutions GmbH, in Germany and FCS Software (Shanghai) Co. Ltd. in China, FCS has two Wholly Owned Subsidiary Companies in India i.e. Insync Business Solutions Limited and Stable secure Infra services Private Limited.

M/s. Enstaserv Eservices Limited is the associate company of FCS Software Solutions Limited.

The consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) forms part of the Annual Report and are reflected in consolidated financial statement of the Company.

26. Internal Financial Control

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, the timely preparation of reliable disclosures.

27. Ensuring Compliance of laws

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

28. Sweat Equity, Bonus or Employee Stock option

The Company has not issued any sweat equity, bonus shares or stock option scheme during the year under review.

29. Code of Conduct

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Code has been posted on the Company's website at www.fcsltd.com.

30. Transfer to Investor Education and Protection fund

During the year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

31. Policy on Sexual Harassment

FCS has adopted a policy on prevention, prohibition and redressal for employees on sexual harassment at workplace as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year 2022-23 there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

32. Vigil Mechanism/Whistle Blower Policy

In Compliance with the provisions of Section-177(9) of the Companies Act, 2013 read with Rule- 7 of Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has a vigil mechanism through Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the policy is explained in the Corporate Governance Report and is also placed on the website of the Company.

33. Corporate Governance Report

As stipulated by Regulation 34(3) read with Schedule V (c) of listing regulations, a Report on Corporate Governance along with a certificate from the M/s. Neeraj Arora & Associate, Company Secretaries, confirming compliance with the conditions of the Corporate Governance is forming part of this report.

Certificate confirming compliance of the conditions of Corporate Governance, is provided as "Annexure G" to this Director's Report.

34. Consolidated Financial Statements

The Consolidated Financial Statements of the Company has been prepared in accordance with applicable Accounting Standards forms a part of this Annual Report.

35. Company's policy relating to directors appointment, payment or remuneration and discharge of their duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and hence the Company has adopted a policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes,

independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

36. Auditors

Statutory Auditors

M/s. SPMG & Co., Chartered Accountants, is the existing statutory auditor of the Company were appointed at 29th Annual General Meeting held on 03/08/2022 to hold the office till conclusion of our 34th Annual General Meeting for a period of 5 years.

The Audit Report on the Financial Statements of the Company for the financial year ended March 31, 2023 read with relevant Notes thereon are self-explanatory and do not call for any further explanation. The Auditors Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Statutory Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

Secretarial Auditor

The Board of Directors of the Company has appointed M/s. VS Associates, Practising Company Secretaries, to conduct Secretarial Audit for the F.Y. 2022-23. The Secretarial Audit Report of M/s. VS Associates, Practising Company Secretaries for the financial year ended 31st March, 2023, is annexed herewith as “Annexure-H”.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Auditor

The Board of Directors of the Company has appointed M/s. Vijay Kumar & Associates, Chartered Accountants as an internal auditor of the Company for financial year 2022-23.

Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

37. Listing Fees

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 532666 and on National Stock Exchange of India Limited (NSE) with scrip code of FCSSOFT. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2022-23 have been paid.

38. Secretarial Standards

The Institute of Company Secretaries of India has issued Secretarial Standard -1 (SS-1) on 'Meetings of the Board of Directors' and Secretarial Standard – 2 (SS-2) on 'General Meeting' and both the Secretarial Standards have been approved by the Central Government under Section 118(10) of the Act. Pursuant to the provisions of Section 118(10) of the Act, it is mandatory for the Company to observe the Secretarial Standards with respect to Board Meeting and General Meeting. The Company has adopted and followed the set of principles prescribed in the respective Secretarial Standards for convening and conducting Meetings of Board of Directors, General Meeting and matters related thereto.

39. Annual Secretarial Compliance Report

The Annual Secretarial Compliance under Regulation 24(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was done by Neeraj Arora & Associates, Practising Company Secretary, for the financial year ended March 31, 2023.

40. Fraud Reporting

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Act to the Audit Committee or the Board of Directors during the Financial Year under review.

41. Disclosure of Employee Stock Option Scheme / Purchase Scheme

During the year under review, Company has not provided any employee stock option / purchase scheme.

42. Significant / Material orders passed by the Regulator/Courts/ Tribunal

During the year, there were no any significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

43. Investor Services:-

To improve investor services, your Company has taken following initiatives:-

- An investor relation section on website of Company (www.fcsltd.com)
- Email-id (investors@fcsltd.com) for sending communication to Company Secretary.

44. Event based disclosures

1. **Issue of sweat equity shares: NA**
2. **Issue of shares with differential rights: NA**
3. **Issue of shares under employee's stock option scheme: NA**
4. **Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA**
5. **Buy back shares: NA**
6. **Disclosure about revision : NA**
7. **Preferential Allotment of Shares: NA**

45. Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC):

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

46. One-time settlement with any bank or Financial Institution

There was no instance of one-time settlement with any Bank or Financial Institution.

47. Buy Back of Securities:

Your Company has not bought back its securities during the year under review.

48. Acknowledgement

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, GST departments, the Income Tax department, Ministry of Corporate Affairs, Office of Registrar of Companies, New Delhi, Development Commissioner of Special Economic Zones, particularly of Noida for their co-operation.

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

Sd/-
Dalip Kumar
(Chairman & Managing Director)

Place : Noida
Date : 29th August, 2023

AOC-I

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries

| | Names of subsidiaries | F.C.S Software MiddleEast FZE | FCS Software Solutions GmbH | FCS Software (Sanghai) Co., Ltd. | Insync Business Solutions Ltd. | Stablesecure Infraservices Private Limited |
|----|---|---|---|---|---|---|
| 1 | Reporting period for the subsidiary concerned | 1 st April, 2022 to 31 st March, 2023 | 1 st April, 2022 to 31 st March, 2023 | 1 st April, 2022 to 31 st March, 2023 | 1 st April, 2022 to 31 st March, 2023 | 1 st April, 2022 to 31 st March, 2023 |
| 2 | Reporting currency | USD | EURO | YUAN | INR in Lakhs | INR in Lakhs |
| 3 | Share capital | 73,732,970 | 25,000 | 123,210 | 5.00 | 1376.00 |
| 4 | Reserves & surplus | (73,732,970) | (25,000) | (123,210) | 49.50 | 661.80 |
| 5 | Total assets | - | - | - | 74.58 | 2038.39 |
| 6 | Total Liabilities | - | - | - | 20.07 | 0.59 |
| 7 | Investments | - | - | - | - | - |
| 8 | Turnover | - | - | - | 46.11 | - |
| 9 | Profit before taxation | - | - | - | (47.22) | (1.39) |
| 10 | Tax Expenses | - | - | - | - | - |
| 11 | Profit after taxation | - | - | - | (47.22) | (1.87) |
| 12 | Other Comprehensive Income | - | - | - | 0.27 | 321.77 |
| 13 | Proposed Dividend | - | - | - | - | - |
| 14 | % of shareholding | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

INR in lakhs

| | Associate Company |
|---|------------------------------------|
| Name of associates/Joint Ventures | Enstaserv Eservices Limited |
| 1. Latest audited Balance Sheet Date | 31 st March, 2023 |
| 2. Shares of Associate/Joint Ventures held by the company on theyear end | |
| No. of Equity Shares | 82,79,930 |
| Amount of Investment in Associates/Joint Venture | Rs. 827.99 |
| Extent of Holding % | 48.94% |
| 3. Description of how there is significant influence | |
| 4. Reason why the associate/joint venture is not consolidated | NA |
| 5. <u>Operating Profit attributable to shareholding as per latest audited Balance Sheet</u> | |
| 6. Profit/(Loss) for the year (Before Tax) | Rs. 0.83 |
| i. Considered in Consolidation | Rs. 0.41 |
| ii. Not Considered in Consolidation | Rs. 0.43 |
| <u>Other Comprehensive Income attributable to shareholding as per latest audited Balance Sheet</u> | |
| Total other Comprehensive Income | Rs. (2925.57) |
| Considered in Consolidation | Rs. (1431.77) |
| Not Considered in Consolidation | Rs. (1493.79) |

For and on behalf of the Board of Directors

For **FCS Software Solutions Limited**

Sd/-
Shayam Sunder Sharma
(Director)

Sd/-
Dalip Kumar
(Chairman & Managing Director)

Place: Noida

Date: 29/08/2023

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis:

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2023, which were not at arm’s length basis.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

(a) Name(s) of the related party and nature of relationship:

-Insync Business Solutions Ltd.: wholly owned Subsidiary Company

(b) Nature of contracts/arrangements/transactions: **Rental Income**

(c) Duration of the contracts / arrangements/transactions: **11 Months**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

Rs.130,000 Pm

(e) **Date(s) of approval by the Board, if any: 15/09/2020**

(f) Amount paid as advances, if any: **Rs. 11.15 Lakhs**

For and on behalf of the Board of Directors

For **FCS Software Solutions Limited**

Sd/-
Shyam Sunder Sharma
(Director)

Sd/-
Dalip Kumar
(Chairman & Managing Director)

Place: Noida

Date: 29/08/2023

“Annexure C”

Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earning and Outgo

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

Conservation of energy

We continue to strengthen our energy conservation efforts. We are always in lookout for energy efficient measures for operation, and value conservation of energy through usage of latest technologies for quality of services. 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 in efficiency.

Research and Development (R&D)

The Company believes that in order to improve the quality and standards of services, the Company should have a progressive Research and Development Process, which should keep on increasing along with the scale of operations of the Company. The Company has team which works on R&D in order to improve quality of Services.

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 focused 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

During the year around 59.24% of revenues were derived from exports. The foreign exchange earned comprising of FOB value of exports, services was Rs. 2070.53 lakhs whereas total foreign exchange used (comprising of CIF value of imports and other outgoings, was Rs. 18.28 lakhs.

| Foreign Exchange Earned and Used | (Rs. In Lakhs) | |
|-------------------------------------|----------------|----------------|
| | 2022-23 | 2021-22 |
| Earning | 2070.53 | 1,983.11 |
| Outflow | 18.28 | 9.75 |
| Net Foreign Exchange Earning | 2052.25 | 1973.36 |

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

Sd/-
Dalip Kumar
(Chairman & Managing Director)

Place : Noida
Date : 29/08/2023

“Annexure- D”

As per the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to disclose following information in the Board’s Report:

Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year

12. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2022-23.

| S. No. | Name of Directors/ KMP | Designation | Ratio of remuneration of each Director to median remuneration of Employees | Percentage increase in Remuneration |
|--------|------------------------|--|--|-------------------------------------|
| 1 | Sunil Sharma | Executive Director | 1.95 | NIL |
| 2 | Anil Kumar Sharma | Chief Financial Officer | 5.19 | NIL |
| 3 | Harsha Sharma | Company Secretary and Compliance Officer | 2.31 | 20% |

- The Company has 256 permanent Employees on the rolls of Company as on 31st March, 2023.
- Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 14.98% whereas there was no change in the managerial remuneration during the financial Year.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Note:

- * The Non-Executive Directors of the Company are entitled for sitting fee only. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

“Annexure- E”

Chairman & Managing Director (CMD) and Chief Financial Officer (CFO) Certification

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

- a. We have reviewed the financial statements and the cash flow statement of FCS Software Solutions Limited for the year ended 31st March, 2023 and 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. To the best of our knowledge and belief, no transactions entered into by the Company during the year 2022-23, are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's 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 those deficiencies.
- d. We have indicated, to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in the internal control over financial reporting during the quarter;
 - (ii) that there are no significant changes in accounting policies during the quarter, and that the same have been disclosed in the notes to the financial results.
 - (iii) that no significant instances of significant fraud of which we are aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

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

Place: Noida
Date: 29/08/2023

Sd/-
Dalip Kumar
Chairman & Managing Director

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Declaration by the Chairman & Managing Director under Para D of Schedule V of The SEBI (Listing Obligation And Disclosure Requirements) Regulation, 2015

To,
The Members of FCS Software Solutions Limited,

I, Dalip Kumar, Chairman & Managing Director of the Company, hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors/Management Personnel for the year ended 31st March, 2023.

Date: 29/08/2023
Place: Noida

Sd/-
Dalip Kumar
(Chairman & Managing Director)

VIKAS GANDHI & ASSOCIATES
Company Secretaries in whole-time Practice

Office: Near TVS Showroom,
Delhi Road, Sonapat - 131001, HR.
Mobile : 9996084042.
E-mail: vickygandhi8@gmail.com
csvikasgandhi@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V
Para C clause (10)(i) of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015)*

To,
The Members of
FCS SOFTWARE SOLUTIONS LIMITED
Registered Office: -205, 2nd Floor, Agrawal Chamber IV, 27,
Near Sawarker Block, Vikas Marg,
Shakerpur, Delhi - 110092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of FCS SOFTWARE SOLUTIONS LIMITED having CIN L72100DL1993PLC179154 and having registered office at 205, 2nd Floor, Agrawal Chamber IV, 27, Near Sawarker Block, Vikas Marg, Shakerpur, Delhi -110092(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of Appointment in Company |
|--------|--------------------------|----------|--------------------------------|
| 1 | DALIP KUMAR | 00103292 | 05/05/1993 |
| 2 | SHAYAM SUNDER SHARMA | 00272803 | 08/12/2000 |
| 3 | BRIJESH SINGH BHADAURIYA | 00489983 | 07/07/2022 |
| 4 | MAHENDRA PRATAP SINGH | 08201381 | 14/08/2018 |
| 5 | ARCHANA SHARMA | 08300527 | 06/05/2022 |
| 6 | SUNIL SHARMA | 05359128 | 13/08/2016 |

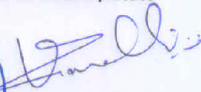


Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Vikas Gandhi & Associates
Company Secretaries in whole time practice




(Vikas Gandhi)
Proprietor
M. No. 35924
CP No. 13266

UDIN: F010339E000847813
Peer Review: 2835/2022

Place: Sonipat
Date : 23.08.2023

Corporate Governance Certificate

To

The Members

FCS Software Solutions Limited

(CIN: L72100DL1993PLC179154)

205, 2nd Floor, Agrawal Chamber IV, 27, Near Sawarker Block,
Vikas Marg, Shakerpur, Delhi - 110092

We have examined the compliance of conditions of Corporate Governance by **FCS Software Solutions Limited** (“the Company”) for the financial year ended on March 31, 2023 as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company and our examination 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 under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further 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 Neeraj Arora & Associates
Company Secretaries
Firm Peer Review No.- 3738/2023**

**Sd/-
Neeraj Arora
Proprietor
CP No.- 16186
UDIN - F010781E000888262**

Place : Noida

Date: 29/08/2023



“Annexure- H”

VS ASSOCIATES
COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023

To,
The Members,
FCS SOFTWARE SOLUTIONS LIMITED
CIN: L72100DL1993PLC179154
205, 2ND FLOOR, AGRAWAL CHAMBER IV, 27, NEAR SAWARKER BLOCK, VIKAS
MARG, SHAKERPUR, DELHI-110092, INDIA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FCS SOFTWARE SOLUTIONS LIMITED (CIN L72100DL1993PLC179154)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Management Responsibility for Secretarial Compliances

The Management of the Company is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Opinion

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (“**Audit Period**”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure - A

1

A-52, Lower Ground Floor, Nirman Vihar, Delhi-110092
Ph. : 011-22442221, 43026621, Mob. : 09910792221
E-mail : office@vsassociate.com, Website : www.vsassociate.com



attached to this report.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (OD) and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable: -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i) As per the information provided and confirmed by the Company, no sector specific law is applicable on the company as identified by the management.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on meeting of Board of Directors (SS-1) and on General Meeting (SS-2) issued by the Institute of Company Secretaries of India.



(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

During the audit period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Notifications, Circulars etc. as mentioned above.

Based on the information received and records maintained, we further report that;

1. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices were generally given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Delhi
Date: 25-08-2023



FCS Vijay Kumar Sharma
Founder Partner
Membership No.: 6379
COP No.: 6959

UDIN: F006379E000863829

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

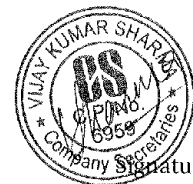
ANNEXURE-A

To,
The Members,
FCS SOFTWARE SOLUTIONS LIMITED
CIN: L72100DL1993PLC179154
205, 2ND FLOOR, AGRAWAL CHAMBER IV, 27, NEAR SAWARKER BLOCK, VIKAS MARG,
SHAKERPUR, DELHI-110092, INDIA

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
7. As per the information provided by the Company, there are no pending cases filed by or against the company which will have material impact on the company.

Place: Delhi
Date: 25-08-2023



Signature
FCS Vijay Kumar Sharma
Founder Partner
Membership No.: 6379
COP No.: 6959

UDIN: F006379 E 000863829

REPORT ON CORPORATE GOVERNANCE 2022-23

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2023 is presented below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

The Company has adopted the principles of good Corporate Governance and is committed to adopt best relevant practices for Governance to achieve the highest levels of transparency and accountability in all its interactions with its stakeholders including shareholders, employees, lenders and the Government.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

(a) COMPOSITION AND CATEGORY OF DIRECTORS

The Board of the Company, as on 31st March, 2023, comprised of six Directors out of whom three are Independent directors (including one women director), two are executive directors and one is non-executive director in accordance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

The details of Board of Directors of the Company are as below:-

1. Mr. Dalip Kumar- Chairman & Managing Director (Executive Director)
2. Mr. Shayam Sunder Sharma- Non Executive Independent Director
3. Ms. Archana sharma- Non Executive Independent Director
4. Mr. Sunil Sharma*- Executive Director
5. Mr. Mahendra Pratap Singh**- Non Executive Director
6. Mr. Brijesh Singh Bhadauriya-Non Executive Independent Director

* Mr. Sunil Sharma resigned from the position of Director, w.e.f. 5th July, 2023

** Mr. Mahendra Pratap Singh resigned from the position of director w.e.f, 28th August, 2023

All Independent Directors are well qualified professionals bringing wide range of experience in business, finance and law etc. None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 (five) Committees across all companies in which he/she is a Director. The Board periodically evaluates the need for change in its composition and size.

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI listing Regulations. The Company has issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Companies Act, 2013 and SEBI (LODR) Regulations.

Appointment:-

- Mr. Ravinder Sachdeva (DIN: 10280805) was appointed as an Additional Director in the capacity of a Executive Whole time Director with effect from 29th August, 2023 by the Board of Directors.
- Mrs. Neelam Sharma (DIN: 10291133) was appointed as an Additional Director in the capacity of a Non-Executive Director with effect from 29th August, 2023 by the Board of Directors.

(b) Director's attendance record:

| Name of Directors | No. of Board Meetings held during the year | No. of Board Meeting held during tenure | No of Meetings attended | Whether attended the last AGM |
|------------------------------|--|---|-------------------------|-------------------------------|
| Mr. Dalip Kumar | 6 | 6 | 2 | NO |
| Mr. Shayam Sunder Sharma | 6 | 6 | 6 | YES |
| Ms. Archana Sharma | 6 | 5 | 5 | YES |
| Mr. Sunil Sharma* | 6 | 6 | 5 | YES |
| Mr. Mahendra Pratap Singh** | 6 | 6 | 6 | YES |
| Mr. Brijesh Singh Bhadauriya | 6 | 4 | 4 | YES |

* Mr. Sunil Sharma resigned from the position of Executive Director, w.e.f. 5th July, 2023

** Mr. Mahendra Pratap Singh resigned from the position of director w.e.f, 28th August, 2023

(d) Composition, Category of Directors and their other Directorship as on 31st March, 2023

| Director's name | Position and Category | No. of Directorships in other Indian Public and Private Ltd. Companies |
|------------------------------|--|--|
| Mr. Dalip Kumar | Executive (Chairman & Managing Director) | 4 |
| Mr. Shayam Sunder Sharma | Non-Executive (Independent Director) | 7 |
| Ms. Archana Sharma | Non-Executive (Independent Director) | 0 |
| Mr. Sunil Sharma | Executive Director | 3 |
| Mr. Mahendra Pratap Singh | Non – Executive Director | 0 |
| Mr. Brijesh Singh Bhadauriya | Non-Executive (Independent Director) | 0 |

Details of Directorship(s) held by the Directors on the Board in other Listed Companies during the financial year 2022-23:

Mr. Shayam Sunder Sharma is also a Director in D C M Limited.

(e) Number of Board Meetings

The Board met Six times during the financial year 2022-23 and dates for the Board meetings are:

1. May 06, 2022
2. May 30, 2022
3. July 07, 2022
4. August 12, 2022
5. November 14, 2022
6. February 13, 2023

(f) Disclosure of relationship between Directors inter-se:

No director of the Company is having any relationship with other director except Mrs. Neelam Sharma who is the wife of Mr. Dalip Kumar, Chairman & Managing Director of the Company.

(g) As on 31st March, 2023, non executive directors does not held any equity shares in the Company. Also, the Company does not have any convertible instrument, however the newly appointed non-executive director Mrs.Neelam Sharma is holding 46390 shares of the company.

(h) The details of the familiarisation programme for Independent Directors are given below:

At the time of Appointment of an Independent Director on the Board, the Company familiarize the director about business and industry environment, the applicable various Board policies, code of conduct and insider trading.

The details of policy framed for familiarisation of the Independent Directors are available on the website of the Company at <https://www.fcsltd.com>.

(i) Skills/Expertise/Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses (IT and ITES Services), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
 - ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
 - iii) Corporate Governance, Administration, Decision Making.
 - iv) Financial and Management skills
 - v) Technical / Professional skills and knowledge in relation to Company's business
- (i) All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI listing Regulations. The Company has issued formal letters of appointment to Independent Directors, whenever required, in the manner as provided in the Companies Act, 2013.
- (j) Ms. Shweta Shatsri Independent Director has resigned during the year Financial Year 2022-23.

DIRECTOR'S INTEREST IN THE COMPANY

Shareholding of Directors as on March 31, 2023:

| Directors | Mr. Dalip Kumar | Mr. Shayam Sunder Sharma | Mr. Brijesh Singh Bhadauriya | Ms. Shweta Shatsri | Mr. Mahendra Pratap Singh | Mr. Sunil Sharma |
|------------------------------|-----------------|--------------------------|------------------------------|--------------------|---------------------------|------------------|
| Number of Shares held | 10.8751% | Nil | Nil | Nil | Nil | Nil |

3. Independent Directors Meeting:

In view of the provisions of Section 149 read with Schedule IV of the Companies Act 2013, the Company was required that the Independent Directors of the Company shall hold at least one meeting in a year.

Independent Directors Meeting comprise of the following Independent Directors of the Company:

| Name of Directors | Category |
|------------------------------|----------------------|
| Mr. Shayam Sunder Sharma | Independent Director |
| Ms. Archana Sharma | Independent Director |
| Mr. Brijesh Singh Bhadauriya | Independent Director |

During the year under review, the Independent Directors met on 13th February, 2023, inter alia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

3. COMPANY'S CODE OF CONDUCT TO REGULATE, MONITOR, REPORT TRADING BY DESIGNATED PERSONS:

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

4. COMMITTEES OF THE BOARD:

The Board has constituted various committees with specific terms of reference and scope. The details of the committees constituted by the Board are given below:

4.1 Audit Committee:

The Audit Committee of the Board of Directors meets the criteria laid down under Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations.

(a) The terms of reference to the Audit Committee inter alia includes:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or preapproval or any subsequent modification of transactions of the Company with related parties except the transactions with a wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower mechanism.
- To approve and review the "Related Party Transactions" and policy on dealing with Related Parties

(b) Composition, name of members and Chairperson of the Audit Committee is given below:

The Audit Committee as on 31st March 2023 consists of three Independent Directors i.e., Mr. Shayam Sunder Sharma, Ms. Archana Sharma and Mr. Brijesh Singh Bhadauriya and one executive director i.e., Mr. Sunil Sharma. Mr. Shayam Sunder Sharma, Independent Director was Chairperson of Audit Committee.

- (c) The Committee met Five times during the financial year 2022-23. The attendance record of the members at the meeting were as follows:

| Members | Position and Category | No. of Meetings held during the year | No. of Meeting entitled to attend | No. of Meeting attended |
|-------------------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Mr. Shayam Sunder Sharma | Chairman-Independent Director | 5 | 5 | 5 |
| Ms. Archana Sharma | Member-Independent Director | 5 | 5 | 5 |
| Mr. Brijesh Singh Bhadauriya | Member-Independent Director | 5 | 3 | 3 |
| Mr. Sunil Sharma | Member-Executive Director | 5 | 5 | 4 |

The Company Secretary acts as the Secretary of the Audit Committee.

4.2 Nomination & Remuneration Committee:

- (a) The Nomination & Remuneration Committee of the company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. The Nomination & Remuneration Committee comprises of three Independent Directors.

The terms of reference to the Nomination & Remuneration Committee are as given below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - Formulation of criteria for evaluation of Independent Directors, Committees of Board and the Board;
 - Devising a policy on Board diversity;
 - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
 - The Committee will develop and review induction procedures for new appointees to the Board to enable them to become aware of and understand the Company's policies and procedures and to effectively discharge their duties.
- b) The composition of the Nomination & Remuneration Committee and particulars of meetings held and attended by the members are given below:

| Members | Position and Category | No. of Meetings held during the year | No. of Meeting entitled to attend | No. of Meeting attended |
|--------------------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Mr. Shayam Sunder Sharma | Chairman-Independent Director | 2 | 2 | 2 |
| Ms. Archana Sharma | Member-Independent Director | 2 | 2 | 2 |
| Mr. Brijesh Singh Bhadauriya* | Member-Independent Director | 2 | 0 | 0 |

| Members | Position and Category | No. of Meetings held during the year | No. of Meeting entitled to attend | No. of Meeting attended |
|-----------------------------|-------------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Mr. Mahendra Pratap Singh** | Member Non-Executive Director | 2 | 2 | 2 |

*Mr. Brijesh Singh Bhadauriya was appointed as member of the Committee, w.e.f. 7th July, 2022

**Mr. Mahendra Pratap Singh has resigned as member of the Committee, w.e.f 7th July, 2022

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

c) Performance Evaluation criteria for the Independent Directors

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

5. Remuneration of Directors:

The details of remuneration paid to the Directors are given in Form MGT-9 which is available on website at www.fcsltd.com.

6. Independent and Non-executive directors' compensation:

The non-executive and Independent Directors are paid sitting fees for attending the meetings of the Board of Directors within the ceilings prescribed by the Central Government.

| Name of Director | Sitting Fees paid during FY 2022-23 (In Rupees) |
|------------------------------|---|
| Mr. Shayam Sunder Sharma | 2,10,000 |
| Ms. Archana Sharma | 2,00,000 |
| Mr. Brijesh Singh Bhadauriya | 1,20,000 |
| Mr. Mahendra Pratap Singh | 1,40,000 |

7. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted by the Board in compliance with the requirements of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations. Mr. Shayam Sunder Sharma, Independent Director is the Chairman of this Committee.

The terms of reference to the Stakeholders Relationship Committee consists inter-alia the following:

- Look into the redressing of the shareholders complaints and queries and to focus on the strengthening of investor relations;
- To monitor and review the performance and service standards of the Registrar and Transfer Agents (RTA) of the Company and provides continuous guidance to improve the service levels for investors;
- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and Chief Compliance Officer and RTA of the Company.

The attendance record of the members at the meeting of Stakeholders Relationship Committee were as follows:

| Name of Directors | Category | Status | No. of Meetings | | |
|--------------------------------|-------------------------------------|-------------|----------------------|--------------------|----------|
| | | | Held during the year | Entitled to attend | Attended |
| Mr. Shayam Sunder Sharma | Independent- Non Executive Director | Chairperson | 3 | 3 | 3 |
| Ms. Archana Sharma* | Independent- Non Executive Director | Member | 3 | 2 | 2 |
| Mr. Brijesh Singh Bhadauriya** | Independent- Non Executive Director | Member | 3 | 1 | 1 |
| Mr. Mahendra Pratap Singh | Non Executive Director | Member | 3 | 2 | 2 |

* Ms. Archana Sharma was appointed as member of the Committee, w.e.f.6th May, 2022.

** Mr. Brijesh Singh Bhadauriya was appointed as member of the Committee, w.e.f.7th July, 2022

Numbers of Shareholder's complaints received by Company from its RTA, BSE, NSE, SEBI and Shareholders, during the financial year ended March 31, 2023 are as under:

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

The Company Secretary acts as the Secretary of the Stakeholder Relationship Committee.

8. Corporate Social Responsibility (CSR) Committee:

As required under section 135 of the Companies Act, 2013 the company has formed a CSR committee consisting of the below members:

Terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR policy indicating the activities from the specified list of activities in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred for the chosen activities;
- Monitor the CSR Policy and activities from time to time;
- To carry on such task and activities as may be assigned by the board of directors from time to time.

| Members | Position and Category | No. of Meetings held | No. of Meetings Attended |
|--------------------------|-------------------------------|----------------------|--------------------------|
| Mr. Shayam Sunder Sharma | Chairman-Independent Director | 1 | 1 |
| Mr. Sunil Sharma | Member-Executive Director | 1 | 1 |
| Mr. Archana Sharma | Member- Independent Director | 1 | 1 |

Terms of reference of the CSR Committee are:

- Formulate and recommend to the Board, a CSR policy indicating the activities from the specified list of activities in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred for the chosen activities;
- Monitor the CSR Policy and activities from time to time;
- To carry on such task and activities as may be assigned by the board of directors from time to time.

The CSR policy of the Company is available on our website: www.fcsltd.com

The Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

9. **GENERAL BODY MEETINGS:**

Details of last three General Meetings areas under:

| Year | Day, Date and Time of Meeting | Venue | No. of Special Resolutions passed |
|---------|---|--|-----------------------------------|
| 2019-20 | Tuesday, September 29, 2020 Annual General Meeting Time: 11.00 A.M | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 1 |
| 2020-21 | Wednesday, September 29, 2021 Annual General Meeting Time: 11.30 A.M | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 1 |
| 2021-22 | Wednesday, August 03, 2022 Annual General Meeting Time: 11.30 A.M | Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 4 |

Special Resolution passed through Postal Ballot

For the year ended March 31, 2023, there was no special resolutions passed by the Company's Shareholders through postal ballot.

10. **MEANS OF COMMUNICATION**

Quarterly/half-yearly/Annual financial results: 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.

Newspaper wherein results are normally published: Public notices and financial results are published in leading newspapers, namely, The Financial Express in English and Haribhoomi in Hindi.

Website: The Company's website (www.fcsltd.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

11. **SUBSIDIARY COMPANIES**

The Company has following Non-Listed Indian Subsidiary Companies i.e. Insync Business Solutions Limited, StablesecureInfra services Private Limited.

The Company's Indian unlisted subsidiaries does not fall under the definition of "material unlisted Indian subsidiaries".

The Audit Committee of directors of the Company reviews the financial statements and in particular investments made by the unlisted subsidiaries.

Material Subsidiaries Policy:

The board has duly formulated a policy for determining 'material' subsidiaries. A subsidiary is considered as "a material subsidiary", if its income or net worth exceeds 10% of the consolidated income or net worth of the Company during the previous financial year.

Copy of the said policy is available on the Company's website in the following link:

http://www.fcsltd.com/home/Policy_criteria_determining_materiality_events.pdf

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and Time : 28th September, 2023 11:30 A.M
Mode : Video Conferencing (VC) / Other Audio Visual Means (OAVM).
Financial Calendar : 1st April 2022 to 31st March 2023

Tentative Calendar for declaration of results for the financial year 2023-24 is given below:

| Results for the Quarter / Year ending | Date of Declaration |
|---------------------------------------|--------------------------------|
| June 30, 2023 | On or before August 8, 2023 |
| September 30, 2023 | On or before November 14, 2023 |
| December 31, 2023 | On or before February 14, 2024 |
| March 31, 2024 (Annual Audited) | On or before May 30, 2024 |

Dividend Payment Date:

No Dividend is recommended for the financial year 2022-23.

Date of Book Closure: 22/09/2023 to 28/09/2023 (Both days inclusive)

Name of Stock Exchange where shares are listed

| | |
|-------------------------|--|
| Bombay Stock Exchange | BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 |
| National Stock Exchange | National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai: 400051 |

Listing fee for 2023-24 : Paid for both the above stock exchanges.

ISIN No. : INE512B01022 (for fully paid up shares)

ISIN No. : IN9512B01020 (for partly paid up shares)

| Name of the Stock Exchange | Exchange code |
|----------------------------|---------------|
| BSE | 532666 |
| NSE | FCSSOFT |

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 | | | Total Volume (Nos.) |
|--------------|------------------|------|----------|-------------------|------|-----------|---------------------|
| | High | Low | Volume | High | Low | Volume | |
| Apr-22 | 4.25 | 3.11 | 64500350 | 4.2 | 3.1 | 131582173 | 196082523 |
| May-22 | 3.64 | 2.79 | 38035444 | 3.6 | 2.8 | 89990910 | 128026354 |
| Jun-22 | 3.42 | 2.54 | 47455708 | 3.45 | 2.55 | 81002752 | 128458460 |
| Jul-22 | 3.05 | 2.61 | 28673855 | 3.05 | 2.6 | 50447058 | 79120913 |
| Aug-22 | 3.68 | 2.63 | 68238767 | 3.6 | 2.6 | 126942497 | 195181264 |
| Sep-22 | 3.57 | 2.69 | 57061804 | 3.5 | 2.75 | 104129017 | 161190821 |
| Oct-22 | 3.01 | 2.44 | 34006349 | 2.95 | 2.45 | 62830316 | 96836665 |
| Nov-22 | 3.34 | 2.54 | 64644925 | 3.35 | 2.55 | 106053252 | 170698177 |
| Dec-22 | 3.25 | 2.42 | 53158178 | 3.25 | 2.5 | 125688401 | 178846579 |
| Jan-23 | 2.88 | 2.4 | 24508527 | 2.9 | 2.45 | 59647735 | 84156262 |
| Feb-23 | 2.82 | 2.3 | 34206905 | 2.9 | 2.3 | 69037137 | 103244042 |
| Mar-23 | 2.51 | 1.84 | 38879799 | 2.55 | 1.85 | 91102341 | 129982140 |
| Total | 553370611 | | | 1098453589 | | | 1651824200 |

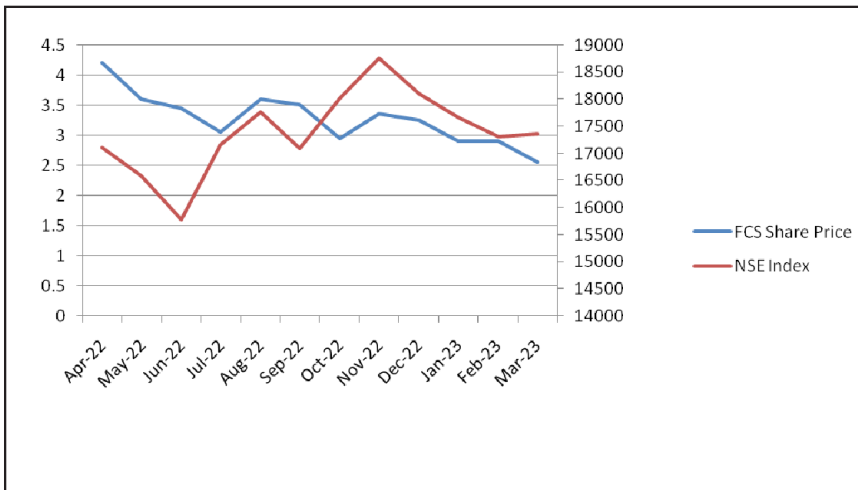


Chart-A

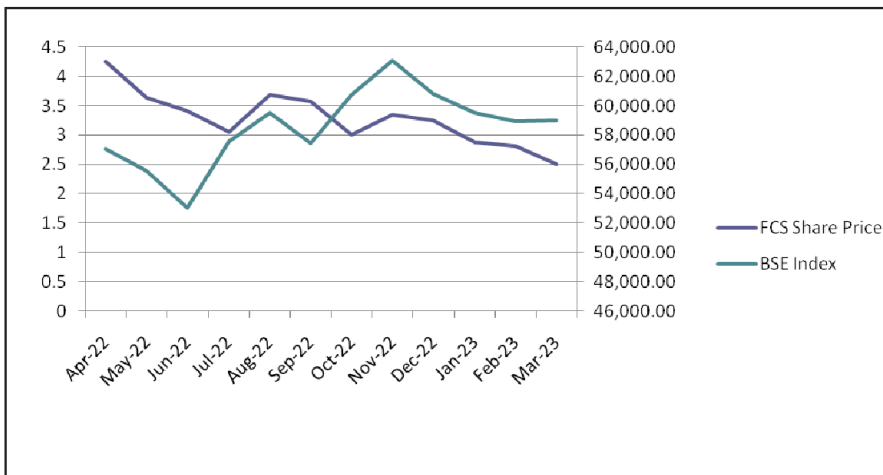


Chart-B

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, 2023.

Shareholding pattern by size

As on 31st March, 2023

| Shareholding of Normal Value (Rs.) | No. of shareholder | % of total shareholder | No. of shares held | % of Total shares |
|------------------------------------|--------------------|------------------------|--------------------|-------------------|
| Upto 500 | 266198 | 57.6755 | 39156661 | 2.2905 |
| 501-1000 | 67549 | 14.6354 | 58694879 | 3.4333 |
| 1001-2000 | 48178 | 10.4384 | 77672172 | 4.5434 |
| 2001-3000 | 20582 | 4.4594 | 54002840 | 3.1589 |
| 3001-4000 | 10940 | 2.3703 | 40001031 | 2.3399 |
| 4001-5000 | 12329 | 2.6713 | 59419131 | 3.4757 |
| 5001-10000 | 19028 | 4.1227 | 148213227 | 8.6697 |
| 10001- & above | 16740 | 3.627 | 1232393159 | 72.0886 |
| Total | 461544 | 100.0000 | 1709553100 | 100.0000 |

Shareholding Pattern By Ownership

| Categories | As on March 31, 2023 | | As on March 31, 2022 | |
|---|----------------------|--------------|----------------------|--------------|
| | No of share | % of holding | No of share | % of holding |
| Promoter- | | | | |
| Indian | 335962450 | 19.6521 | 335962450 | 19.6521 |
| Foreign | 0 | 0 | 0 | 0 |
| Mutual Fund & UTI | 0 | 0 | 0 | 0 |
| Banks and Financial Institution and Insurance Companies | 0 | 0 | 486100 | 0.0284 |
| Central Government/State Government | 568300 | 0.0332 | 568300 | 0.0332 |
| Foreign Portfolio Investors | 525528 | 0.0307 | 584730 | 0.0342 |
| Foreign Institutional Investor | 0 | 0 | 0 | 0 |
| Private Bodies Corporate | 249375895 | 14.5872 | 273875060 | 16.0203 |

| Categories | As on March 31, 2023 | | As on March 31, 2022 | |
|--|----------------------|--------------|----------------------|--------------|
| | No of share | % of holding | No of share | % of holding |
| Indian Public-Individual | 1082654911 | 63.3297 | 1053008100 | 61.5955 |
| NRI/OCB's | 20549767 | 1.2021 | 19885933 | 1.1632 |
| Clearing Member | 668203 | 0.0391 | 5405536 | 0.3162 |
| Other (Director & their relatives , HUF) | 19248046 | 1.1259 | 19776891 | 1.1569 |
| Total | 1709553100 | 100 | 1709553100 | 100 |

Dematerialization of the shares and liquidity:

As on March 31, 2023, to the extent of 99.97% 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, 2023 is as under:

| Segment | No. of Shareholders | % of Total No. of Shareholders | No. of Shares | % of Total No. of Shares |
|----------|---------------------|--------------------------------|---------------|--------------------------|
| Physical | 114 | 0.025 | 492144 | 0.029 |
| Demat | 461430 | 99.975 | 1709060956 | 99.971 |
| Total | 461544 | 100 | 1709553100 | 100 |

Plant Locations

The Company has 8 offices as on 31st March, 2023 located in 6 cities across India and other offices are in Dubai and Germany. 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

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, are filed electronically on BSE Listing Centre.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal systems. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATR's) by concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

Code of Conduct

In compliance with Listing Regulations and Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). In terms of Code of Conduct, the Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders. The Company obtains the affirmation compliance of the Code of Conduct from its Directors and senior Management on an annual basis.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the code as on 31st March, 2023.

The Code of Conduct is available on our website: www.fcsLtd.com

13. DISCLOSURES

Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interest at large

There were no materially significant related party transaction during the financial year 2022-23.

Details of non-compliance by the Company, penalties and structures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years

There has been no instance of non-compliances by the Company on any matter related to capital markets.

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.

The Whistle Blower Policy of the Company is available on our website: www.fcsLtd.com

Compliance with mandatory / non-mandatory requirements

The Company has complied with all applicable mandatory requirements in terms of SEBI (LODR) Regulations. The nonmandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

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 2(2) of the Companies Act, 2013 (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.

Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority

On the basis of written representations/ declaration received from the directors, as on March 31, 2023, M/s Vikas Gandhi & Associates, Company Secretaries (Membership No. FCS 35924, CP No. 13266), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

Not Applicable

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

| Type of Service | Amount (₹ in lakhs) |
|-----------------|---------------------|
| Audit Fee | 12.85 |
| Tax Audit Fee | 0.50 |
| TOTAL | 13.35 |

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A policy which is in line with the statutory requirements is in place.

- number of complaints filed during the financial year – 0
- number of complaints disposed off during the financial year – 0
- number of complaints pending as on end of the financial year – 0

Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount

Not Applicable

Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and Clauses (B) to (I) of Sub- Regulation (2) of Regulation 46

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Compliance Certificate from Either the Auditors or Practicing Company Secretaries Regarding Compliance of Conditions of Corporate Governance

The Certificate from the Secretarial auditor of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

Other Useful Information for Shareholders

Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination

SEBI vide its latest Circular dated 16th March, 2023, in supersession of its earlier circulars in this regard, has prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination.

1. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities

It is mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. The detailed requirements have been specified in the aforesaid Circular dated 16th March, 2023.

2. Freezing of Folios without PAN, KYC details and Nomination

The folios wherein any one of the document/ details cited in point no. 1 above are not available on or after October 01, 2023, shall be frozen by the RTA.

The security holder(s) whose folio(s) have been frozen shall however be eligible:

- to lodge grievance or avail any service request from the RTA subject to furnishing the complete documents/ details as mentioned in point no. 1 above.
- for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024.

Frozen folios shall be referred by the RTA/ listed company to the administering authority under the Benami Transactions (Prohibition) Act, 1988 and/ or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The RTA shall revert the frozen folios to normal status upon receipt of all the pending documents/ details as mentioned in point no. 1 above.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

FCS Software Solutions Limited is an IT Company provides a wide range of IT and IT-enabled services which include software development, marketing and providing support services mainly for corporate business entities in the BPO, software development, e-learning service and other related Information Technology Enabled Services. The company also carries business of leasing or letting out all kind of immovable property including IT Infrastructural premises whether freehold, leasehold to any type of person.

Business Outlook

After two years of disruptions, uncertainty and volatility, FY2022-23 appeared a rather normal year Both the markets and the economy regained a semblance of normalcy in terms of the level of activity, trajectory of growth, direction, and future outlook The broken supply chains have started showing some amount of relief. Inflated asset and commodity prices are returning to more reasonable levels.

A. Industry structure and developments:-

The industry structure in the IT sector has four major categories. These are -

- **IT services**
- **IT enabled services**
- **Infra Management Solutions**
- **Education/E-Learning**

IT services constitute a major part of the IT industry of India. IT services include client, server and web based services. Opportunities in the IT services sector exist in the areas of consulting services, management services, internet services and application maintenance. The major users of IT services are –

- Government
- Banking
- Financial services
- Retail and distribution
- Manufacturing

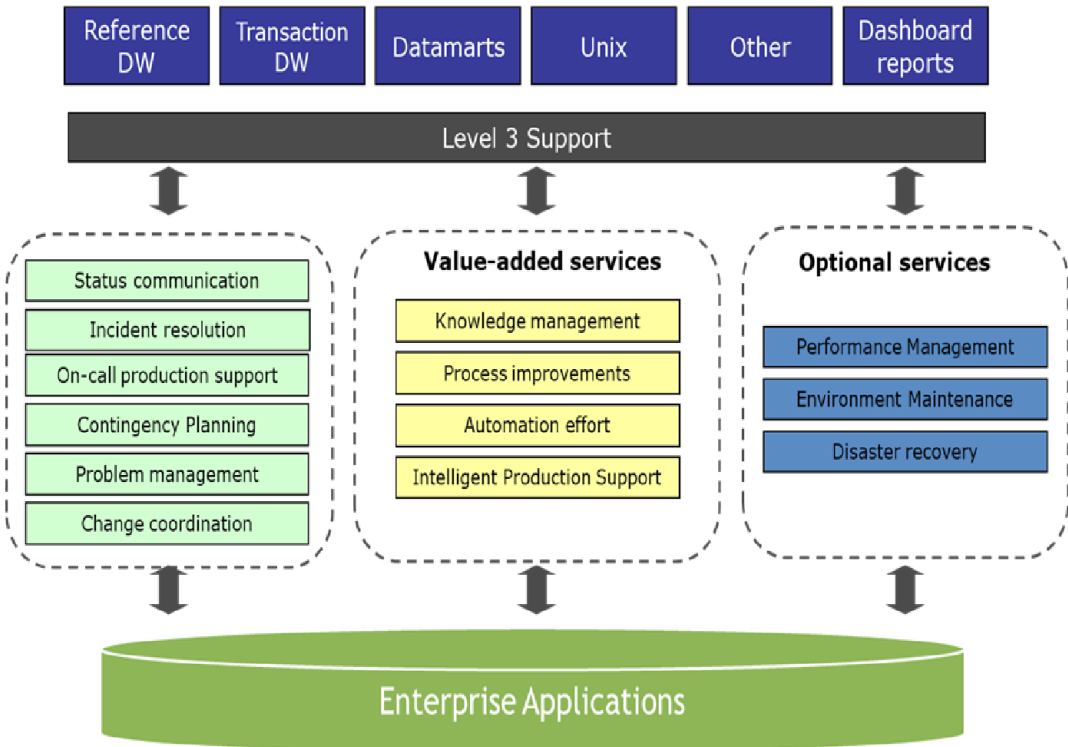
FCS works with clients to maintain their IT Applications on Time and Material (T & M) basis or Fixed Price Fixed Timeframe (FPFT) basis.

- Based on client's Request for Proposal (RFP) and provide an estimate of time and cost.
- Based on nature of work, FCS will suggest T & M or FPFT pricing model as well as global delivery model.
- FCS replicates application environment based on project needs or will use secure VPN connections to directly log in client servers.
- Set Centers of Excellence (COEs) to leverage talent skilled in a set of specific technologies and domains.
- Set up Lab Model for temporary deployment of resources for one time kind of work e.g. Application Testing, Third party Application Audit etc.

IT enabled services:-

The services which make extensive use of information and telecommunication technologies are categorized as IT enabled services. The IT enabled services is the most important contributor to the growth of the IT industry of India. Some of the important services covered by the ITES sector in India are –

- Customer-interaction services including call-centers
- Back-office services
- Revenue accounting
- Data entry and data conversion
- HR services
- Transcription and translation services
- Content development and animation
- Remote education,
- Data search
- GIS
- Market research
- Network consultancy



Application Portfolio Support for Enterprise Applications

Infrastructure Management Services:-

Collocation Data Centers, Virtualization, System and Networks Support, Plug and Play Infrastructure provisioning, WAN, IP Based Voice, Cyber Security

Leasing Incomes:- The Company is also in the business of leasing or letting out all kind of immovable property including IT Infrastructural premises whether freehold, leasehold to other organisations.

Education/ E- Learning

Content Aggregation, Learning Management Systems, Portals, Assessment.

B. Opportunities and Threats

OPPORTUNITIES

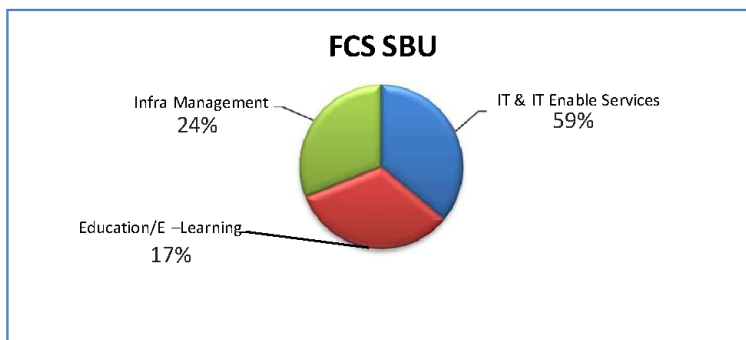
1. Niche Expertise and Knowledge: Clients across the globe value our unique blend of engineering expertise, domain knowledge and technology know-how. Our services and solutions, together with flexible and mindful approach, have consistently provided innovative options for R&D spend, cost and time advantages for technology investments, reduced integration risk, improved user productivity, and positive client experiences.
2. Automation: The increased focus on AI and automation technology is a great opportunity for outsourcing providers .
3. Practices Team: Enable continuous innovation and provide subject matter expertise in select technologies, such as data services, AI, IoT, cloud Threats.

THREATS

1. **Geopolitical risks:** The ongoing Russia-Ukraine war has had a wide-ranging and far-reaching impact on the global economy, India's close economic ties to both countries have been disrupted, leading to higher trading cost and the effect of sanctions on Russia.
 2. **Resurgence CoVID-19 variant:** Mutations in CoVID-19 virus are leading to multiple variants that cause varying intensity of infections across the world. Any significant wave in future can impact recovery, demand, consumer sentiment and delay in private investment.
 3. **Forex rate fluctuations:** The rupee has exhibited two way movements over the past six months, reflecting both global and domestic factors. Looking ahead, the protracted geopolitical tensions, heightened volatility in global financial markets, elevated global sovereign bond yields on the back of more than currently anticipated monetary policy tightening in major advanced economies and new COVID-19 mutations could lead to a broader risk aversion towards emerging market economies' assets and net capital outflows. Such developments can put downward pressure on the rupee.
 4. **Competition:** The Company is witnessing an overall increasingly competitive landscape and varied market competition from domestic and international service providers who are both large and small. Nevertheless, our longstanding and enviable client relationships, financial strength, as well as niche knowledge and expertise, provides an edge for remaining relevant.
- C. Segment-wise / Product-wise Performance**

The company has shown average performance being impacted by the global slowdown and the uncertainty in the domestic economy, For the financial year ended March 31, 2023, the Company reported a total consolidated revenue income of Rs.3491.39 lakhs and Standalone revenue of Rs. 3,494.88 lakhs. The percentage wise revenue contribution of each segment is as below:

1. **IT & IT Enable Services**
2. **Education/E – Learning**
3. **Infrastructure management**



D. Outlook for the future

Market has started showing signs of recovery post COVID. Enterprises are looking for secure and flexible communication and connectivity solutions at optimised costs. The market is evolving at a faster pace. The coming quarters are exciting as well as challenging.

E. Risk and Concern

The Company has formulated a well-defined and dynamic enterprise risk management ('ERM') program, which gets reviewed and updated periodically. The program is governed by a comprehensive risk management policy, which, amongst others, includes the risk management governance structure

and the risk management process. The risk management process enables proactive identification, recording, tracking of risks and monitoring of mitigation plans to respond to changes in business and regulatory environment. The risk management process is embedded in all facets of Company's work systems including the planning & review process, thereby reassuring all stakeholders, customers, investors, employees and partners of the Company's business sustainability.

F. Internal control systems and their adequacy

The Company has a robust internal control system in place, adequate for the size and complexity of the organization. A comprehensive review of all internal control systems have been carried out to monitor Company's expanding size and resulting needs and compliance with the legal obligations and the Company's policies & procedures. This ensures high degree of system-based checks and control and continuous monitoring of the effectiveness of the controls.

The Company has appointed a firm of Chartered Accountants as Internal Auditors for auditing internal control system in consultation with statutory auditors. Suggestions, improvements, concern points of internal auditors are considered by audit committee and get implemented according to instructions of committee. The audit findings and management's resolution plans are reported on quarterly basis to the Audit Committee of the Board, headed by a Non-executive Independent Director. Based on its evaluation, the Audit Committee has concluded that the internal financial c.ontrols were adequate and operating effectively as of March 31, 2023. .

G. Financial performance with respect to operational performance

For the financial year ended March 31, 2023, the Company reported a total consolidated revenue income of Rs. 3491.39 lakhs and Standalone revenue of Rs. 3,494.88 lakhs.

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

As on 31st March, 2023, the Company had 256 permanent employees working at various locations.

The company considers the employee values and ensures proper encouragement both morally and financially to motivate them. The relationship between the management and employees is remarkable.

I. Details of Significant Changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation thereof;

| S. No. | Particulars | FY 2022-23 | FY 2021-22 | Changes | Remarks/Explanation |
|--------|----------------------------------|------------|------------|---------|--|
| 1 | Current Ratio | 0.96 | 0.99 | -3.12% | - |
| 2 | Debt-Equity Ratio | 0.06 | 0.07 | -1.56% | |
| 3 | Debt Service Coverage Ratio | 1.75 | 1.45 | 30.48% | During the FY 2022-23, Export Income has increased by Rs. 87 Lakhs due to rate revision as compared to previous financial year which has resulted increase in EBITDA and so the Ratio. |
| 4 | Return on Equity Ratio | 0.60% | 0.00 | 0.57% | |
| 5 | Trade Receivables Turnover Ratio | 0.11 | 0.05 | 5.21% | |

| S. No. | Particulars | FY 2022-23 | FY 2021-22 | Changes | Remarks/Explanation |
|--------|-------------------------------|------------|------------|-----------|--|
| 6 | Trade Payables Turnover Ratio | 0.03 | 0.03 | -0.10% | |
| 7 | Net Capital Turnover Ratio | -83.85 | -521.46 | 43760.91% | During the FY 2022-23, Advance from customer has increased by Rs. 214 Lakhs which has resulted increase in Current Liability and thus declined in working capital. Accordingly Net Capital Turnover Ratio has Increased. |
| 8 | Net Profit Ratio | 5.57% | 0.23% | 5.34% | - |
| 9 | Return on Capital Employed | 0.01 | 0.01 | 0.41% | - |
| 10 | Return on Investments | 0.00 | 0.00 | 0.00% | - |

J. Compensation

Our technology professionals receive competitive salaries and benefits. We have a performance-linked compensation program that links compensation to individual performance, as well as our Company's performance.

K. Cautionary Note

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic conditions, Government policies and other incidental factors.

For and on behalf of the Board of Directors

Place: Noida
Date: 29/08/2023

Sd/-
Dalip Kumar
(Chairman & Managing Director)

Independent Auditor's Report

To the Members of

FCS Software Solutions Limited

Report on Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **FCS Software Solutions Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2023, the statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2023, total comprehensive income (comprising of profit and other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated: -

| S.No. | The key audit matters | How our audit addressed the key audit matter |
|-------|---|--|
| 1. | <p>Fair Valuation of Investments</p> <p>As at March 31, 2023, the Company has investments of Rs. 13,759.92 Lakhs (P.Y Rs 11,163.46 Lakhs) in the Equity and Preference Shares in various companies (Ref Note No. 7 of Standalone Financial Statements) which are measured at fair value as per Ind AS 109 read with Ind AS 113. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgment and input from data that is not directly observable in the market. Accordingly, the same has been considered as a key audit matter</p> | <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Verified the fair valuation reports provided by the management by involving the external valuation experts. • We assessed the assumptions around the discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the external experts. • Total investment includes preference shares of Rs. 6,941.30 Lakhs (P.Y Rs. 6,941.30 Lakhs) which was valued at amortized cost by the company on the basis of partial redemption done by the company in next year. We have verified the underlying supporting document and bank statement to tie the partial redemption price of the shares. • Assessed the objectivity and competence of Company's external specialists involved in the process. • Verified the disclosures made by the Company in the financial statements. |

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the management discussion and analysis, Director's Report, Corporate Governance report and Other Information included in Company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income,

changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board and Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and the standalone statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representation received from the directors as on 31st March, 2023 taken on record by the board of directors, none of directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate

Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March 2023 on its financial position in its standalone financial statements. Refer Note 42 to the standalone financial statements;
 - ii. The Company has made provision as required under applicable law or accounting standards for material foreseeable losses. The Company did not have any long-term derivative contracts during the year ended 31st March, 2023;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entities, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv)(b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year. Accordingly, the provisions of Section 123 of the Act is not applicable;
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

3. With respect to the matter to be included in the Auditors Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provision of section 197 read with Schedule V of the Companies Act, 2013. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act read with Schedule V of the Companies Act, 2013. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853
UDIN: 23087853BGWCBY2796

Place: - New Delhi
Dated: -29.05.2023

Annexure A to the Independent Auditor's Report on the financial statements

(Referred to in Para 1 under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date to The Members of FCS Software Solutions Limited on the standalone Ind AS financial statements for the year ended 31st March, 2023)

- i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a regular programme for physical verification of its fixed assets by which its fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. However, physical verification of Property, Plants and Equipment's has not been conducted by the management during the year. The reconciliation of book records with the physical counts could not be undertaken. Pending such physical verification and reconciliation, we are unable to state whether there is any material discrepancy between physical count and Property, Plants and Equipment records.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d) The According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) or intangible assets or both during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (i) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of five crores rupees, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (ii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year except as stated in sub-clause (B) below.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans or stood guarantee or provided advances or provided securities to subsidiaries and associate.

- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to a party other than subsidiaries and associate as below:

| Particulars | Loans (In Lacs) |
|--|-----------------|
| Aggregate amount during the year:- | |
| - Loan to Other parties | Rs. 5.58 |
| - Loan to Employees | Rs. 1,590.02 |
| Balance outstanding as at balance sheet date:- | |
| - Loan to Other parties | Rs. 2,023.15 |
| - Loan to Employees | Rs. 8.93 |

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the grant of all loans given are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any guarantee or provide any investment or provide any security during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except loan amounting to Rs. 2,023.15 Lacs is repayable on demand.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.
- (f) The Company has granted loan which is repayable on demand as per details below.

| Particulars | Other Parties |
|--|-----------------|
| Aggregate of loans (In Lacs) | |
| -Repayable on Demand | 2,023.15 |
| Total | 2,023.15 |
| Percentage of loans above to the total loans | 100% |

- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 186 of the Act, with respect to the loans, investments, guarantees and security made as applicable. The Company has not given any loan to its directors, hence section 185 not applicable.
- (iv) The Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 or rules framed there under. Accordingly, clause 3(v) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sec 148 of the Act, for any of the services rendered by the Company. Accordingly, clauses 3(vi) Order is not applicable.

- (vi) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other statutory dues were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess or other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute except for the following dues: - (Refer Note 42 to the financial statements).

| Name of the Statute | Amount (Rs. in Lakhs) | Period to which amount relates | Forum where the dispute is pending |
|----------------------|-----------------------|--------------------------------|--|
| Income Tax Act, 1961 | 251.80 | 2017-18 | Appeal to the Commissioner of Income-tax (Appeals) |
| TOTAL | 251.80 | | |

Note: Accumulated Interest accrued on the demand as at March 31, 2023 is Rs 52.88 Lakhs (March 31, 2022: 22.66 Lakhs) and Rs. 46.60 Lakhs held by IT Department as deposit against demand as at March 31, 2023 (March 31, 2022: 46.60 Lakhs).

- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (viii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no term loans have been taken by the company during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that no fund raised on short term basis have been utilized for long term purposes by the company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from

- any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (ix) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (x) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.
- (xi) According to the information and explanations given to us, the Company is not a nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xii) According to the information and explanation given to us and based on our examination of the records of the company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements in Note No. 34 as required by the applicable Indian Accounting Standards.
- (xiii) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, extent of coverage of the areas of operations and the follow up of internal audit observations need to be strengthened.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xv) (a) In our opinion, the Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvi) The Company has not incurred cash loss in the current financial year and immediately preceding financial year.
- (xvii) There has been resignation of the statutory auditors during the year and the same was due to personal reasons of outgoing auditors. However, there is no issues, objection or concern raised by the outgoing auditor.
- (xviii) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xix) In our opinion and according to the information and explanations given to us, there is no amount required to be spent by the company in accordance with section 135 of the companies act 2013. Accordingly, clause 3 (xx) of the Order is not applicable to the Company.

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853

UDIN: 23087853BGWCBY2796

Place: - New Delhi
Dated: -29.05.2023

Annexure B to the Independent Auditor's Report on the financial statements of FCS Software Solutions Limited

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-sec on 3 of Sec on 143 of the Companies Act, 2013 ("the Act")

(Referred to in Para 2(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date)

Opinion

We have audited the internal financial controls with reference to the financial statements of FCS Software Solutions Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed

risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that:-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853

UDIN: 23087853BGWCBY2796

Place: - New Delhi
Dated: -29.05.2023

Standalone Balance sheet as at 31st March, 2022
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

| Particulars | Note No. | As at 31st March 2023 | As at 31st March 2022 |
|--|----------|-----------------------|-----------------------|
| [I] ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 3,848.20 | 4,174.77 |
| (b) Capital work-in-progress | 4 | - | 215.99 |
| (c) Intangible assets | 5 | 13.52 | 14.39 |
| (d) Investment Property | 6 | 14,272.98 | 14,345.24 |
| (e) Financial assets | | | |
| - Investments | 7 | 13,759.92 | 11,163.46 |
| - Loans & Advances | 8 | 2,023.15 | 1,850.84 |
| - Other Financial Assets | 9 | 421.06 | 182.97 |
| (f) Deferred tax assets (Net) | 10 | 75.81 | 77.56 |
| (g) Non-Current Tax Assets (Net) | 11 | 133.24 | 258.13 |
| 2. Current Assets | | | |
| (a) Financial assets | | | |
| - Trade Receivables | 12 | 370.67 | 185.31 |
| - Cash and cash equivalents | 13 | 195.60 | 261.03 |
| - Other Balances with Banks | 14 | 293.41 | 141.57 |
| - Loans & Advances | 15 | 63.70 | 68.64 |
| (b) Other current assets | 16 | 76.86 | 81.72 |
| TOTAL | | 35,548.12 | 33,021.61 |
| [II] EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share capital | 17 | 17,095.53 | 17,095.53 |
| (b) Other Equity | 18 | 15,406.04 | 12,836.45 |
| 2. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| - Borrowings | 19 | 1,532.80 | 1,872.90 |
| - Other Financial Liabilities | 20 | 342.41 | 340.83 |
| (b) Provisions | 21 | 129.42 | 131.07 |
| 3. Current liabilities | | | |
| (a) Financial liabilities | | | |
| - Borrowings | 19 | 328.47 | 308.38 |
| - Trade payables | 22 | | |
| (i) Total outstanding dues of Micro and Small Enterprise | | 1.93 | 2.93 |
| (ii) Total outstanding dues of creditors other than Micro and Small Enterprise | | 102.72 | 103.17 |
| - Other Financial Liabilities | 23 | 25.86 | 18.74 |
| (b) Provisions | 24 | 20.64 | 19.93 |
| (c) Other Current Liabilities | 25 | 562.30 | 291.69 |
| TOTAL | | 35,548.12 | 33,021.61 |

Summary of Significant Accounting Policies 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 0509249C
Sd/-
CA. Sharad Poddar
(Partner)
M. No. 087853
UDIN: 23087853BGWCBY2796

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

Sd/-
Dalip Kumar
Chairman & Managing Director
DIN: 00103292

Sd/-
Shayam Sunder Sharma
Director
DIN: 00272803

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
Sunil Sharma
Director
DIN: 05359128

Place: New Delhi
Date: 29.05.2023

Place: Noida
Date: 29.05.2023

Sd/-
Harsha Sharma
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31 March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

| Particulars | Note No. | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|----------|-------------------------------------|-------------------------------------|
| Revenue from operations | 26 | 3,494.88 | 3,431.59 |
| Other income | 27 | 220.56 | 185.53 |
| Total Income | | 3,715.44 | 3,617.12 |
| Expenses | | | |
| Employee benefit expense | 28 | 2,144.25 | 2,209.50 |
| Finance cost | 29 | 174.05 | 228.61 |
| Depreciation and amortisation expense | 30 | 419.56 | 385.68 |
| Other Operating expense | 31 | 742.35 | 632.52 |
| Total Expenses | | 3,480.22 | 3,456.31 |
| Profit/ (loss) before exceptional items and tax | | 235.22 | 160.81 |
| Exceptional Profit/(Loss) | | 31.80 | (107.90) |
| Profit/ (loss) before tax | | 267.02 | 52.91 |
| Tax expense | 32 | | |
| a) Current tax | | 70.60 | 24.85 |
| b) Deferred tax | | 1.75 | 20.13 |
| Profit/ (loss) for the period | | 194.66 | 7.92 |
| Other comprehensive income | | | |
| - Items that will not be reclassified to profit or loss | | | |
| 1 Remeasurement of defined employee benefits plan | | 5.89 | 4.21 |
| 2 Changes in Fair Values of Investment in Equities carried at Fair Value through Other Comprehensive Income | | 2,596.46 | 150.05 |
| Net Other Comprehensive Income not to be reclassified to Profit & Loss | | 2,602.35 | 154.26 |
| Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 2,797.01 | 162.18 |
| Earnings per equity share (for continuing operations) | 33 | | |
| a) Basic | | 0.01 | 0.00 |
| b) Diluted | | 0.01 | 0.00 |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 0509249C

Sd/-

CA. Sharad Poddar

(Partner)

M. No. 087853

UDIN: 23087853BGWCBY2796

For and on behalf of the Board of Directors of

FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

DIN: 00103292

Sd/-

Anil Kumar Sharma

Chief Financial Officer

Sd/-

Shayam Sunder Sharma

Director

DIN: 00272803

Sd/-

Sunil Sharma

Director

DIN: 05359128

Sd/-

Harsha Sharma

Company Secretary

Place: New Delhi

Date: 29.05.2023

Place: Noida

Date: 29.05.2023

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

Accounting Policy:

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 1. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 267.02 | 52.91 |
| <i>Adjustments for :</i> | | |
| Depreciation and amortisation | 419.56 | 385.68 |
| (Gain)/Loss on Sale of investments | - | 107.90 |
| Interest income | (218.13) | (182.12) |
| Finance costs | 174.05 | 228.61 |
| (Gain)/Loss on Sale of PPE | (11.88) | - |
| Amount written off | 8.22 | - |
| | 638.84 | 592.98 |
| Working capital adjustments: | | |
| (Increase)/Decrease in Trade Receivables | (173.85) | 415.73 |
| (Increase)/Decrease in Loans and Advances | (319.21) | (154.16) |
| (Increase)/Decrease in Other Assets | (154.19) | (88.87) |
| Increase/(Decrease) in Trade Payables | (1.45) | 0.52 |
| Increase/(Decrease) in Provisions | (22.03) | (44.98) |
| Increase/(Decrease) in Current Liabilities | 279.31 | (198.32) |
| Cash Generated from Operations | 247.43 | 522.89 |
| Income Tax Paid | 23.71 | 60.99 |
| NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES (1) | 223.72 | 461.90 |
| 2. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (29.07) | (232.84) |
| Interest Income | 218.13 | 182.12 |
| Proceeds from sale of investments | - | 140.00 |
| Proceeds from sale of PPE | 15.86 | - |
| NET CASH GENERATED/(USED IN) BY INVESTING ACTIVITIES (2) | 204.92 | 89.28 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance costs | (174.05) | (228.61) |
| Proceeds from borrowings | - | 341.43 |
| Repayment of borrowings | (320.01) | (621.19) |
| NET CASH GENERATED/(USED IN) BY FINANCING ACTIVITIES (3) | (494.06) | (508.37) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3) | (65.43) | 42.82 |
| Cash and cash equivalents at the beginning of the year | 261.03 | 218.22 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 195.60 | 261.03 |

Standalone Statement of Cash Flows for the year ended 31 March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| <u>a. Components of Cash and Cash Equivalents :</u> | | |
| (i) Balances with banks | | |
| -In current accounts | 177.15 | 242.04 |
| (ii) Cash in hand | 18.45 | 18.99 |
| Total | 195.60 | 261.03 |
| <u>b. Changes in liabilities arising from financing activities :</u> | | |
| Opening Borrowings | 2,181.28 | 2,461.04 |
| Add: Borrowing raised during the year | - | 341.43 |
| Less: Repayment of Borrowing during the year | (320.01) | (621.19) |
| Closing Balance | 1,861.27 | 2,181.28 |

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 0509249C
Sd/-
CA. Sharad Poddar
(Partner)
M. No. 087853
UDIN: 23087853BGWCBY2796

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

Sd/-
Dalip Kumar
Chairman & Managing Director
DIN: 00103292

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
Shayam Sunder Sharma
Director
DIN: 00272803

Sd/-
Sunil Sharma
Director
DIN: 05359128

Place: New Delhi
Date: 29.05.2023

Place: Noida
Date: 29.05.2023

Sd/-
Harsha Sharma
Company Secretary

Standalone Statement of changes in equity for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

a. Equity share capital

| | Opening balance as at 01 Apr 2022 | Changes in equity share capital during the year | Closing balance as at 31 March 2023 |
|----------------------------|--------------------------------------|--|--|
| Equity shares of Rs.1 each | 17095.53 | - | 17095.53 |
| | 17,095.53 | - | 17,095.53 |
| | Opening balance as at 01 Apr 2021 | Changes in equity share capital during the year | Closing balance as at 31 March 2022 |
| Equity shares of Rs.1 each | 17095.53 | - | 17095.53 |
| | 17,095.53 | - | 17,095.53 |

b. Other Equity

For the year ended 31st March, 2023

| | Share premium | Capital reserve | Retained earnings | General reserve | Other Comprehensive Assets (L&B) Revaluation Reserve | Income- Items Others items of OCI | Investment Revaluation Reserve | Total Equity |
|--------------------------------------|------------------|--------------------|----------------------|--------------------|---|--|--------------------------------------|------------------|
| As at 1 April 2022 | 25,099.44 | 1,881.03 | 4,595.96 | 2,904.31 | 12,741.03 | 6.66 | (34,391.99) | 12,836.45 |
| Profit for the period | - | - | 194.66 | - | - | - | - | 194.66 |
| Addition/Reversal during the Year | - | - | - | - | (224.04) | - | - | (224.04) |
| Other Adjustments | - | - | 1.55 | - | - | - | - | 1.55 |
| Other comprehensive income/(loss) | - | - | - | - | - | 5.89 | 2,591.54 | 2,597.43 |
| TOTAL | 25,099.44 | 1,881.03 | 4,792.16 | 2,904.31 | 12,516.99 | 12.56 | (31,800.45) | 15,406.04 |

For nature of Description and purpose of reserve (refer Note No 18)

For the year ended 31 March, 2022

| | Share premium | Capital reserve | Retained earnings | General reserve | Other Comprehensive Assets (L&B) Revaluation Reserve | Income- Items Others items of OCI | Investment Revaluation Reserve | Total Equity |
|--|------------------|--------------------|----------------------|--------------------|---|--|--------------------------------------|------------------|
| As at 1 April 2021 | 25,099.44 | 1,881.03 | 4,596.05 | 2,904.31 | 12,944.26 | 2.45 | (34,731.44) | 12,696.10 |
| Profit for the period | - | - | 7.92 | - | - | - | - | 7.92 |
| Addition/Reversal during the Year | - | - | - | - | (203.23) | - | 189.41 | (13.82) |
| Other Adjustments | - | - | (8.01) | - | - | - | - | (8.01) |
| Other comprehensive income/(loss) | - | - | - | - | - | 4.21 | 150.05 | 154.26 |
| Realised gain/(loss) on shares carried at FVTOCI | - | - | - | - | - | - | - | - |
| TOTAL | 25,099.44 | 1,881.03 | 4,595.96 | 2,904.31 | 12,741.03 | 6.66 | -34,391.99 | 12,836.45 |

For nature of Description and purpose of reserve (refer Note No 18)

Summary of significant accounting policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 0509249C

Sd/-

CA. Sharad Poddar

(Partner)

M. No. 087853

UDIN: 23087853BGWCBY2796

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

Sd/-

Dalip Kumar

Chairman & Managing Director

DIN: 00103292

Sd/-

Anil Kumar Sharma

Chief Financial Officer

Sd/-

Shayam Sunder Sharma

Director

DIN: 00272803

Sd/-

Sunil Sharma

Director

DIN: 05359128

Sd/-

Harsha Sharma

Company Secretary

Place: New Delhi

Date: 29.05.2023

Place: Noida

Date: 29.05.2023

FCS Software Solutions Limited

Notes Forming Part of Accounts for the Year Ended 31st March, 2023

CIN: L72100DL1993PLC179154

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

FCS Software Solutions Limited (hereinafter referred to as 'the company') is primarily engaged in providing a range of IT and business services, engineering and product & platform service. The company business consists of software development and marketing and providing support services mainly for corporate business entities in the BPO sectors, software development, e-learning service and other related Information Technology Enabled Services. The company also carries business of leasing or letting out all kind of immovable property including IT Infrastructural property whether freehold, leasehold to any type of person.

The company is a public limited company incorporate and domiciled in India and has its registered office at 205, 2nd Floor, Aggarwal Chamber IV, 27, Veer Sawarkar Block, Vikas Marg, Shakarpur, Delhi – 110092. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

The standalone financial statements for the year ended 31st March 2023 were approved and authorized for issue by the Board of Directors on May 29, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone financial statements are prepared in Indian Rupees ("INR") which is also the Company's functional currency. All Amount is reported in Lakhs of Indian Rupees unless otherwise stated.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Company uses the following critical accounting estimates in preparation of its standalone financial statements:

a) Revenue Recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involve significant judgment.

b) Useful lives of Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Fair Value Measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Provision of Income Tax and Tax Assets

The major tax jurisdiction for the Company is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

e) Provisions and Contingent Liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot

be made. Contingent assets are neither recognized nor disclosed in the standalone financial statements.

f) Employee Benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions.

2.3 Revenue Recognition

The Company derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Company's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, fixed-price or on a fixed-timeframe basis.

Revenue on time-and-material and unit-of-work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses.

Rental Income comprising of rent and other related services from operating lease is recognized in the Statement of Profit and Loss on accrual basis.

Advance received for services and products are reported as client deposits until all conditions for revenue recognition are met. Revenue from subsidiaries is recognized based on transaction price which is at arm's length.

The company presents revenues net of indirect taxes in its Statement of Profit & Loss Account.

2.4 Other Income

Other income is comprised primarily of interest income, gain / loss on investments and exchange gain / loss on foreign exchange contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. All direct costs are capitalized till the assets are ready to be put to use, as intended by the management. During the year, the company has reclassified certain Property, Plant & Equipment to Investment Property on account of change in management intention to use such properties for the purpose of rental yield and/ or capital appreciation (Refer Point No. 2.7 & Note No. 6)

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. The Company identifies and determines cost of each component/ part of the

asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

The company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of all property, plant & equipment is as prescribed in schedule II of The Companies Act, 2013. (Refer Note No. 3)

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss as 'other income' or 'other expenses', as the case may be, on the date of disposal.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced

2.6 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where they are expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/ system integration services. The costs are capitalized in the year in which the software is fully implemented for use. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized

include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e the higher of the fair value less cost to sell and the value in use) is determined on an individual assets basis unless the asset does not generate cash flows that are largely independent of those from other assets.

2.7 Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. On transition to Ind AS, the Company had elected to measure all of its investment properties at the previous GAAP carrying value (deemed cost). Investment properties are subsequently measured at fair value less accumulated depreciation and accumulated impairment losses if any. Fair values are determined based on an evaluation performed by an accredited external independent valuer in FY 2018-19. - The Company obtains independent valuation for its investment property in every 5 years and fair value measurements are categorized as level 3 measurement in the fair value hierarchy. The valuation has been taken considering sales comparable method, which compares the price or price per unit area of similar properties being sold in the marketplace. Depreciation on investment properties is provided on the written down value method over the useful lives of the assets as prescribed in schedule II of The Companies Act, 2013.

The cost comprises purchase price, cost of replacing parts, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement profit or loss in the period of de-recognition.

2.8 Foreign Currency Transactions and Translation

2.8.1 Functional and Presentation Currency:

The functional currency of the Company is the Indian rupee. These financial statements are presented in lakh of Indian rupees.

2.8.2 Foreign Currency Transactions and Translations:

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the Balance sheet.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue,

expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction

2.9 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as prescribed in Ind-AS-12. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Financial Instruments

2.11.1 Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Regular way purchase and sale of financial assets are accounted for at trade date.

2.11.2 Subsequent Measurement

a) Non- Derivative financial instruments

(i) Financial Assets Carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial Assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(v) Investment in Subsidiaries and others

Investments in subsidiaries are carried at cost as per Ind AS 27 "Separate Financial Statements". However, the provision for impairment on these investments is recognized as per the valuation report taken from the registered valuer as prescribed u/s 247 of The Companies Act, 2013 read with Companies (Registered Valuers & Valuation) Rules 2018 is considered in compliance of the provisions of Companies Act, 2013.

b) Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. However, The Company does not holds any derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

2.11.3 Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.11.4 Fair value of Financial Instruments

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- (a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- (c) Cost approach- Replacement cost method

2.11.5 Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

2.12 Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.13 Provisions, Contingent Liabilities and Contingent Assets

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Company uses significant judgment to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, when inflow of economic benefit is probable, related asset is disclosed.

2.14 Employee Benefits

2.14.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of FCS. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment with the Company (subject to a maximum of ₹ 20 lacs per employee).

Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

2.14.2 Provident Fund

Eligible Employees of the Company receive benefits under the provident fund, a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

2.14.3 Compensated Absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

2.15 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by weighted average number of equity shares outstanding during the year in conformity with the Ind-AS-33.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

2.16 Recently issued Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statement.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Error

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2023:

| Particulars | Land # | Buildings # | Office Equipment | Computer equipment | Furniture and fixtures | Vehicles | Total |
|---|-----------------|-----------------|------------------|--------------------|------------------------|--------------|-----------------|
| Gross carrying value as of April 1, 2022: | 2,385.20 | 1,692.88 | 1,483.83 | 197.43 | 1,005.30 | 59.99 | 6,824.63 |
| Additions | - | - | 7.60 | 10.33 | 0.22 | - | 18.14 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - | - |
| Deletions | - | - | 3.29 | 13.34 | - | - | 16.64 |
| Gross carrying value as of March 31, 2023: | 2,385.20 | 1,692.88 | 1,488.13 | 194.42 | 1,005.51 | 59.99 | 6,826.13 |
| Accumulated depreciation as of April 1, 2022: | - | 657.70 | 1,114.01 | 177.58 | 655.51 | 45.06 | 2,649.86 |
| Depreciation | - | 76.17 | 161.77 | 9.08 | 88.58 | 5.12 | 340.73 |
| Add/(Less): Adjustments | - | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | 12.66 | - | - | 12.66 |
| Accumulated depreciation as of March 31, 2023: | 2,385.20 | 733.87 | 1,275.77 | 174.01 | 744.09 | 50.18 | 2,977.93 |
| Carrying value as of March 31, 2023: | 2,385.20 | 959.01 | 212.35 | 20.41 | 261.42 | 9.80 | 3,848.20 |

Refer Note No.19 for details regarding charge created against Property, Plant & Equipments.

Note-1: During the year, the company has reclassified certain Property, Plant & Equipment to Investment Property due to the change of use (Refer Note 6)

Note-2: the company has changed the useful life of certain assets as per schedule II of the Companies Act, 2013, the additional depreciation due to change in useful life of the assets charged to statement of profit and loss account for Rs. 95.58 Lakhs for the period ended March 31, 2023

PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2022:

| Particulars | Land # | Buildings # | Office Equipment | Computer equipment | Furniture and fixtures | Vehicles | Total |
|---|-----------------|-----------------|------------------|--------------------|------------------------|--------------|-----------------|
| Gross carrying value as of April 1, 2021: | 2,385.20 | 1,677.24 | 1,460.50 | 190.55 | 970.08 | 59.99 | 6,743.55 |
| Additions | - | 15.64 | 23.33 | 6.88 | 35.22 | - | 81.07 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - | - |
| Gross carrying value as of March 31, 2022: | 2,385.20 | 1,692.88 | 1,483.83 | 197.43 | 1,005.30 | 59.99 | 6,824.63 |
| Accumulated depreciation as of April 1, 2021: | - | 569.85 | 959.28 | 164.40 | 581.74 | 36.60 | 2,331.87 |
| Depreciation | - | 67.84 | 154.73 | 13.18 | 73.78 | 8.46 | 317.99 |
| Add/(Less): Adjustments | - | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2022: | 2,385.20 | 637.70 | 1,114.01 | 177.58 | 655.51 | 45.06 | 2,649.86 |
| Carrying value as of March 31, 2022: | 2,385.20 | 1,035.19 | 369.82 | 19.85 | 349.78 | 14.93 | 4,174.77 |

Note: During the year, the company has reclassified certain Property, Plant & Equipment to Investment Property due to the change of use

Refer Note No.19 for details regarding charge created against Property, Plant & Equipments.

Refer Note No. 2.5 for Property, Plant & Equipments Accounting Policy.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

4. Capital work-in-progress

- Building WIP

| | As at 31.03.2023 | As at 31.03.2022 |
|---------------|---------------------|---------------------|
| | - | 215.99 |
| Total: | - | 215.99 |

Additional Regulatory Information

(i) The capital work-in-progress ageing schedule as follows:

For the Year ended March 31, 2023

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|---------------------|-----------|-----------|----------------------|----------|
| Projects in Progress | - | - | - | - | - |
| Total Capital work-in-progress | - | - | - | - | - |

For the Year ended March 31, 2022

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|---------------------|---------------|--------------|----------------------|---------------|
| Projects in Progress | 51.79 | 100.06 | 64.14 | - | 215.99 |
| Total Capital work-in-progress | 51.79 | 100.06 | 64.14 | - | 215.99 |

Movement in capital work in progress:

| Particulars | Amount |
|---|---------------|
| Capital work-in-progress as at 31 March 2021 | 164.20 |
| Add: additions during the year | 51.79 |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2022 | 215.99 |
| Add: additions during the year | 2.83 |
| Less: capitalisation during the year | 218.82 |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2023 | - |

(ii) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

5 INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2023:

| Particulars | Software & IPR | Total |
|---|----------------|---------------|
| Cost as at April 1, 2022: | 371.91 | 371.91 |
| Additions | - | - |
| Deletions | - | - |
| Cost as at March 31, 2023: | 371.91 | 371.91 |
| Accumulated amortization as of April 1, 2022: | 357.53 | 357.53 |
| Amortization expense | 0.87 | 0.87 |
| Deletion | - | - |
| Accumulated amortization as of March 31, 2023: | 358.39 | 358.39 |
| Carrying Amount as of March 31, 2023: | 13.52 | 13.52 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2022:

| Particulars | Software & IPR | Total |
|---|----------------|---------------|
| Cost as at April 1, 2021: | 371.91 | 371.91 |
| Additions | - | - |
| Deletions | - | - |
| Cost as at March 31, 2022: | 371.91 | 371.91 |
| Accumulated amortization as of April 1, 2021: | 356.52 | 356.52 |
| Amortization expense | 1.00 | 1.00 |
| Deletion | - | - |
| Accumulated amortization as of March 31, 2022: | 357.53 | 357.53 |
| Carrying Amount as of March 31, 2022: | 14.39 | 14.39 |

We have performed impairment testing of PPE and Intangible assets using various assumptions. Based on the evaluation we have concluded that there is no impairment of PPE and Intangible assets.

6 INVESTMENT PROPERTY:

The changes in the carrying value of investment properties for the year ended 31 March 2023 are as follows:

| Particulars | Leasehold land * | Freehold land | Building | Sub Total (A) | Capital work-in-progress (B)** | Total (A+B) |
|---|------------------|-----------------|-----------------|------------------|--------------------------------|------------------|
| Gross carrying value as of April 1, 2022: | 7,748.99 | 1,572.50 | 5,884.78 | 15,206.26 | 39.24 | 15,245.50 |
| Additions | - | - | 229.75 | 229.75 | - | 229.75 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - |
| Gross carrying value as of March 31, 2023: | 7,748.99 | 1,572.50 | 6,114.53 | 15,436.02 | 39.24 | 15,475.25 |
| Accumulated depreciation as of April 1, 2022: | - | - | 900.26 | 900.26 | - | 900.26 |
| Depreciation | - | - | 302.01 | 302.01 | - | 302.01 |
| Add/(Less): Adjustments | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2023: | - | - | 1,202.27 | 1,202.27 | - | 1,202.27 |
| Carrying value as of March 31, 2023: | 7,748.99 | 1,572.50 | 4,912.26 | 14,233.74 | 39.24 | 14,272.98 |

INVESTMENT PROPERTY:

The changes in the carrying value of investment properties for the year ended 31 March 2022 are as follows:

| Particulars | Leasehold land * | Freehold land | Building | Sub Total (A) | Capital work-in-progress (B)** | Total (A+B) |
|---|------------------|-----------------|-----------------|------------------|--------------------------------|------------------|
| Gross carrying value as of April 1, 2021: | 7,748.99 | 1,572.50 | 5,824.04 | 15,145.52 | - | 15,145.52 |
| Additions | - | - | 60.74 | 60.74 | 39.24 | 99.98 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - |
| Gross carrying value as of March 31, 2022: | 7,748.99 | 1,572.50 | 5,884.78 | 15,206.26 | 39.24 | 15,245.50 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| | | | | | | |
|---|-----------------|-----------------|-----------------|------------------|--------------|------------------|
| Accumulated depreciation as of April 1, 2021: | - | - | 630.34 | 630.34 | - | 630.34 |
| Depreciation | - | - | 269.92 | 269.92 | - | 269.92 |
| Add/(Less): Adjustments | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2022: | - | - | 900.26 | 900.26 | - | 900.26 |
| Carrying value as of March 31, 2022: | 7,748.99 | 1,572.50 | 4,984.52 | 14,306.01 | 39.24 | 14,345.24 |

Note: all the assets categorised in investment properties due to change in its use is carried as property plant and equipment in earlier years.

* This includes land taken on lease for a period of more than 90 years

** Capital work-in-progress comprises expenditure for building and related equipment under course of construction and installation (net of adjustments).

(i) The capital work-in-progress ageing schedule as follows:
For the Year ended March 31, 2023

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|--------------|-----------|-------------------|--------------|
| Projects in Progress | - | 39.24 | - | - | 39.24 |
| Total Capital work-in-progress | - | 39.24 | - | - | 39.24 |

For the Year ended March 31, 2022

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|-----------|-----------|-------------------|--------------|
| Projects in Progress | 39.24 | - | - | - | 39.24 |
| Total Capital work-in-progress | 39.24 | - | - | - | 39.24 |

(ii) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

(iii) Investment Property pledged as security

Refer Note 19 for information on investment properties pledged as security by the company.

(iv) Contractual obligations

There is contractual obligations for the acquisition of Investment Properties as at March 31, 2023 (March 31, 2022 : Nil)

(v) Capitalised borrowing cost

There is no borrowing cost capitalised as at March 31, 2023 (March 31, 2022 : Nil)

(vi)(a) Amount recognised in statement of profit and loss for investment properties

| Particulars | 31-Mar-23 | 31-Mar-22 |
|--|---------------|---------------|
| Rental Income derived from Investment Properties | 786.57 | 794.17 |
| Direct operating Expenses (Including repairs and Maintenance) generating rental Income* | 42.45 | 53.54 |
| Profit arising from investment properties before depreciation and Indirect expenses | 744.13 | 740.62 |
| Less: Depreciation | 140.59 | 123.14 |
| Profit from leasing of investment properties | 603.54 | 617.48 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(vi)(b) Fair value hierarchy and valuation technique

- The Company's investment properties consist of commercial properties which has been determined based on the nature, characteristics and risks of each property. The company has revalued its Land and Buildings during FY 2018-19 to Rs. 12741.49 Lakhs. The fair value of investment property has been determined by external, independent registered property valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification.
- The Company obtains independent valuation for its investment property in every 5 years and fair value measurements are categorized as level 3 measurement in the fair value hierarchy. The valuation has been taken considering sales comparable method, which compares the price or price per unit area of similar properties being sold in the market place

(vi)(c) Reconciliation of fair value:-

| Particulars | Amount |
|---|--------------|
| Capital work-in-progress as at 31 March 2021 | - |
| Add: additions during the year | 39.24 |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2022 | 39.24 |
| Add: additions during the year | - |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2023 | 39.24 |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|-------------|---------------------|---------------------|
|-------------|---------------------|---------------------|

7. Non-current investments

a. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI) of subsidiaries

| | | |
|---|------------------|------------------|
| 1 M/s Insync Business Solutions Limited 50000 (March 31, 2022 : 50000) Equity Shares of Rs.10/- fully paidup | 6.26 | 6.26 |
| 2 M/s Stablesecure Infraservices Pvt. Ltd. 12750000 (March 31, 2022 : 12750000) Equity Shares of Rs.10/- and 1010000 (1010000) equity shares @8.90 per shares | 1,364.89 | 1,364.89 |
| 3 M/s.FCS SOFTWARE MIDDLE EAST FZE 2706 (March 31, 2022 : 2706) Equity shares of AED 100000/- each fully paidup | 33,780.46 | 33,780.46 |
| 4 M/s.FCS SOFTWARE SOLUTIONS GmbH 100000 (March 31, 2022 : 100000) Equity shares of EURO 1/- each fully paidup | 21.26 | 21.26 |
| 5 FCS Software (Shanghai) Co., Ltd | 12.16 | 12.16 |
| (i) | 35,185.03 | 35,185.03 |

b. Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI) of associates

| | | |
|--|---------------|---------------|
| 1 M/s Myzeal IT Solutions Pvt. Ltd.1900 (March 31, 2022 : 1900) Equity Shares of Rs.10/- fully paid | 0.19 | 0.19 |
| 2 M/s.Enstaserv eServices Ltd 8279930 (March 31, 2022 : 8279930) Equity shares of Rs.10/- each fully paidup. | 827.99 | 827.99 |
| (ii) | 828.18 | 828.18 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---------------------|---------------------|
| c. Non Trade and unquoted - Investments in equity shares (Carried at FVTOC) | | |
| 1 M/s. Pumarth Properties & Holdings Private 400000 (March 31, 2022 : 400000) equity shares of Rs. 225/- each at premium i.e. Rs. 10 per share and at premium of Rs 215 | 900.00 | 900.00 |
| 2 M/s Readystate Infraservices Private Limited 23089 Equity Shares (March 31, 2022 : 23089) of Rs.1151/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1141 | 265.75 | 265.75 |
| 3 M/s Bloom Healthcare (P) Ltd. 594366 (March 31, 2022 : 594366) Equity Shares of Rs. 71/- each i.e. Rs. 10 per share at premium of Rs. 61/- and 274285 (March 31, 2022 : 274285) equity shares of Rs. 70/- each | 614.00 | 614.00 |
| 4 M/s Bloom Healthcare (P) Ltd. 707964 (March 31, 2022 : 707964) Equity Shares of Rs. 113/- each i.e. Rs. 10 per share at premium of Rs. 103/- | 800.00 | 800.00 |
| 5 M/s Heimdahl Software Systems Pvt. Ltd. 100379 (March 31, 2022 : 100379) Equity Shares of Rs.26/- at premium i.e. Rs. 10 each per Share and premium @ Rs.16 | 26.10 | 26.10 |
| (III) | 2,605.85 | 2,605.85 |
| d. Non Trade - Investments in Preference Shares (Carried at Amortized Cost) | | |
| 1 M/s Bloom Healthcare (P) Ltd. 9916138 (March 31, 2022 : 9916138) Non-Convertible Non-cumulative redeemable Preference shares of Rs. 10 each at premium of Rs. 60/- per share. | 6,941.30 | 6,941.30 |
| (IV) | 6,941.30 | 6,941.30 |
| Total Investments (I+II+III+IV) | 45,560.37 | 45,560.37 |
| Less : Provision for diminution in value of investments | (31,800.45) | (34,396.91) |
| Net Investments | 13,759.92 | 11,163.46 |

Note: All investments made in unquoted Companies have been fair valued as on reporting date based on the fair valuation report from Registered Valuer.

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|---------------------|---------------------|
| 8. Non Current Financial Assets - Loans & Advances : | | |
| - Loans to Others | 1,822.17 | 1,666.46 |
| - Inter-corporate Loans | 200.98 | 184.38 |
| | - | - |
| Unsecured Considered Doubtful | | |
| - Loans to Others | 708.01 | 708.01 |
| - Advance Recoverable* | 200.00 | 200.00 |
| Less: Provision for doubtful advances | (908.01) | (908.01) |
| Total: | 2,023.15 | 1,850.84 |

* Pertains to advance made against purchase of Land. However, the Company has filed dispute against the Supplier/ aggregator for recovery of the balance. The dispute is outstanding with ACJM Court Gautam Budh Nagar, UP

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31.03.2023 | 31.03.2022 |
| 9. Non Current Financial Assets - Others : | | |
| - Bank deposits* | 318.94 | 89.19 |
| - Security deposits | 102.13 | 93.79 |
| Total: | 421.06 | 182.97 |

* Bank Deposits of Rs. 67.99 Lakhs is lien marked during the year (March 31, 2022 : 41.23 Lakhs), as on reporting date which is not free to use. (Refer Note No. 14 for current Bank deposits)

| Particulars | As at | As at |
|--|--------------|--------------|
| | 31.03.2023 | 31.03.2022 |
| 10. Deferred Tax Assets (Net) : | | |
| - Depreciation and amortisation | 46.67 | 48.43 |
| - Employee benefits | 29.14 | 29.14 |
| Total: | 75.81 | 77.56 |

The management, based on future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize the Deferred tax assets.

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31.03.2023 | 31.03.2022 |
| 11. Non-Current Tax Assets (Net) : | | |
| - Income Tax Paid (Net of Provisions) | 133.24 | 258.13 |
| Total: | 133.24 | 258.13 |

Note: Current tax has been reclassified from Other current assets in prior year to Non-current tax assets in current year on account of pending appeal in respect of this balance for FY 2019-20 (Refer Note 42). This balance also includes TDS as at March 31, 2023 amounting to 86.65 Lakhs (March 31, 2022 : 211.54 Lakhs)

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31.03.2023 | 31.03.2022 |
| 12. Current Financial Assets - Trade Receivables : | | |
| Unsecured | | |
| (i) Considered good* | 424.06 | 212.00 |
| (ii) Considered Doubtful | - | - |
| Less: Allowance for credit Loss | (53.40) | (26.70) |
| Total: | 370.67 | 185.31 |

*Includes Trade Receivable from subsidiary (Refer Note No. 34) 11.15 -

The trade receivables ageing schedule for the years ended as on March 31, 2023 is as follows:

| Particulars | Less than 6 months | 6 Months- 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-------------|--------------|-------------------|---------------|
| 1. Undisputed Trade Receivables- Considered Goods | 349.21 | 19.95 | 1.51 | - | - | 370.67 |
| 2. Undisputed Trade Receivables- credit impaired | - | - | - | 36.96 | 16.44 | 53.40 |
| 3. Disputed Trade Receivables- Considered Goods | - | - | - | - | - | - |
| 4. Disputed trade receivables -credit impaired | - | - | - | - | - | - |
| Total | 349.21 | 19.95 | 1.51 | 36.96 | 16.44 | 424.06 |
| Less: Allowance for credit loss | | | | | | 53.40 |
| Total Trade Receivables | | | | | | 370.67 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

The trade receivables ageing schedule for the years ended as on March 31, 2022 is as follows:

| Particulars | Less than 6 months | 6 Months- 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-------------|--------------|-------------------|---------------|
| 1. Undisputed Trade Receivables- Considered Goods | 143.53 | 10.34 | 3.44 | 19.78 | 8.22 | 185.31 |
| 2. Undisputed Trade Receivables- credit impaired | - | - | - | 18.48 | 8.22 | 26.70 |
| 3. Disputed Trade Receivables- Considered Goods | - | - | - | - | - | - |
| 4. Disputed trade receivables -credit impaired | - | - | - | - | - | - |
| Total | 143.53 | 10.34 | 3.44 | 38.26 | 16.44 | 212.00 |

Less: Allowance for credit loss

26.70

Total Trade Receivables

185.31

Additional Regulatory Information

Relationship with Struck off companies are given below:

As on March 31, 2023

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2022-23 | Balance outstanding as on 31 March, 2023 | Relationship with Struck off company |
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|
| Nil | | | | |

As on March 31, 2022

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2021-22 | Balance outstanding as on 31 March, 2022 | Relationship with Struck off company |
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|
| IBI Biosolutions Pvt. Ltd. | Debtors | - | 8.22 | Debtors |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|--|-------------------------|-------------------------|
| 13. Cash and Cash Equivalents : | | |
| (i) Balances with banks | | |
| -In current accounts | 177.15 | 242.04 |
| (ii) Cash on hand | 18.45 | 18.99 |
| Total: | <u>195.60</u> | <u>261.03</u> |
| | As at 31.03.2023 | As at 31.03.2022 |
| 14. Other Balances with banks : | | |
| -Bank deposits* | 293.41 | 141.57 |
| Total: | <u>293.41</u> | <u>141.57</u> |
| *Refer Note No.9 | | |
| | As at 31.03.2023 | As at 31.03.2022 |
| 15. Current Financial Assets - Loans & Advances | | |
| - Advances to Employee | 10.35 | 9.82 |
| - Advances to Others | 4.17 | 4.00 |
| - Advance to Suppliers | 49.19 | 54.82 |
| Total: | <u>63.70</u> | <u>68.64</u> |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Additional Regulatory Information

Advance to Supplier includes Struck off Companies, details of which is enclosed below.

| Name of Struck off Company | Nature of Transactions | Tansactions during the FY 2022-23 | Balance outstanding as on 31 March, 2023 | Relationship with Struck off company |
|----------------------------|------------------------|-----------------------------------|--|--------------------------------------|
| Nil | | | | |

| Name of Struck off Company | Nature of Transactions | Tansactions during the FY 2021-22 | Balance outstanding as on 31 March, 2022 | Relationship with Struck off company |
|---------------------------------|------------------------|-----------------------------------|--|--------------------------------------|
| Hallo Holiday Host Pvt. Ltd. | Creditors Advance | - | 0.72 | Vendor |
| Millenium Vacations Pvt. Ltd.** | Creditors Advance | - | 1.10 | Vendor |

**Under process of striking off

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|-----------------------------------|------------------|------------------|
| 16. Other Current Assets : | | |
| -Prepaid expense | 30.19 | 14.60 |
| -Unbilled Revenue | 46.50 | 49.37 |
| -Indirect Tax Recoverables | 0.17 | 17.74 |
| Total: | 76.86 | 81.72 |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|--|------------------|------------------|
| 17. Share capital | | |
| A. Authorised Capital | | |
| 185,00,00,000 Equity Shares of Rs. 1/- each fully paid up with voting rights | 18,500.00 | 18,500.00 |
| B. Issued, Subscribed And Fully Paid Up | | |
| 170,95,53,100 Equity Shares of Rs. 1/- Each fully paid up with voting rights | 17,095.53 | 17,095.53 |
| Total : | 17,095.53 | 17,095.53 |

Rights, preferences and restrictions attached to shares

- I) The Company has one class of equity shares having a par value of Rs 1/- each. Each shareholder is eligible for one vote per share held. The dividend, if any as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- II) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- III) The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2023, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

17A. Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 1 each, fully paid up held by:

| | As at 31 March, 2023 | | As at 31 March, 2022 | |
|--|----------------------|-----------|----------------------|-----------|
| | Number | % Holding | Number | % Holding |
| - Dalip Kumar | 185916060 | 10.88% | 185916060 | 10.88% |
| - Enstaserve e services Limited | 150000000 | 8.77% | 150000000 | 8.77% |
| - SLG Softech Private Limited | 107189431 | 6.27% | 118278469 | 6.92% |
| - Prahlad Estates and Properties Pvt. Ltd. | 122045034 | 7.14% | 139856970 | 8.18% |

17B. Reconciliation of number of shares outstanding and amount of share capital as at March 31, 2023 and March 31, 2022

| | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Number of shares at the beginning of the period | 1709553100 | 1,709,553,100 | 1709553100 | 1,709,553,100 |
| Add/Less: Changes in number of shares | - | - | - | - |
| Number of shares at the end of the period. | 1709553100 | 1,709,553,100 | 1709553100 | 1,709,553,100 |

17C. Details of shareholding of Promoters;

Equity shares of Rs. 1 each, fully paid up held by promoters at the end of the year

As at 31st March, 2023

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % change during the year |
|--------|-----------------------------|---------------|-------------------|--------------------------|
| 1 | Dalip Kumar | 185916060 | 10.88% | - |
| 2 | Neelam Sharma | 46390 | 0.00% | - |
| 3 | Enstaserv Eservices Limited | 150000000 | 8.77% | - |

As at 31st March, 2022

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % change during the year |
|--------|-----------------------------|---------------|-------------------|--------------------------|
| 1 | Dalip Kumar | 185916060 | 10.88% | - |
| 2 | Neelam Sharma | 46390 | 0.00% | - |
| 3 | Enstaserv Eservices Limited | 150000000 | 8.77% | - |

17D. Bonus issue and Buyback of Shares

The Company has made nil bonus issue/ buy back of shares in last 5 years (PY: nil).

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---|------------------|------------------|
| 18. Other Equity | | |
| <u>Other equity consist of the following:</u> | | |
| (a) Capital reserve * | 1,881.03 | 1,881.03 |
| (b) Share premium ** | 25,099.44 | 25,099.44 |
| (c) General reserve | | |
| (i) Opening balance | 2,904.31 | 2,904.31 |
| (ii) Transferred from retained earnings | - | - |
| | 2,904.31 | 2,904.31 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| <u>(d) Retained earnings</u> *** | | |
| (i) Opening balance | 4,602.62 | 4,598.50 |
| (ii) Add: Profit for the period | 194.66 | 7.92 |
| (iii) Add: Remeasurement of defined employee benefit plans | 5.89 | 4.21 |
| | 4,803.17 | 4,610.64 |
| Less : Appropriations | | |
| (i) Appropriation/Adjustments | (3.38) | (8.01) |
| | 4,799.80 | 4,602.62 |
| <u>(e) Investment Revaluation Reserve</u> | | |
| (i) Opening balance | (34,391.99) | (34,731.44) |
| (ii) Unrealised gain on equity shares carried at fair value through OCI | 2596.46 | 150.05 |
| (iii) Reversal on account of sale of investments | - | 189.41 |
| | (31,795.53) | (34,391.99) |
| <u>(f) Assets (L & B) Revaluation Reserve #</u> | | |
| (i) Opening balance | 12,741.03 | 12,944.26 |
| (ii) Addition/Deletion due to Revaluation | - | - |
| (iii) Reversal on account of Depreciation on Revaluation | 224.04 | 203.23 |
| | 12,516.99 | 12,741.03 |
| Total : | 15,406.04 | 12,836.45 |

* Capital reserve had been recognized on account of free-floating of preferential Share warrant and is not freely available for distribution

** Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium

*** Retained earnings comprises of the Company's undistributed earnings after taxes

This reserve represents the cumulative gains arising on the revaluation of property, plant & equipment's and investment properties on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will not be freely available for distribution

Others:

Changes in the fair value of financial instruments (debt or equity) measured at fair value through other comprehensive income is recognized in other comprehensive income, net of taxes and presented within investment in debt instruments measured at fair value through OCI or investment in equity instruments measured at fair value through OCI. Actuarial gains and losses on remeasurements of the defined benefit plans are recognized in other comprehensive income, net of taxes and presented within equity in remeasurement of the defined benefit plans

| 19. <u>Non-Current Financial Liabilities- Borrowings :</u> | As at | As at |
|---|-----------------|-----------------|
| | 31.03.2023 | 31.03.2022 |
| <u>Secured loans</u> | | |
| -ICICI Bank Loan (Lease Rental Discounting) | 80.21 | 93.30 |
| -ICICI Bank Loan (Lease Rental Discounting) | 56.49 | 63.71 |
| -HDFC Bank Loan (Against Rent Receivable) | 1,396.10 | 1,715.89 |
| Total: | 1,532.80 | 1,872.90 |
| <u>Current Financial Liabilities - Borrowings :</u> | | |
| <u>Secured loans</u> | | |
| -ICICI Bank Loan (Lease Rental Discounting) | 14.20 | 15.32 |
| -ICICI Bank Loan (Lease Rental Discounting) | 7.87 | 8.78 |
| -HDFC Bank Loan (Against Rent Receivable) | 306.40 | 284.27 |
| Total: | 328.47 | 308.38 |

Notes:

(i) No loans have been guaranteed by the directors and others.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

- (ii) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
 (iii) These facilities are secured by Immovable property (classified under property plant & equipment and Investment Property) details are enclosed below. For repayment terms of the outstanding long-term borrowings refer the table below:

| Name of Bank | Amount outstanding | No. of instalments | Rate of interest |
|---|--------------------|---|------------------|
| ICICI Bank (Lease Rental Discounting)* | 94.41 | Total 84 Instalments (Equal Monthly Instalment) of Rs. 1,93,383/- starting from 05.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 10.00% |
| ICICI Bank (Lease Rental Discounting)** | 64.37 | Total 95 Instalments (Equal Monthly Instalment) of Rs. 1,17,451/- starting from 05.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 10.00% |
| HDFC Bank (Against Rent Receivable) *** | 1,704.40 | Total 77 Instalments (Equal Monthly Instalment) of Rs. 36,49,590/- starting from 15.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 8.40% |

*Secured against Immovable property situated at Chandigarh

**Secured against Immovable property situated at Sector-57, Noida Uttar Pradesh

***Secured against Immovable property situated at SEZ Noida, UP

Above Loans are repayable in equal monthly instalments as follows:

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---------------------------|------------------------|------------------------|
| <u>Term Loan</u> | | |
| Repayable within 1 Year | 328.47 | 308.38 |
| Repayable within 1-3 year | 746.84 | 697.41 |
| Repayable after 3 years | 785.96 | 1,175.49 |
| | <u>1,861.27</u> | <u>2,181.28</u> |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|--|-----------------------------|-----------------------------|
| 20. Non Current Financial Liabilities - Other : | | |
| - Security Deposits | 266.07 | 245.90 |
| - Prepaid Income | 76.34 | 94.93 |
| Total: | <u>342.41</u> | <u>340.83</u> |
| | As at 31.03.2023 | As at 31.03.2022 |
| 21. Non-Current Provisions : | | |
| - Provision for Leave encashment | 27.33 | 25.94 |
| - Provision for Gratuity | 102.09 | 105.13 |
| Total: | <u>129.42</u> | <u>131.07</u> |
| | As at 31.03.2023 | As at 31.03.2022 |
| 22. Current Financial Liabilities - Trade Payables : | | |
| Unsecured | | |
| (i) Total outstanding dues of Micro and Small Enterprise | 1.93 | 2.93 |
| (ii) Total outstanding dues of creditors other than Micro and small Enterprise | 102.72 | 103.17 |
| Total: | <u>104.65</u> | <u>106.10</u> |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the ended March 31, 2023 and March 31, 2022, an amount of Rs. 90,999 and Rs. 39,810 was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

The Trade Payables ageing schedule for the years ended as on March 31, 2023 is as follows:

| Particulars | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-------------------|-----------|-----------|-------------------|--------|
| 1. MSME | 1.93 | - | - | - | 1.93 |
| 2. OTHERS | 40.14 | 5.55 | - | 57.03 | 102.72 |
| 3. DISPUTED DUES-MSME | - | - | - | - | - |
| 4. DISPUTED DUES- OTHERS | - | - | - | - | - |

The Trade Payables ageing schedule for the years ended as on March 31, 2022 is as follows:

| Particulars | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-------------------|-----------|-----------|-------------------|--------|
| 1. MSME | 2.93 | - | - | - | 2.93 |
| 2. OTHERS | 26.37 | 10.14 | 66.66 | - | 103.17 |
| 3. DISPUTED DUES-MSME | - | - | - | - | - |
| 4. DISPUTED DUES- OTHERS | - | - | - | - | - |

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|-------------|---------------------|---------------------|
|-------------|---------------------|---------------------|

23. Current Financial Liabilities - Others :

| | | |
|---------------------|--------------|--------------|
| - Prepaid Income | 18.59 | 18.74 |
| - Interest Payables | 7.28 | - |
| Total: | 25.86 | 18.74 |

| As at 31.03.2023 | As at 31.03.2022 |
|---------------------|---------------------|
|---------------------|---------------------|

24. Current Provisions :

| | | |
|----------------------------------|--------------|--------------|
| - Provision for Leave Encashment | 4.14 | 3.96 |
| - Provision for Gratuity | 16.50 | 15.97 |
| Total: | 20.64 | 19.93 |

| As at 31.03.2023 | As at 31.03.2022 |
|---------------------|---------------------|
|---------------------|---------------------|

25. Other Current Liabilities :

| | | |
|--|---------------|---------------|
| -Advance received from customers* | 270.34 | 56.31 |
| -Others (Payables) | 242.56 | 196.31 |
| -Audit Fee Payable | 4.84 | 4.28 |
| - Indirect tax payable and other statutory liabilities | 44.55 | 34.80 |
| Total: | 562.30 | 291.69 |

*Includes Advance received from subsidiary (Refer Note No. 34) - 47.21

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|------------------------------------|----------------------------------|----------------------------------|
| 26. REVENUE FROM OPERATIONS | | |
| IT Enabled Services; | | |
| - Overseas | 2,070.53 | 1,983.11 |
| - Domestic | 588.02 | 625.83 |
| Rental Income | 836.34 | 822.65 |
| Total: | 3,494.88 | 3,431.59 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

- Unbilled revenue of Rs. 49.37 Lakhs is billed during the year ended March 31, 2023 (March 31, 2022 : Rs. 50.51 Lakhs). Refer Note No. 16
- Amount of Rs. 56.31 Lakhs is recognized as revenue during the year ended March 31, 2023 out of Advance received from customer (March 31, 2022 : 215.77 Lakhs). Refer Note No. 25

| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|--|--|
| 27. OTHER INCOME | | |
| Other income (net) consist of the following: (At Amortized Cost) | | |
| - Interest income | 218.13 | 182.12 |
| - Net foreign exchange gains | - | 0.28 |
| - Other Income | 2.43 | 3.13 |
| Total: | 220.56 | 185.53 |
| Interest income comprise: | | |
| - Interest on bank deposits | 21.24 | 8.52 |
| - Interest income on financial assets | 185.26 | 169.20 |
| - Other interest (including interest on income tax refunds) | 11.62 | 4.40 |
| Total: | 218.13 | 182.12 |
| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
| 28. EMPLOYEE BENEFIT EXPENSES | | |
| - Salaries, incentives and allowances | 2,052.60 | 2,138.96 |
| - Contributions to provident and other funds | 41.64 | 30.47 |
| - Staff welfare expenses | 50.01 | 40.08 |
| Total: | 2,144.25 | 2,209.50 |
| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
| 29. FINANCE COSTS (at effective interest rate method) | | |
| - Interest on Borrowings | 170.71 | 180.69 |
| - Bank and other Charges | 3.34 | 47.92 |
| Total: | 174.05 | 228.61 |
| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
| 30. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on Property, Plant and equipment | 116.68 | 114.76 |
| Depreciation on Investment Property | 302.01 | 269.92 |
| Amortisation of Intangible Assets | 0.87 | 1.00 |
| Total: | 419.56 | 385.68 |
| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
| 31. OTHER OPERATING EXPENSES | | |
| Other operating expenses consist of the following: | | |
| - Fees to external consultants | 201.04 | 228.58 |
| - Communication expenses | 51.32 | 41.68 |
| - Technical Sub-contracting expenses | - | 1.00 |
| - Travel expenses | 58.67 | 41.79 |
| - Conveyance | 55.12 | 31.24 |
| - Power & Fuel | 121.65 | 90.97 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|----------------------------------|----------------------------------|
| - Auditors Remuneration (refer to note (i) below) | 12.50 | 11.90 |
| - Repair & Maintenance | 53.04 | 72.95 |
| - Manpower Expenses | 15.35 | 17.45 |
| - Software Expenses | 13.24 | 11.88 |
| - Insurance Expenses | 14.13 | 14.63 |
| - Rent Expenses | 35.51 | 11.55 |
| - Other expenses | 110.78 | 56.90 |
| Total: | 742.35 | 632.52 |
| (i) payment to Auditors net of GST, where applicable. | | |
| - Annual Audit Fee Incl. Quarterly Review Fee | 12.00 | 9.50 |
| - Tax Audit Fee (Tax Audit and GST Audit Fee) | 0.50 | 2.40 |
| Total | 12.50 | 11.90 |

32. Tax Expenses

Income tax expense in the statement of profit and loss comprises;

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|----------------------------------|----------------------------------|
| <u>Income Taxes Recognised in Profit and Loss:</u> | | |
| Current taxes | | |
| In respect of the current period | 70.60 | 24.85 |
| Adjustments for prior periods | - | - |
| Deferred taxes | | |
| In respect of the current period | 1.75 | 20.13 |
| Total Income Tax Expense for the period | 72.36 | 44.98 |

The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. After adoption of Section 115BAA, the Company will be outside the scope and applicability of MAT provisions under Section 115JB of Income Tax Act, 1961. Further, Provision for Tax has been Computed at the rate permitted under section 115BAA of Income Tax Act, 1961 for the year ending 31.03.2023 and 31.03.2022

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|----------------------------------|----------------------------------|
| Profit before tax | 267.02 | 52.91 |
| Tax rate | 25.168% | 25.168% |
| Computed expected tax expense | 67.20 | 13.32 |
| Tax Effect of non-deductible expenses | 113.36 | 128.74 |
| Tax Effect of deductible expenses | (109.96) | (117.20) |
| Tax Effect of Timing Difference on Depreciation | 1.75 | 20.13 |
| Total tax expense | 72.36 | 44.98 |

33. Earnings per equity share

The Company's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders' of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti dilutive.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | For the Year Ended | For the Year Ended |
|--|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| Net Profit/(Loss) attributable to equity shareholders | 194.66 | 7.92 |
| Profit/(Loss) per equity share: | | |
| Nominal value of equity share | 1.00 | 1.00 |
| Weighted-average number of equity shares for basic and diluted EPS | 17,095.53 | 17,095.53 |
| Basic Earnings per share | 0.01 | 0.00 |
| Diluted Earnings per share | 0.01 | 0.00 |

34. Related Party Transactions
Subsidiaries Companies

| Name of Subsidiaries | Country | Holding % as at | |
|--------------------------------------|---------|-----------------|------------|
| | | 31.03.2023 | 31.03.2022 |
| FCS Software Middle East FZE | UAE | 100 | 100 |
| FCS Software Solutions GmbH | Germany | 100 | 100 |
| FCS Software (Sanghai) Co., Ltd. | China | 100 | 100 |
| Insync Business Solutions Limited | India | 100 | 100 |
| Stablesecure Infraservices Pvt. Ltd. | India | 100 | 100 |

Associate Companies

| Name of Associate | Country | Holding % as at | |
|--------------------------|---------|-----------------|------------|
| | | 31.03.2023 | 31.03.2022 |
| Enstaserv Eservices Ltd. | India | 48.94 | 48.94 |

List of Directors/Key Managerial Personnel

- Dalip Kumar – Chairman & Managing Director
- Mahendra Pratap Singh – Non- executive Director
- Shayam Sunder Sharma – Independent Director
- Sunil Sharma – Director
- Shweta Shatsri – Independent Director resigned on dated 05.05.2022
- Archana Sharma – Independent Director appointed on dated 06.05.2022
- Brijesh Singh Bhadauriya – Independent Director appointed on dated 07.07.2022
- Anil Kumar Sharma – Chief Financial Officer
- Harsha Sharma – Company Secretary

Relative of Director/KMP

- Babita Sharma
- Utkrasht Sharma

A. Transactions with the Related Parties

| Particulars | For the Year Ended | For the Year Ended |
|--|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| Rental Income | | |
| Insync Business Solutions Limited | 15.60 | 15.60 |
| Services Provided | | |
| Insync Business Solutions Limited | 34.00 | - |
| Salary & Other Benefits to Key Management Personnel | | |
| 1. Sunil Sharma | 9.52 | 9.52 |
| 2. Harsha Sharma | 9.67 | 9.36 |
| 3. Anil Kumar Sharma | 25.24 | 21.24 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Directors Sitting Fee | | |
|---|------|------|
| 1. Shayam Sunder Sharma | 2.10 | 2.00 |
| 2. Shweta Shatsri | - | 1.60 |
| 3. Mahendra Pratap Singh | 1.40 | 1.20 |
| 4. Raj Kumar Manikpuri | - | 0.20 |
| 5. Archana Sharma | 2.00 | - |
| 6. Brijesh Singh Bhadauriya | 1.20 | - |
| Legal & Professional Charges | | |
| 1. Babita Sharma | - | 3.90 |
| Salary | | |
| 1. Utkrasht Sharma | - | 4.00 |

B. Outstanding Balance Payable as at year end

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|-----------------------------------|----------------------------------|----------------------------------|
| Insync Business Solutions Limited | - | 47.21 |

C. Outstanding Balance Receivable as at year end

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|-----------------------------------|----------------------------------|----------------------------------|
| Insync Business Solutions Limited | 11.15 | |

35. Corporate Social Responsibility

As per Section 135 of Companies Act 2013 a Corporate Social responsibility Committee has been formed by the Company. During the year the Company has not undertaken Corporate Social Responsibility activities as there was no obligation to undertake CSR activities as specified in Schedule VII of the Companies Act 2013

Gross amount spent by the Company during the year ended 31st March, 2023 and 31st March, 2022 are Nil.

36. 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 IndAS 108. The segmentation is based on the Geographies (reportable business segment) in which the Company operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108.

The Company has identified two main Geographical Segments as reportable segments. The business segments comprise:

1. Indian Segment
2. USA Segment

The Profit and Loss for reportable Primary Segment is set out below:-

For the period ending 31st March 2023

| Description | India | USA | Total |
|--------------------------|---------------|---------------|----------------|
| Revenue | 1424.35 | 2070.53 | 3494.88 |
| Expenses | 506.55 | 1637.70 | 2144.25 |
| Segment result | 917.80 | 432.83 | 1350.63 |
| Un-allocable expenses | | | 1304.17 |
| Operating income | | | 46.46 |
| Other income (net) | | | 220.56 |
| Profit before tax | | | 267.02 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

For the period ending 31st March 2022

| Description | India | USA | Total |
|--------------------------|---------------|---------------|----------------|
| Revenue | 1448.47 | 1983.11 | 3431.59 |
| Expenses | 665.15 | 1544.35 | 2209.50 |
| Segment result | 783.32 | 438.76 | 1222.08 |
| Un-allocable expenses | | | 1354.71 |
| Operating income | | | (132.62) |
| Other income (net) | | | 185.53 |
| Profit before tax | | | 52.91 |

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Additional Regulatory Information

37. Ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

| S. No. | Particulars | Numerator | Denominator | FY 2022-23 | FY 2021-22 | Changes |
|--------|----------------------------------|-----------------------------------|------------------------------|------------|------------|-----------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 0.96 | 0.99 | -3.12% |
| 2 | Debt-Equity Ratio | Total Debt * | Total Shareholder's Equity | 0.06 | 0.07 | -1.56% |
| 3 | Debt Service Coverage Ratio | EBITDA | Interest + Principal payment | 1.75 | 1.45 | 30.48% |
| 4 | Return on Equity Ratio | Net Profit after Taxes | Shareholder's Equity | 0.60% | 0.00 | 0.57% |
| 5 | Trade Receivables Turnover Ratio | Trade Receivables | Turnover | 0.11 | 0.05 | 5.21% |
| 6 | Trade Payables Turnover Ratio | Trade Payables | Turnover | 0.03 | 0.03 | -0.10% |
| 7 | Net Capital Turnover Ratio | Turnover | Working Capital | -83.85 | -521.46 | 43760.91% |
| 8 | Net Profit Ratio | Net Profit after Taxes | Revenue | 5.57% | 0.23% | 5.34% |
| 9 | Return on Capital Employed | Earning Before Interest and Taxes | Capital Employed ** | 0.01 | 0.01 | 0.41% |

* Total Debts represents Total Borrowings

** Capital Employed represents Networth + Total Borrowings

Note 38: Employee benefits

| 38.1 Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------------|---------------------|---------------------|
| Contribution to provident fund | 38.60 | 30.47 |
| Contribution to gratuity | 24.79 | 26.42 |
| Contribution to leave encasement | 6.81 | 6.98 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

38.2 The Company operates a Gratuity Benefit Plan.

A) Actuarial Assumptions

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Economic Assumptions | | |
| Discount rate | 7.50% p.a | 7.25% p.a |
| Salary Growth Rate | 5.00% p.a | 5.00% p.a |
| Demographic Assumptions | | |
| Retirement age | 58 | 58 |
| Mortality table used | IALM 2012-14 | IALM 2012-14 |

Notes:

1. The discount rate is based on the prevailing market yield of Government bond as at the balance sheet date
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors
3. The expected return on plan assets over the accounting period, based on an assumed rate of return

B) Movements in present value of the defined benefit obligation

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Present value of obligation as at the beginning of the year | 121.10 | 118.17 |
| Interest cost | 8.76 | 8.62 |
| Current service cost | 16.03 | 17.79 |
| Past service cost | - | - |
| Benefit paid | (19.13) | (17.01) |
| Actuarial (gain)/loss | (8.17) | (6.48) |
| Present value of the obligation at the end year | 118.59 | 121.10 |

C) Amount recognised in the Balance Sheet

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Present value of obligation at the end of the year | 118.59 | 121.10 |
| Fair value of plan assets at the end of the year | - | - |
| Net liability/ (assets) recognised in the Balance Sheet | 118.59 | 121.10 |

D) Expenses recognised in the Statement of Profit and Loss during the year:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Current service cost | 16.03 | 17.79 |
| Past service cost | - | - |
| Net interest cost | 8.76 | 8.62 |
| Expense recognised in the Statement of Profit and Loss | 24.79 | 26.42 |

E) Expenses recognised in Other Comprehensive Income during the year:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Actuarial (gain) / loss for the year | (8.17) | (6.48) |
| Expenses recognised in Other Comprehensive Income | (8.17) | (6.48) |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

F) Bifurcation of Defined Benefit Obligations at the end of year as current and non current:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Current liability (Amount due within one year) | 16.50 | 15.97 |
| Non-Current liability (Amount due over one year) | 102.09 | 105.13 |
| Total PBO at the end of year | 118.59 | 121.10 |

G) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| a) Impact of the change in discount rate | | |
| - Impact due to increase of 1 % | 107.75 | 109.19 |
| - Impact due to decrease of 1 % | 131.35 | 135.18 |
| b) Impact of the change in salary increase | | |
| - Impact due to increase of 1 % | 131.55 | 135.36 |
| - Impact due to decrease of 1 % | 107.41 | 108.85 |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

H) The employer's best estimate of contribution expected to be paid during the next year:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Expected contribution of the next year | 5.31 | 5.33 |

38.3 The Company operates a Leave Encashment Benefit Plan.

A) Actuarial Assumptions

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Economic Assumptions | | |
| Discount rate | 7.50% p.a | 7.25% p.a |
| Salary Growth Rate | 5.00% p.a | 5.00% p.a |
| Demographic Assumptions | | |
| Retirement age | 58 | 58 |
| Mortality table used | IALM 2012-14 | IALM 2012-14 |

Notes:

- The discount rate is based on the prevailing market yield of Government bond as at the balance sheet date
- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors
- The expected return on plan assets over the accounting period, based on an assumed rate of return

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

B) Movements in present value of the defined benefit obligation

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Present value of obligation as at the beginning of the year | 29.90 | 27.41 |
| Interest cost | 2.24 | 2.06 |
| Current service cost | 4.57 | 4.92 |
| Past service cost | - | - |
| Benefit paid | (7.52) | (6.76) |
| Actuarial (gain)/loss | 2.28 | 2.27 |
| Present value of the obligation at the end year | 31.47 | 29.90 |

C) Amount recognised in the Balance Sheet

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Present value of obligation at the end of the year | 31.47 | 29.90 |
| Fair value of plan assets at the end of the year | - | - |
| Net liability/ (assets) recognised in the Balance Sheet | 31.47 | 29.90 |

D) Expenses recognised in the Statement of Profit and Loss during the year:

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current service cost | 4.57 | 4.92 |
| Past service cost | - | - |
| Net interest cost | 2.24 | 2.06 |
| Expense recognised in the Statement of Profit and Loss | 6.81 | 6.98 |

E) Expenses recognised in Other Comprehensive Income during the year:

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Actuarial (gain) / loss for the year | 2.28 | 2.27 |
| Expenses recognised in Other Comprehensive Income | 2.28 | 2.27 |

F) Bifurcation of Defined Benefit Obligations at the end of year as current and non current:

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current liability (Amount due within one year) | 4.14 | 3.96 |
| Non-Current liability (Amount due over one year) | 27.33 | 25.94 |
| Total PBO at the end of year | 31.47 | 29.90 |

G) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| a) Impact of the change in discount rate | | |
| -Impact due to increase of 1 % | 28.53 | 26.89 |
| -Impact due to decrease of 1 % | 34.93 | 33.47 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| b) Impact of the change in salary increase | | |
| -Impact due to increase of 1 % | 34.99 | 33.52 |
| -Impact due to decrease of 1 % | 28.44 | 26.81 |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

39 Fair Value Disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

| Particulars | As at March 31, 2023 | Fair value measurement at end of the reporting period using | | | As at March 31, 2022 | Fair value measurement at end of the reporting period using | | |
|---|----------------------------|---|---------|------------------|----------------------------|---|---------|------------------|
| | | Level-1 | Level-2 | Level-3 | | Level-1 | Level-2 | Level-3 |
| Assets | | | | | | | | |
| <u>Investments in</u> | | | | | | | | |
| Equity Instruments of Subsidiary & Associates | 3,886.72 | - | - | 3,886.72 | 1,892.28 | - | - | 1,892.28 |
| Equity Instruments of Others | 2,931.90 | - | - | 2,931.90 | 2,329.89 | - | - | 2,329.89 |
| Preference Shares | 6,941.30 | - | - | 6,941.30 | 6,941.30 | - | - | 6,941.30 |
| Total | 13,759.92 | - | - | 13,759.92 | 11,163.46 | - | - | 11,163.46 |

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

| Particulars | Level | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------|-----------------|-----------------|
| | | Amount | Amount |
| Financial assets | | | |
| Loans | Level 3 | 2,086.85 | 1,919.48 |
| Other financial assets | Level 3 | 421.06 | 182.97 |
| Total financial assets | | 2,507.91 | 2,102.45 |
| Borrowings | Level 3 | 1,861.27 | 2,181.28 |
| Other financial liabilities | Level 3 | 368.28 | 359.57 |
| Total financial liabilities | | 2,229.55 | 2,540.85 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

40 Financial risk management

i) Financial instruments by category

| Particulars | 31 March 2023 | | | 31 March 2022 | | |
|------------------------------|---------------|-----------------|------------------|---------------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | - | 6,818.62 | 6,941.30 | - | 4,222.16 | 6,941.30 |
| Loans | - | - | 2,086.85 | - | - | 1,919.48 |
| Other financial assets | - | - | 421.06 | - | - | 182.97 |
| Trade receivables | - | - | 370.67 | - | - | 185.31 |
| Cash and cash equivalents | - | - | 195.60 | - | - | 261.03 |
| Other Balances with Banks | - | - | 293.41 | - | - | 141.57 |
| Total | - | 6,818.62 | 10,308.89 | - | 4,222.16 | 9,631.66 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 1,861.27 | - | - | 2,181.28 |
| Trade payables | - | - | 104.65 | - | - | 106.10 |
| Other financial liabilities | - | - | 368.28 | - | - | 359.57 |
| Total | - | - | 2,334.20 | - | - | 2,646.95 |

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|---|-----------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Aging analysis | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting | Forward contract/hedging, if required |
| Market risk - interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect the market factors |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Company presently does not make any investments in equity shares, except for entities where it exercises control or joint control or significant influence. |

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹370.66 Lakhs and 185.31 Lakhs as at March 31, 2023 and March 31, 2022, respectively and unbilled revenue amounting to 46.50 Lakhs and 49.37 lakhs as at March 31, 2023 and March 31, 2022, respectively. Trade Receivables and unbilled revenue are typically unsecured and are derived from revenue from customers.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Credit risk has always been managed by the Company and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues

The details in respect of percentage of revenues generated from top five customers and top ten customers are as follows;

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------|-----------------|-----------------|
| Revenue from top five customers | 3,134.09 | 2,940.91 |
| Revenue from top ten customers | 3,476.07 | 3,224.82 |
| Total | 6,610.16 | 6,165.73 |

a) Expected Credit Losses

The Company provides for expected credit losses based on the following:

Trade receivables

- (i) The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above. And such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

| Particulars | 31 March 2023 | | 31 March 2022 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | IT & IT Enable Services | Rental Income | IT & IT Enable Services | Rental Income |
| Gross amount of sales | 2,658.54 | 836.34 | 2,608.94 | 822.65 |
| Expected loss rate | 0.44% | 1.78% | 0.20% | 0.20% |
| Expected credit loss(loss allowance provision) | 11.79 | 14.91 | 5.09 | 1.60 |
| Receivables due from customers where specific default has occurred | - | - | - | - |

During the year ended 31st March 2023, Expected Credit Loss was calculated @100% based on management estimates for doubtful Trade Receivables, out of which 50% was booked during Previous Financial Year.

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

| Reconciliation of loss allowance | Trade Receivables |
|---|-------------------|
| Loss allowance on 01 April 2021 | 20.01 |
| Add/ (Less): Changes in loss allowances due to write off/recovery | 6.69 |
| Add/ (Less): Changes in loss allowances due to assets originated or purchased | - |
| Loss allowance on 31 March 2022 | 26.70 |
| Add/ (Less): Changes in loss allowances due to write off/recovery | 26.70 |
| Add/ (Less): Changes in loss allowances due to assets originated or purchased | - |
| Loss allowance on 31 March 2023 | 53.40 |

Other financial assets measured at amortised cost

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding borrowings of Rs. 1861.27 Lakhs as on March 31, 2023 & Rs. 2181.28 Lakhs as on March 31, 2022. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

a) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

| Particulars | 31 March 2023 Borrowings | 31 March 2022 Borrowings |
|-------------------|-----------------------------|-----------------------------|
| 0-1 year | 328.47 | 308.38 |
| 1-3 years | 746.84 | 697.41 |
| More than 3 years | 785.96 | 1,175.49 |
| Total | 1,861.27 | 2,181.28 |

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| 31 March 2023 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|------------------------|---------------------|---------------|---------------|----------------------|-----------------|
| Non-derivatives | | | | | |
| Long term borrowings | 328.47 | 746.84 | 785.96 | - | 1,861.27 |
| Trade payables | 42.07 | 5.55 | 57.03 | - | 104.65 |
| Total | 370.54 | 752.39 | 842.99 | - | 1,965.92 |

| 31 March 2022 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|--|---------------------|---------------|-----------------|----------------------|-----------------|
| Non-derivatives | | | | | |
| Long term borrowings (including bonds) | 308.38 | 697.41 | 1,175.49 | - | 2,181.28 |
| Trade payables | 29.30 | 76.80 | - | - | 106.10 |
| Total | 337.68 | 774.21 | 1,175.49 | - | 2,287.38 |

C) Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure in Rs.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows (Rs. in lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|--|------------------|------------------|
| Financial assets | 168.55 | 0.23 |
| Financial liabilities | 267.16 | 6.07 |
| Net exposure to foreign currency risk (liabilities) | (98.62) | (5.85) |

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Sensitivity | | |
|-------------|--|--|
|-------------|--|--|

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. (Rs. in lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| USD sensitivity | | |
| INR/USD- increase by 100 bps (31 March 2022 100 bps)* | (0.99) | (0.06) |
| INR/USD- decrease by 100 bps (31 March 2022 100 bps)* | 0.99 | 0.06 |

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023 and 31 March 2022, the Company is exposed to changes in interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: (Rs. in lakhs)

| Particulars | 31 March 2023 | 31 March 2022 |
|-------------------------|-----------------|-----------------|
| Variable rate borrowing | 1,861.27 | 2,181.28 |
| Fixed rate borrowing | - | - |
| Total borrowings | 1,861.27 | 2,181.28 |

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

41 Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------|---------------|---------------|
| Net debt | 1,861.27 | 2,181.28 |
| Total equity | 32,501.57 | 29,931.98 |
| Net debt to equity ratio | 0.06 | 0.07 |

The Company has not declared dividend in current year or previous year.

42. Contingent liabilities and commitments :

Claims against the Company, not acknowledged as debts for the year ending 31st March, 2023 and for the year ending 31st March, 2022 is shown below;

Notes to the Standalone Financial Statements for the year ended 31st March, 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Name of the Statute | Amount | Period to which amount relates | Forum where the dispute is pending |
|----------------------|--------|--------------------------------|--|
| Income Tax Act, 1961 | 251.80 | FY 2017-18 | Appeal to the Commissioner of Income-tax (Appeals) |

Note: Accumulated Interest accrued on the demand as at March 31, 2023 is Rs 52.88 Lakhs (March 31, 2022: 22.66 Lakhs) and Rs. 43.09 Lakhs held by IT Department as deposit against demand as at March 31, 2023 (March 31, 2022: 18.47 Lakhs) (Refer Note No. 11)

43. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

| Particular | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|-------------------------------|-------------------------------|
| Principal amount remaining unpaid as at year end | 1.93 | 2.93 |
| Interest due thereon remaining unpaid as at year end | - | - |
| Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006. | - | - |
| Interest accrued and remaining unpaid as at year end.* | - | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises. | - | - |

*There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the ended March 31, 2023 and March 31, 2022, an amount of Rs. 0.91 Lakhs and Rs. 0.40 Lakhs was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 0509249C
Sd/-
CA. Sharad Poddar
(Partner)
M. No. 087853
UDIN: 23087853BGWCBY2796

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

Sd/-
Dalip Kumar
Chairman & Managing Director
DIN: 00103292

Sd/-
Shayam Sunder Sharma
Director
DIN: 00272803

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
Sunil Sharma
Director
DIN: 05359128

Place: New Delhi
Date: 29.05.2023

Place: Noida
Date: 29.05.2023

Sd/-
Harsha Sharma
Company Secretary

Independent Auditor's Report

**Independent Auditor's Report
To the Members of
FCS Software Solutions Limited
Report on Audit of the Consolidated Financial Statements**

OPINION

We have audited the accompanying Consolidated Financial Statements of **FCS Software Solutions Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries, listed in Annexure I (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, listed in Annexure I, which comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated statement of Cash Flow for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of its consolidated profit and other comprehensive income, the consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated:-

| S.No. | The key audit matters | How our audit addressed the key audit matter |
|-------|---|--|
| 1. | <p>Fair Valuation of Investments</p> <p>As at March 31, 2023, the Company has investments of Rs. 15,561.41 Lakhs (P.Y Rs 14,392.30 Lakhs) in the Equity and Preference Shares in various companies (Ref Note No. 7 of Consolidated Financial Statements) which are measured at fair value as per Ind AS 109 read with Ind AS 113. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgment and input from data that is not directly observable in the market. Accordingly, the same has been considered as a key audit matter</p> | <p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Verified the fair valuation reports provided by the management by involving the external valuation experts. • We assessed the assumptions around the discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the external experts. • Total investment includes preference shares of Rs. 6,941.30 Lakhs (P.Y Rs. 6,941.30 Lakhs) which was valued at amortized cost by the company on the basis of partial redemption done by the company in next year. We have verified the underlying supporting document and bank statement to tie the partial redemption price of the shares. • Assessed the objectivity and competence of Company's external specialists involved in the process. • Verified the disclosures made by the Company in the financial statements. |

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind-AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the Companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's and Board of Directors of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of three foreign subsidiaries, whose financial statements and other financial information reflect total assets of Rs Nil lakhs as at March 31, 2023, and total revenues of Rs Nil lakhs and net cash flow of Rs Nil lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the other financial information certified by the Management

- (b) The Consolidated Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations. Our Opinion on the statement is not modified in respect of this matter.
- (c) The comparative financial information of the Group for the quarter and year ended March 31, 2022, prepared in accordance with Ind AS, included in this Statement have been audited, by the predecessor auditors. The report of the predecessor auditors on this comparative financial information dated May 30, 2022 expressed an unmodified opinion.

Our opinion on the statement is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of changes in Equity and the consolidated statement of Cash Flow dealt with by this report are in agreement with relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representation received from the directors of the Holding company as on 31st March, 2023 taken on record by the board of directors of the holding company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31st March 2023, none of directors of the Group's companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Holding Company and its subsidiary company incorporate in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 41 to the Consolidated financial statements;
 - ii. The Group has made provision as required under applicable law or accounting standards for material foreseeable losses. The Group did not have any long term contracts derivative contracts during the year ended 31st March, 2023;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The respective management of the company and its subsidiaries which are companies incorporated in India, whose financial statement have been audited under the act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding company or its subsidiary companies incorporated in India to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or its subsidiary companies incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective management of the company and its subsidiaries which are companies incorporated in India, whose financial statement have been audited under the act, have represented to us that , to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary companies incorporated in India from any person or entities, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) and (iv)(b) above, contain any material misstatement.
 - v. The Holding company and its subsidiary companies incorporated in India has not declared or paid any dividend during the year. Accordingly, the provisions of Section 123 of the Act is not applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

4. With respect to the matter to be included in the Auditors Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India to its directors is in accordance with the provision of section 197 read with Schedule V of the Companies Act, 2013. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under section 197 of the Act read with Schedule V of the Companies Act, 2013. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853
UDIN: 23087853BGWCBZ4427

Place: - New Delhi
Dated: -29.05.2023

Annexure A to the Independent Auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2023.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO.

| S . No | Name of Entities | CIN | Holding Company/ Subsidiary Company/ Associate Company | Clause Number of CARO Report |
|---------------|--|-----------------------|---|-------------------------------------|
| 1. | FCS Software Solutions Limited | L72100DL1993PLC179154 | Holding Company | Clause (i)(b) Clause (xiv)(a) |
| 2. | Insync Business Solutions Limited | U72900DL2009PLC196146 | Subsidiary Company | Clause (i)(a)(A) Clause (i)(b) |
| 3. | Stablesecure Infraservices Private Limited | U72100DL2010PTC207678 | Subsidiary Company | Clause (i)(a)(A) Clause (i)(b) |

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853
UDIN: 23087853BGWCBZ4427

Place: - New Delhi
Dated: -29.05.2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of FCS Software Solutions Limited

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-sec on 3 of Sec on 143 of the Companies Act, 2013 ("the Act")

(Referred to in Para 2(f) under the heading 'Report on other Legal and Regulatory Requirements' of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of FCS Software Solutions Limited ("the Holding Company") as of and for the year ended 31st March 2023, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an

understanding of such internal financial controls, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that: -

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SPMG & Co.
Chartered Accountants
FRN: 0509249C

Sd/-
(CA Sharad Poddar)
Partner
M. No. 087853

UDIN: 23087853BGWCBZ4427

Place: - New Delhi
Dated: -29.05.2023

Annexure I: List of Entities Consolidated

Holding Company:

FCS Software Solutions Limited

Foreign Subsidiaries:

1. F.C.S Software Middle East FZE
2. F.C.S Software Solutions GmbH
3. FCS Software (Shanghai) Co. Ltd

Indian subsidiaries:

1. Insync Business Solutions Limited
2. Stablesecure Infraservices Private Limited

Associate:

1. Enstaserv E-Services Limited

Consolidated Balance sheet as at 31st March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

| Particulars | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|--|----------|----------------------|----------------------|
| [I] ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 3,849.51 | 4,176.08 |
| (b) Capital work-in-progress | 4 | - | 215.99 |
| (c) Intangible assets | 5 | 13.52 | 14.39 |
| (d) Investment Property | 6 | 15,792.98 | 15,865.24 |
| (e) Financial assets | | | |
| - Investments | 7 | 15,561.41 | 14,392.30 |
| - Loans and advances | 8 | 2,031.94 | 1,852.76 |
| - Others Financial Assets | 9 | 430.68 | 192.44 |
| (f) Deferred tax assets (Net) | 10 | 76.44 | 78.65 |
| (g) Non-Current Tax Assets (Net) | 11 | 134.56 | 263.32 |
| 2. Current assets | | | |
| (a) Financial assets | | | |
| - Trade Receivables | 12 | 371.32 | 196.54 |
| - Cash and cash equivalents | 13 | 235.40 | 296.79 |
| - Other Balances with Banks | 14 | 293.41 | 141.57 |
| - Loans and advances | 15 | 64.22 | 116.26 |
| (b) Other current assets | 16 | 82.10 | 85.07 |
| TOTAL | | 38,937.50 | 37,887.39 |
| [II] EQUITY AND LIABILITIES | | | |
| 1. Equity | | | |
| (a) Equity Share capital | 17 | 17,095.53 | 17,095.53 |
| (b) Other Equity | 18 | 18,785.90 | 17,693.33 |
| 2. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| - Borrowings | 19 | 1,532.80 | 1,872.90 |
| - Other Financial Liabilities | 20 | 342.41 | 340.83 |
| (b) provisions | 21 | 133.27 | 134.80 |
| 3. Current liabilities | | | |
| (a) Financial liabilities | | | |
| - Borrowings | 19 | 328.47 | 308.38 |
| - Trade payables | 22 | | |
| (i) Total outstanding dues of Micro and Small Enterprise | | 1.93 | 2.93 |
| (ii) Total outstanding dues of creditors other than Micro and Small Enterprise | | 103.20 | 103.91 |
| - Other Financial Liabilities | 23 | 25.86 | 18.74 |
| (b) Provisions | 24 | 20.90 | 20.16 |
| (c) Other Current Liabilities | 25 | 567.21 | 295.88 |
| TOTAL | | 38,937.50 | 37,887.39 |

Summary of Significant Accounting Policies. 2

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

As per our report of even date attached

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 0509249C

Sd/-

CA. Sharad Poddar

(Partner)

M. No. 087853

UDIN: 23087853BGWCBZ4427

For and on behalf of the Board of Directors of

FCS Software Solutions Limited

Sd/-

Dalip Kumar

Chairman & Managing Director

DIN: 00103292

Sd/-

Anil Kumar Sharma

Chief Financial Officer

Sd/-

Shayam Sunder Sharma

Director

DIN: 00272803

Sd/-

Sunil Sharma

Director

DIN: 05359128

Sd/-

Harsha Sharma

Company Secretary

Place: New Delhi

Date: 29.05.2023

Place: Noida

Date: 29.05.2023

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

| Particulars | Note no. | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|----------|-----------------------------------|-----------------------------------|
| Revenue from operations | 26 | 3,491.39 | 3,461.69 |
| Other income | 27 | 221.62 | 188.30 |
| Total revenue | | 3,713.02 | 3,649.99 |
| Expenses | | | |
| Employee benefit expense | 28 | 2,185.12 | 2,249.67 |
| Finance cost | 29 | 174.05 | 228.69 |
| Depreciation and amortisation expense | 30 | 419.56 | 385.68 |
| Other Operating expense | 31 | 747.67 | 637.94 |
| Total expenses | | 3,526.40 | 3,501.98 |
| Profit Before Share of Profit / (Loss) of Associates, Exceptional Item and Tax | | 186.61 | 148.01 |
| Share of Profit / (Loss) of Associates | | 0.41 | (0.32) |
| Profit Before Exceptional Item and Tax | | 187.02 | 147.69 |
| Exceptional Items | | 31.80 | (107.90) |
| Profit/ (loss) before tax | | 218.82 | 39.79 |
| Tax expense | 32 | | |
| a) Current tax | | 70.60 | 24.85 |
| b) Deferred tax | | 2.24 | 20.16 |
| Profit/ (loss) for the period before Other Comprehensive Income | | 145.98 | (5.23) |
| Other comprehensive income | | | |
| - Items that will not be reclassified to profit or loss | | | |
| 1 Remeasurement of defined employee benefits plan | | 6.16 | 4.47 |
| 2 Changes in Fair Values of Investment in Equities carried at Fair Value through Other Comprehensive Income | | 2,600.47 | 2,587.63 |
| Net Other Comprehensive Income | | 2,606.63 | 2,592.09 |
| Total comprehensive income for the period (Profit/ loss + other comprehensive income) | | 2,752.61 | 2,586.87 |
| Earnings per equity share (for continuing operations) | 33 | | |
| a) Basic | | 0.01 | (0.00) |
| b) Diluted | | 0.01 | (0.00) |

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

As per our report of even date attached

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 0509249C

Sd/-

CA. Sharad Poddar

(Partner)

M. No. 087853

UDIN: 23087853BGWCBZ4427

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

Sd/-

Dalip Kumar

Chairman & Managing Director

DIN: 00103292

Sd/-

Anil Kumar Sharma

Chief Financial Officer

Sd/-

Shayam Sunder Sharma

Director

DIN: 00272803

Sd/-

Sunil Sharma

Director

DIN: 05359128

Sd/-

Harsha Sharma

Company Secretary

Place: New Delhi

Date: 29.05.2023

Place: Noida

Date: 29.05.2023

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

CIN No: L72100DL1993PLC179154

Accounting Policy:

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 1. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 218.82 | 39.79 |
| <i>Adjustments for :</i> | | |
| Depreciation and amortisation | 419.56 | 385.68 |
| (Gain)/Loss on Sale of investments | - | 107.90 |
| Interest income | (219.14) | (183.43) |
| Finance costs | 174.05 | 228.69 |
| (Gain)/Loss on Sale of PPE | (11.88) | - |
| Amount written off | 8.22 | - |
| Other Adjustments | (0.41) | 0.32 |
| | 589.22 | 578.94 |
| Working capital adjustments: | | |
| (Increase)/Decrease in Trade Receivables | (164.42) | 435.98 |
| (Increase)/Decrease in Loans and Advances | (331.02) | (179.45) |
| (Increase)/Decrease in Other Assets | (99.63) | (91.41) |
| Increase/(Decrease) in Trade Payables | (1.71) | (0.28) |
| Increase/(Decrease) in Provisions | (22.03) | (45.81) |
| Increase/(Decrease) in Current Liabilities | 280.04 | (199.14) |
| Cash Generated from Operations | 250.46 | 498.84 |
| Income Tax Paid | 23.71 | 60.99 |
| NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES (1) | 226.75 | 437.85 |
| 2. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (29.07) | (232.84) |
| Interest Income | 219.14 | 183.43 |
| Proceeds from sale of investments | - | 140.00 |
| Purchase of Investment in Equity Shares | - | (21.55) |
| Proceeds from sale of PPE | 15.86 | - |
| NET CASH GENERATED/(USED IN) BY INVESTING ACTIVITIES (2) | 205.94 | 69.05 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance costs | (174.05) | (228.69) |
| Proceeds from borrowings | - | 341.43 |
| Repayment of borrowings | (320.01) | (621.19) |
| NET CASH GENERATED/(USED IN) BY FINANCING ACTIVITIES (3) | (494.06) | (508.45) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3) | (61.38) | (1.54) |
| Cash and cash equivalents at the beginning of the year | 296.79 | 298.33 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 235.40 | 296.79 |

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| <u>a. Components of Cash and Cash Equivalents :</u> | | |
| (i) Balances with banks | | |
| -In current accounts | 193.55 | 254.39 |
| (ii) Cash in hand | 41.86 | 42.40 |
| Total | 235.40 | 296.79 |
| <u>b. Changes in liabilities arising from financing activities :</u> | | |
| Opening Borrowings | 2,181.28 | 2,461.04 |
| Add: Borrowing raised during the year | - | 341.43 |
| Less: Repayment of Borrowing during the year | (320.01) | (621.19) |
| Closing Balance | 1,861.27 | 2,181.28 |

As per our report of even date attached

As per our report of even date attached

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 0509249C

Sd/-

CA. Sharad Poddar

(Partner)

M. No. 087853

UDIN: 23087853BGWCBZ4427

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

Sd/-

Dalip Kumar

Chairman & Managing Director

DIN: 00103292

Sd/-

Anil Kumar Sharma

Chief Financial Officer

Sd/-

Shayam Sunder Sharma

Director

DIN: 00272803

Sd/-

Sunil Sharma

Director

DIN: 05359128

Sd/-

Harsha Sharma

Company Secretary

Place: New Delhi

Date: 29.05.2023

Place: Noida

Date: 29.05.2023

FCS Software Solutions Limited

Notes Forming Part of Accounts for the Year Ended 31st March, 2023

CIN: L72100DL1993PLC179154

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

FCS Software Solutions Limited (hereinafter referred to as 'the company' or 'the holding company') and its subsidiaries (hereinafter collectively referred to as "the Group") is primarily engaged in providing a range of IT and business services, engineering and product & platform service. The group business consists of software development and marketing and providing support services mainly for corporate business entities in the BPO sectors, software development, e-learning service and other related Information Technology Enabled Services. The group also carries business of leasing or letting out all kind of immovable property including IT Infrastructural property whether freehold, leasehold to any type of person.

The company is a public limited company incorporate and domiciled in India and has its registered office at 205, 2nd Floor, Aggarwal Chamber IV, 27, Veer Sawarkar Block, Vikas Marg, Shakarpur, Delhi – 110092. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited.

The consolidated financial statements for the year ended 31st March 2023 were approved and authorized for issue by the Board of Directors on May 29, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation of Financial Statements

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements are prepared in Indian Rupees ("INR") which is also the Group's functional currency. All Amount is reported in Lakhs of Indian Rupees unless otherwise stated.

2.2 Basis of Consolidation

FCS consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled entities and its subsidiaries which are as follows;

| Name of the Group Company | % Shareholdings 31.03.2023 | % Shareholdings 31.03.2022 | Country of Incorporation |
|--|-------------------------------|-------------------------------|-----------------------------|
| FCS Software Middle East FZE | 100 | 100 | UAE |
| FCS Software Solutions GmbH | 100 | 100 | Germany |
| FCS Software Shanghai Limited | 100 | 100 | China |
| Insync Business Solutions Limited | 100 | 100 | India |
| Stablesecure Infrservices Pvt. Ltd. | 100 | 100 | India |

The Consolidated Financial statements also comprise the following associate companies;

| Name of the Group Company | % Shareholdings 31.03.2023 | % Shareholdings 31.03.2022 | Country of Incorporation |
|---------------------------|-------------------------------|-------------------------------|-----------------------------|
| Enstaserv Eservices Ltd. | 48.94 | 48.94 | India |

Control exists when the parent has power over the entity, from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the group companies are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the group, are excluded.

Associates are entities over which the company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost and carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the acquisition date. The group investment in associates includes goodwill identified on acquisition.

2.3 Use of Estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The Group uses the following critical accounting estimates in preparation of its consolidated financial statements:

a) Revenue Recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involve significant judgment.

b) Useful lives of Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Fair value measurement of Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Provision of Income Tax and Tax Assets

The major tax jurisdiction for the Group is India. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group's considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

e) Provisions and Contingent Liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

f) Employee Benefits

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions.

2.4 Revenue Recognition

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, and from licensing of software products and platforms across the Groups's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, fixed-price or on a fixed-timeframe basis.

Revenue on time-and-material and unit-of-work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Groups costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses.. Rental Income comprising of rent and other related services from operating lease is recognized in the Statement of Profit and Loss on accrual basis.

Advance received for services and products are reported as client deposits until all conditions for revenue recognition are met. Revenue from subsidiaries is recognized based on transaction price which is at arm's length.

The group presents revenues net of indirect taxes in its Statement of Profit & Loss Account.

2.5 Other Income

Other income is comprised primarily of interest income, gain / loss on investments and exchange gain / loss on foreign exchange contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

2.6 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. All direct costs are capitalized till the assets are ready to be put to use, as intended by the management. During the year, the Group has transferred certain Property, Plant & Equipment to Investment Property due to the change of use (Refer Point No. 2.8)

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit or loss as incurred. The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

The group depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives The estimated useful lives of assets of all property, plant & equipment is as prescribed in schedule II of The Companies Act, 2013

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss as 'other income' or 'other expenses', as the case may be, on the date of disposal.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced

2.7 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. Intangible fixed assets are capitalized where they are expected to provide future enduring economic benefits. Capitalization costs include license fees and cost of implementation/system integration services. The costs are capitalized in the year in which the software is fully implemented for use. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e the higher of the fair value less cost to sell and the value in use) is determined on an individual assets basis unless the asset does not generate cash flows that are largely independent of those from other assets.

2.8 Investment Properties:

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. On transition to Ind AS, the Company had elected to measure all of its investment properties at the previous GAAP carrying value (deemed cost). Investment properties are subsequently measured at fair value (revalued in FY 2018-19) less accumulated depreciation and accumulated impairment losses if any. Fair values are determined based on an evaluation performed by an accredited external independent valuer in FY 2018-19. - The Company obtains independent valuation for its investment property in every 5 years and fair value measurements are categorized as level 3 measurement in the fair value hierarchy. The valuation has been taken considering sales comparable method, which compares the price or price per unit area of similar properties being sold in the marketplace. Depreciation on investment properties is provided on the written down value method over the useful lives of the assets as prescribed in schedule II of The Companies Act, 2013

The cost comprises purchase price, cost of replacing parts, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. During the year the company has transfers some its property, plant & equipment to investment properties due to change in its use. The carrying value of investment properties will be the carrying value of respective properties, plant and equipments at the date of the change in use.

Investment properties are subsequently measured at fair value (revalued in FY 2018-19) less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the written down value method over the useful lives of the assets as prescribed in schedule II of The Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year and adjusted prospectively. The Company measures investment property using fair value-based measurement and the assets are carried at the same fair valuation less accumulated depreciation, the fair value of investment property is disclosed in the notes as per the fair value taken in FY 2018-19. Fair values are determined based on an evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement profit or loss in the period of de-recognition.

2.9 Foreign Currency Transactions and Translation

2.9.1 Functional and Presentation Currency:

The functional currency of the Group is the Indian rupee. These consolidated financial statements are presented in lakhs of Indian rupees.

2.9.2 Foreign Currency Transactions and Translations:

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the Balance sheet.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction

2.10 Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as prescribed in Ind-AS-12. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.12 Financial Instruments

2.12.1 Initial Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are

recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Regular way purchase and sale of financial assets are accounted for at trade date.

2.12.2 Subsequent Measurement

a) Non- Derivative financial instruments

(i) Financial Assets Carried at amortized

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

(v) Investment in Subsidiaries and others

Investments in subsidiaries are carried at cost as per Ind AS 27 "Separate Financial Statements". However the provision for impairment on these investments is recognized as per the valuation report taken from the registered valuer as prescribed u/s 247 of The Companies Act, 2013 read with Companies (Registered Valuers & Valuation) Rules 2018 is considered in compliance of the provisions of Companies Act, 2013.

b) Derivative Financial Instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency. However, The Group does not holds any derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

2.12.3 Derecognition of Financial Instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.12.4 Fair value of Financial Instruments

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- (a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- (c) Cost approach- Replacement cost method

2.12.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenues which are not fair valued through profit or loss. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

2.13 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the

purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.14 Provisions, Contingent Liabilities and Contingent Assets

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting date and are adjusted to reflect the current best estimates.

The Group uses significant judgment to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, when inflow of economic benefit is probable, related asset is disclosed.

2.15 Employee Benefits

2.15.1 Gratuity

The Group provides for gratuity, a defined benefit retirement plan (‘the Gratuity Plan’) covering eligible employees of FCS. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment with the group (subject to a maximum of ` 20 lacs per employee).

Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

2.15.2 Provident Fund

Eligible Employees of the Group receive benefits under the provident fund, a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

2.15.3 Compensated Absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected

cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

2.16 Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the holding company by weighted average number of equity shares outstanding during the year in conformity with the Ind-AS-33.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the holding company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

2.17 Recently issued Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statement.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Error

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

3

PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2023:

| Particulars | Land # | Buildings # | Office Equipment | Computer equipment | Furniture and fixtures | Vehicles | Total |
|---|-----------------|-----------------|------------------|--------------------|------------------------|--------------|-----------------|
| Gross carrying value as of April 1, 2022: | 2,385.20 | 1,692.88 | 1,486.59 | 182.39 | 1,004.23 | 59.99 | 6,811.29 |
| Additions | - | - | 7.60 | 10.33 | 0.22 | - | 18.14 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - | - |
| Deletions | - | - | 3.29 | 13.34 | - | - | 16.64 |
| Gross carrying value as of March 31, 2023: | 2,385.20 | 1,692.88 | 1,490.89 | 179.38 | 1,004.45 | 59.99 | 6,812.79 |
| Accumulated depreciation as of April 1, 2022: | - | 657.70 | 1,115.98 | 162.14 | 654.33 | 45.06 | 2,635.21 |
| Depreciation | - | 76.17 | 161.77 | 9.08 | 88.58 | 5.12 | 340.73 |
| Add/(Less): Adjustments | - | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | 12.66 | - | - | 12.66 |
| Accumulated depreciation as of March 31, 2023: | - | 733.87 | 1,277.74 | 158.57 | 742.91 | 50.18 | 2,963.28 |
| Carrying value as of March 31, 2023: | 2,385.20 | 959.01 | 213.15 | 20.81 | 261.54 | 9.80 | 3,849.51 |

Refer Note No. 19 for details regarding charge created against Property, Plant & Equipments

Note-1: During the year, the company has reclassified certain Property, Plant & Equipment to Investment Property due to the change of use (Refer Note 6)

Note-2: the Group has changed the useful life of certain assets as per schedule II of the Companies Act, 2013, the additional depreciation due to change in useful life of the assets charged to statement of profit and loss account for Rs. 95.58 Lakhs for the period ended March 31, 2023

PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2022:

| Particulars | Land # | Buildings # | Office Equipment | Computer equipment | Furniture and fixtures | Vehicles | Total |
|---|-----------------|-----------------|------------------|--------------------|------------------------|--------------|-----------------|
| Gross carrying value as of April 1, 2021: | 2,385.20 | 1,677.24 | 1,463.26 | 175.51 | 969.01 | 59.99 | 6,730.21 |
| Additions | - | 15.64 | 23.33 | 6.88 | 35.22 | - | 81.07 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - | - |
| Gross carrying value as of March 31, 2022: | 2,385.20 | 1,692.88 | 1,486.59 | 182.39 | 1,004.23 | 59.99 | 6,811.29 |
| Accumulated depreciation as of April 1, 2021: | - | 589.85 | 961.25 | 148.96 | 580.55 | 36.60 | 2,317.21 |
| Depreciation | - | 67.84 | 154.73 | 13.18 | 73.78 | 8.46 | 317.99 |
| Add/(Less): Adjustments | - | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2022: | - | 657.70 | 1,115.98 | 162.14 | 654.33 | 45.06 | 2,635.21 |
| Carrying value as of March 31, 2022: | 2,385.20 | 1,035.19 | 370.61 | 20.25 | 349.90 | 14.93 | 4,176.08 |

Note: During the year, the company has transferred certain Property, Plant & Equipment to Investment Property due to the change of use

Refer Note No. 19 for details regarding charge created against Property, Plant & Equipments.

Refer Note No. 2.6 for Property, Plant & Equipments Accounting Policy.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| 4. Capital work-in-progress | As at 31.03.2023 | As at 31.03.2022 |
|-----------------------------|---------------------|---------------------|
| - Building WIP | - | 215.99 |
| Total: | - | 215.99 |

Additional Regulatory Information

(i) The capital work-in-progress ageing schedule as follows:

For the Year ended March 31, 2023

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|-----------|-----------|-------------------|----------|
| Projects in Progress | - | - | - | - | - |
| Total Capital work-in-progress | - | - | - | - | - |

For the Year ended March 31, 2022

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|---------------|--------------|-------------------|---------------|
| Projects in Progress | 51.79 | 100.06 | 64.14 | - | 215.99 |
| Total Capital work-in-progress | 51.79 | 100.06 | 64.14 | - | 215.99 |

Movement in capital work in progress:

| Particulars | Amount |
|---|---------------|
| Capital work-in-progress as at 31 March 2021 | 164.20 |
| Add: additions during the year | 51.79 |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2022 | 215.99 |
| Add: additions during the year | 2.83 |
| Less: capitalisation during the year | 218.82 |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2023 | - |

(ii) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

5 INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2023:

| Particulars | Software & IPR | Total |
|---|----------------|---------------|
| Cost as at April 1, 2022: | 371.91 | 371.91 |
| Additions | - | - |
| Deletions | - | - |
| Cost as at March 31, 2023: | 371.91 | 371.91 |
| Accumulated amortization as of April 1, 2022: | 357.53 | 357.53 |
| Amortization expense | 0.87 | 0.87 |
| Add/(less): Adjustments | - | - |
| Deletion | - | - |
| Accumulated amortization as of March 31, 2023: | 358.39 | 358.39 |
| Carrying Amount as of March 31, 2023: | 13.52 | 13.52 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

INTANGIBLE ASSETS:

Intangible assets consist of the following for the year ended March 31, 2022:

| Particulars | Software & IPR | Total |
|---|----------------|---------------|
| Cost as at April 1, 2021: | 371.91 | 371.91 |
| Additions | - | - |
| Deletions | - | - |
| Cost as at March 31, 2022: | 371.91 | 371.91 |
| Accumulated amortization as of April 1, 2021: | 356.52 | 356.52 |
| Amortization expense | 1.00 | 1.00 |
| Add/(less): Adjustments | - | - |
| Deletion | - | - |
| Accumulated amortization as of March 31, 2022: | 357.53 | 357.53 |
| Carrying Amount as of March 31, 2022: | 14.39 | 14.39 |

We have performed impairment testing of PPE and Intangible assets using various assumptions. Based on the evaluation we have concluded there is no impairment of PPE and Intangible assets

6 INVESTMENT PROPERTY:

The changes in the carrying value of investment properties for the year ended 31 March 2023 are as follows:

| Particulars | Leasehold land * | Freehold land | Building | Sub Total (A) | Capital work-in-progress (B)** | Total (A+B) |
|---|------------------|-----------------|-----------------|------------------|--------------------------------|------------------|
| Gross carrying value as of April 1, 2022: | 7,748.99 | 3,092.50 | 5,884.78 | 16,726.26 | 39.24 | 16,765.50 |
| Additions | - | - | 229.75 | 229.75 | - | 229.75 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - |
| Gross carrying value as of March 31, 2023: | 7,748.99 | 3,092.50 | 6,114.53 | 16,956.02 | 39.24 | 16,995.25 |
| Accumulated depreciation as of April 1, 2022: | - | - | 900.26 | 900.26 | - | 900.26 |
| Depreciation | - | - | 302.01 | 302.01 | - | 302.01 |
| Add/(Less): Adjustments | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2023: | - | - | 1,202.27 | 1,202.27 | - | 1,202.27 |
| Carrying value as of March 31, 2023: | 7,748.99 | 3,092.50 | 4,912.26 | 15,753.74 | 39.24 | 15,792.98 |

INVESTMENT PROPERTY:

The changes in the carrying value of investment properties for the year ended 31 March 2022 are as follows:

| Particulars | Leasehold land * | Freehold land | Building | Sub Total (A) | Capital work-in-progress (B)** | Total (A+B) |
|---|------------------|---------------|----------|---------------|--------------------------------|-------------|
| Gross carrying value as of April 1, 2022: | 7,748.99 | 3,092.50 | 5,824.04 | 16,665.52 | - | 16,665.52 |
| Additions | - | - | 60.74 | 60.74 | 39.24 | 99.98 |
| Increase/(Decrease) due to Revaluation | - | - | - | - | - | - |
| Deletions | - | - | - | - | - | - |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| | | | | | | |
|---|-----------------|-----------------|-----------------|------------------|--------------|------------------|
| Gross carrying value as of March 31, 2023: | 7,748.99 | 3,092.50 | 5,884.78 | 16,726.26 | 39.24 | 16,765.50 |
| Accumulated depreciation as of April 1, 2022: | - | - | 630.34 | 630.34 | - | 630.34 |
| Depreciation | - | - | 269.92 | 269.92 | - | 269.92 |
| Add/(Less): Adjustments | - | - | - | - | - | - |
| Accumulated depreciation on deletions | - | - | - | - | - | - |
| Accumulated depreciation as of March 31, 2023: | - | - | 900.26 | 900.26 | - | 900.26 |
| Carrying value as of March 31, 2023: | 7,748.99 | 3,092.50 | 4,984.52 | 15,826.01 | 39.24 | 15,865.24 |

Note: all the assets categorised in investment properties due to change in its use is carried as property plant and equipment in earlier years.

* This includes land taken on lease for a period of more than 90 years

** Capital work-in-progress comprises expenditure for building and related equipment under course of construction and installation (net of adjustments).

(i) The capital work-in-progress ageing schedule as follows:

For the Year ended March 31, 2023

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|--------------|-----------|-------------------|--------------|
| Projects in Progress | - | 39.24 | - | - | 39.24 |
| Total Capital work-in-progress | - | 39.24 | - | - | 39.24 |

For the Year ended March 31, 2022

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---------------------------------------|------------------|-----------|-----------|-------------------|--------------|
| Projects in Progress | 39.24 | - | - | - | 39.24 |
| Total Capital work-in-progress | 39.24 | - | - | - | 39.24 |

(ii) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

(iii) Investment Property pledged as security

Refer Note 19 for information on investment properties pledged as security by the company.

(iv) Contractual obligations

There is contractual obligations for the acquisition of Investment Properties as at March 31, 2023 (March 31, 2022 : Nil)

(v) Capitalised borrowing cost

There is no borrowing cost capitalised as at March 31, 2023 (March 31, 2022 : Nil)

(vi)(a) Amount recognised in statement of profit and loss for investment properties

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Rental Income derived from Investment Properties | 786.57 | 794.17 |
| Direct operating Expenses (Including repairs and Maintenance) generating rental Income | 42.45 | 53.54 |
| Profit arising from investment properties before depreciation and Indirect expenses | 744.13 | 740.62 |
| Less: Depreciation | 140.59 | 123.14 |
| Profit from leasing of investment properties | 603.54 | 617.48 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

(vi)(b) Fair value hierarchy and valuation technique

- The Company's investment properties consist of commercial properties which has been determined based on the nature, characteristics and risks of each property. The company has revalued its Land and Buildings during FY 2018-19 to Rs. 14383.99 Lakhs. The fair value of investment property has been determined by external, independent registered property valuers as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, having appropriate recognised professional qualification.

- The Company obtains independent valuation for its investment property in every 5 years and fair value measurements are categorized as level 3 measurement in the fair value hierarchy. The valuation has been taken considering sales comparable method, which compares the price or price per unit area of similar properties being sold in the marketplace

(vi)(c) Reconciliation of fair value:-

| Particulars | Amount |
|---|--------------|
| Capital work-in-progress as at 31 March 2021 | - |
| Add: additions during the year | 39.24 |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2022 | 39.24 |
| Add: additions during the year | - |
| Less: capitalisation during the year | - |
| Less: reversal/(provision) for abandoned work | - |
| Capital work-in-progress as at 31 March 2023 | 39.24 |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

7. Non-current investments

a. Non Trade and unquoted - Investments in equity shares (Carried at FVTOC) of associates

| | | |
|---|--------|--------|
| 1 M/s Myzeal IT Solutions Pvt. Ltd. 1900 (March 31, 2022 : 1900) Equity Shares of Rs.10/- fully paid | 0.19 | 0.19 |
| 2 M/s.Enstaserv eServices Ltd 8279930 (March 31, 2022 : 8279930 Equity shares of Rs.10/- each fully paidup. | 571.46 | 571.05 |

(I) 571.65 571.24

b. Non Trade and unquoted - Investments in equity shares (Carried at FVTOC)

| | | |
|---|--------|--------|
| 1 M/s. Pumarth Prperties & Holdings Private 400000 (March 31, 2022 : 400000) equity shares @ Rs. 10 each at premium of Rs 215 | 900.00 | 900.00 |
| 2 M/s Bloom Healthcare (P) Ltd. 594366 (March 31, 2022 : 594366) Equity Shares of Rs. 71/- each i.e. Rs. 10 per share at premium of Rs. 61/- and 274285 (March 31, 2022 : 274285) Equity shares of Rs. 70/- each i.e Rs. 10 per share at premium of Rs.60/- | 614.00 | 614.00 |
| 3 M/s Bloom Healthcare (P) Ltd. 726966 (March 31, 2022 : 726966) Equity Shares of Rs. 113/- each i.e. Rs. 10 per share at premium of Rs. 103/- | 821.55 | 821.55 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 4 M/s Readystate Infraservices Private Limited 23,089 (March 31, 2022 : 23089) Equity Shares of Rs. 1151/- at premium i.e. Rs. 10 each per Share and premium @ Rs.1141 and 26844 (March 31, 2022 : 26844) Equity Shares of Rs. 678/- at premium i.e. Rs. 10 each per Share and premium @ Rs.668 | 447.75 | 447.75 |
| 5 M/s Heimdahl Software Systems Pvt. Ltd. 100379 (March 31, 2022 : 100379) Equity Shares of Rs.26/- at premium i.e. Rs. 10 each per Share and premium @ Rs.16 | 26.10 | 26.10 |
| (II) | <u>2,809.40</u> | <u>2,809.40</u> |
| c. Non Trade - Investments in Preference Shares (Carried at Amortized Cost) | | |
| 1 M/s Bloom Healthcare (P) Ltd. 9916138 (March 31, 2022 : 9916138) Non-Convertible Non-cumulative redeemable Preference shares of Rs. 10 each at premium of Rs. 60/- per share. | 6,941.30 | 6,941.30 |
| (III) | <u>6,941.30</u> | <u>6,941.30</u> |
| Total Non-Current Investments (I+II+III) | <u>10,322.35</u> | <u>10,321.94</u> |
| Less/(Add) : Provision for diminution in value of investments | (5,239.06) | (4,070.36) |
| Net Investments | <u>15,561.41</u> | <u>14,392.30</u> |

Note: All investments made in unquoted Companies have been fair valued as on reporting date based on the fair valuation report from Registered Valuer

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 8. Non Current Financial Assets - Loans & Advances : | | |
| - Loans to Others | 1,830.96 | 1,668.38 |
| - Inter-corporate Loans | 200.98 | 184.38 |
| Unsecured Considered Doubtful | | |
| - Loans to Others | 708.01 | 708.01 |
| - Advance Recoverable* | 200.00 | 200.00 |
| Less: Provision for doubtful advances | (908.01) | (908.01) |
| Total: | <u>2,031.94</u> | <u>1,852.76</u> |

*Pertains to advance made against purchase of Land. However, the Company has filed dispute against the Supplier/ aggregator for recovery of the balance. The dispute is outstanding with ACJM Court Gautam Budh Nagar, UP

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 9. Non Current Financial Assets - Others : | | |
| - Bank deposits * | 327.91 | 98.00 |
| -Security deposits | 102.78 | 94.44 |
| Total: | <u>430.68</u> | <u>192.44</u> |

* Bank Deposits of Rs. 67.99 Lakhs is lien marked during the year (March 31, 2022 : 41.23 Lakhs), as on reporting date which is not free to use. (Refer Note No. 14 for current Bank deposits)

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at | As at |
|--------------------------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| 10. Deferred tax assets (net) | | |
| -Depreciation and amortisation | 47.30 | 49.51 |
| -Employee benefits | 29.14 | 29.14 |
| Total: | 76.44 | 78.65 |

The management, based on future projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize the Deferred tax assets.

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| 11. Non-Current Tax Assets (Net) : | | |
| -Income Tax Paid (Net of Provisions) | 134.56 | 263.32 |
| Total: | 134.56 | 263.32 |

Note: Current tax has been reclassified from Other current assets in prior year to Non-current tax assets in current year on account of pending appeal in respect of this balance for FY 2019-20 (Refer Note 41). This balance also includes TDS as at March 31, 2023 amounting to 87.96 Lakhs (March 31, 2022 : 216.72 Lakhs)

| Particulars | As at | As at |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| 12. Current Financial Assets - Trade Receivables : | | |
| Unsecured | | |
| (i) Considered good | 424.72 | 223.24 |
| (ii) Considered Doubtful | - | - |
| Less: Provision for doubtful Receivables | (53.40) | (26.70) |
| Total: | 371.32 | 196.54 |

The trade receivables ageing schedule for the years ended as on March 31, 2023 is as follows:

| Particulars | Less than 6 months | 6 Months- 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-------------|--------------|-------------------|---------------|
| 1. Undisputed Trade Receivables- Considered Goods | 341.97 | 19.95 | 1.51 | 7.90 | - | 371.32 |
| 2. Undisputed Trade Receivables- credit impaired | - | - | - | 36.96 | 16.44 | 53.40 |
| 3. Disputed Trade Receivables- Considered Goods | - | - | - | - | - | - |
| 4. Disputed trade receivables -credit impaired | - | - | - | - | - | - |
| Total | 341.97 | 19.95 | 1.51 | 44.86 | 16.44 | 424.72 |

Less: Allowance for credit loss

Total Trade Receivables

53.40

371.32

The trade receivables ageing schedule for the years ended as on March 31, 2022 is as follows:

| Particulars | Less than 6 months | 6 Months- 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| 1. Undisputed Trade Receivables- Considered Goods | 146.87 | 10.34 | 11.34 | 19.78 | 8.22 | 196.54 |
| 2. Undisputed Trade Receivables- credit impaired | - | - | - | 18.48 | 8.22 | 26.70 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | Less than 6 months | 6 Months-1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|---|--------------------|------------------|--------------|--------------|-------------------|---------------|
| 3. Disputed Trade Receivables- Considered Goods | - | - | - | - | - | - |
| 4. Disputed trade receivables -credit impaired | - | - | - | - | - | - |
| Total | 146.87 | 10.34 | 11.34 | 38.26 | 16.44 | 223.24 |

| | |
|---------------------------------|---------------|
| Less: Allowance for credit loss | 26.70 |
| Total Trade Receivables | 196.54 |

Additional Regulatory Information

Relationship with Struck off companies are given below;

As on March 31, 2023

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2022-23 | Balance outstanding as on 31 March, 2023 | Relationship with Struck off company |
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|

Nil

As on March 31, 2022

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2021-22 | Balance outstanding as on 31 March, 2022 | Relationship with Struck off company |
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|
| IBI Biosolutions Pvt. Ltd. | Debtors | - | 8.22 | Debtors |

13. Cash and Cash Equivalents :

- (i) Balances with banks
- In current accounts
- (ii) Cash on hand

Total:

| As at March 31, 2023 | As at March 31, 2022 |
|-------------------------|-------------------------|
| 193.55 | 254.39 |
| 41.86 | 42.40 |
| 235.40 | 296.79 |

14. Other Balances with Banks :

- Bank deposits*

Total:

* Refer Note No. 9

| As at March 31, 2023 | As at March 31, 2022 |
|-------------------------|-------------------------|
| 293.41 | 141.57 |
| 293.41 | 141.57 |

15. Current Financial Assets - Loans & Advances :

- Advances to Employee
- Advances to Others
- Advance to Suppliers

Total:

| As at March 31, 2023 | As at March 31, 2022 |
|-------------------------|-------------------------|
| 10.87 | 10.24 |
| 4.17 | 4.00 |
| 49.19 | 102.02 |
| 64.22 | 116.26 |

Additional Regulatory Information

Advance to Supplier includes Struck off Companies, details of which is enclosed below.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2022-23 | Balance outstanding as on 31 March, 2023 | Relationship with Struck off company |
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|
|----------------------------|------------------------|------------------------------------|--|--------------------------------------|

Nil

| Name of Struck off Company | Nature of Transactions | Transactions during the FY 2021-22 | Balance outstanding as on 31 March, 2022 | Relationship with Struck off company |
|---------------------------------|------------------------|------------------------------------|--|--------------------------------------|
| Hallo Holiday Host Pvt. Ltd. | Creditors Advance | - | 0.72 | Vendor |
| Millenium Vacations Pvt. Ltd.** | Creditors Advance | - | 1.10 | Vendor |

**Under process of striking off

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| 16. Other Current Assets : | | |
| - Prepaid expense | 30.19 | 14.60 |
| - Unbilled Revenue | 49.43 | 52.39 |
| - Indirect Tax Recoverables | 2.48 | 18.07 |
| Total: | 82.10 | 85.07 |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------|----------------------|
| 17. Share capital | | |
| A. Authorised Capital | | |
| 185,00,00,000 Equity Shares of Rs. 1/- each fully paid up with voting rights | 18,500.00 | 18,500.00 |
| B. Issued, Subscribed and Fully Paid Up | | |
| 170,95,53,100 Equity Shares of Rs. 1/- Each fully paid up with voting rights | 17,095.53 | 17,095.53 |
| Total : | 17,095.53 | 17,095.53 |

Rights, preferences and restrictions attached to shares

- I) The Company has one class of equity shares having a par value of Rs 1/- each. Each shareholder is eligible for one vote per share held. The dividend, if any as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- II) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- III) The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2023, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure, there are no externally imposed capital requirements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

17A. Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 1 each, fully paid up held by:

| | As at 31 March, 2023 | | As at 31 March, 2022 | |
|--|----------------------|-----------|----------------------|-----------|
| | Number | % Holding | Number | % Holding |
| - Dalip Kumar | 185916060 | 10.88% | 185916060 | 10.88% |
| - Enstaserve e-services Limited | 150000000 | 8.77% | 150000000 | 8.77% |
| - SLG Softech Private Limited | 107189431 | 6.27% | 118278469 | 6.92% |
| - Prahlad Estates and Properties Pvt. Ltd. | 122045034 | 7.14% | 139856970 | 8.18% |

17B. Reconciliation of number of shares outstanding and amount of share capital as at March 31, 2022 and March 31, 2021

| | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| Number of shares at the beginning of the period | 1709553100 | 1,709,553,100 | 1709553100 | 1,709,553,100 |
| Add/Less: Changes in number of shares | - | - | - | - |
| Number of shares at the end of the period. | 1709553100 | 1,709,553,100 | 1709553100 | 1,709,553,100 |

17C. Details of shareholding of Promoters;

Equity shares of Rs. 1 each, fully paid up held by promoters at the end of the year

As at 31st March, 2023

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % change during the year |
|--------|-----------------------------|---------------|-------------------|--------------------------|
| 1 | Dalip Kumar | 185916060 | 10.88% | - |
| 2 | Neelam Sharma | 46390 | 0.00% | - |
| 3 | Enstaserv Eservices Limited | 150000000 | 8.77% | - |

As at 31st March, 2022

| S. No. | Promoter Name | No. of Shares | % of Total Shares | % change during the year |
|--------|-----------------------------|---------------|-------------------|--------------------------|
| 1 | Dalip Kumar | 185916060 | 10.88% | - |
| 2 | Neelam Sharma | 46390 | 0.00% | - |
| 3 | Enstaserv Eservices Limited | 150000000 | 8.77% | - |

17D. Bonus issue and Buyback of Shares

The Group has made nil bonus issue/ buy back of shares in last 5 years (PY: nil).

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 18. Other Equity | | |
| Other equity consist of the following: | | |
| (a) Capital reserve * | 1,881.03 | 1,881.03 |
| (b) Share premium ** | 25,099.44 | 25,099.44 |
| (c) General reserve | | - |
| (i) Opening balance | 3,443.95 | 3,443.95 |
| (ii) Transferred from retained earnings | - | - |
| | 3,443.95 | 3,443.95 |
| (d) Retained earnings *** | | |
| (i) Opening balance | (31,010.88) | (31,002.09) |
| (ii) Add: Profit for the period | 145.98 | (5.23) |
| (iii) Add: Remeasurement of defined employee benefit plans | 6.16 | 4.47 |
| | (30,858.74) | (31,002.85) |
| Less : Appropriations | | |
| (i) Appropriation/Adjustments | (4.22) | (8.03) |
| | (30,862.96) | (31,010.88) |
| Non Controlling Interest | - | - |
| (e) Investment Revaluation Reserve | | |
| (i) Opening balance | 5,028.41 | (229.30) |
| (ii) Unrealised gain on equity shares carried at fair value through OCI | 1,168.70 | 5,010.16 |
| (iii) Reversal on account of sale of investments | - | 247.55 |
| | 6,197.11 | 5,028.41 |
| (f) Assets (L & B) Revaluation Reserve # | | |
| (i) Opening Balance | 13,251.37 | 13,454.60 |
| (ii) Addition/Deletion due to Revaluation | - | - |
| (iii) Reversal on account of Depreciation on Revaluation | 224.04 | 203.23 |
| | 13,027.32 | 13,251.37 |
| Total : | 18,785.90 | 17,693.33 |

* Capital reserve had been recognized on account of forfeiture of preferential Share warrant and is not freely available for distribution

** Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium

*** Retained earnings comprises of the Company's undistributed earnings after taxes

This reserve represents the cumulative gains arising on the revaluation of property, plant & equipment's and investment properties on the balance sheet date measured at fair value through other comprehensive income. The reserves accumulated will not be freely available for distribution.

Others:

Changes in the fair value of financial instruments (debt or equity) measured at fair value through other comprehensive income is recognized in other comprehensive income, net of taxes and presented within investment in debt instruments measured at fair value through OCI or investment in equity instruments measured at fair value through OCI. Actuarial gains and losses on remeasurements of the defined benefit plans are recognized in other comprehensive income, net of taxes and presented within equity in remeasurement of the defined benefit plans

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 19. Non-Current Financial Liabilities- Borrowings : | | |
| Secured loans | | |
| -ICICI Bank Loan (Lease Rental Discounting) | 80.21 | 93.30 |
| -ICICI Bank Loan(Lease Rental Discounting) | 56.49 | 63.71 |
| -HDFC Bank Loan (Against Rent Receivable) | 1,396.10 | 1,715.89 |
| Total: | 1,532.80 | 1,872.90 |
| 19. Current Financial Liabilities - Borrowings : | | |
| Secured loans | | |
| -ICICI Bank Loan (Lease Rental Discounting) | 14.20 | 15.32 |
| -ICICI Bank Loan(Lease Rental Discounting) | 7.87 | 8.78 |
| -HDFC Bank Loan (Against Rent Receivable) | 306.40 | 284.27 |
| Total: | 328.47 | 308.38 |

Notes:

- (i) No loans have been guaranteed by the directors and others.
- (ii) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.
- (iii) These facilities are secured by Immovable property (classified under property plant & equipment and Investment Property) details are enclosed below. For repayment terms of the outstanding long-term borrowings refer the table below:

| Name of Bank | Amount outstanding | No. of instalments | Rate of Interest |
|---|--------------------|---|------------------|
| ICICI Bank (Lease Rental Discounting)* | 94.41 | Total 84 Instalments (Equal Monthly Instalment) of Rs. 1,93,383/- starting from 05.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 10.00% |
| ICICI Bank (Lease Rental Discounting)** | 64.37 | Total 95 Instalments (Equal Monthly Instalment) of Rs. 1,17,451/- starting from 05.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 10.00% |
| HDFC Bank (Against Rent Receivable)*** | 1,702.50 | Total 77 Instalments (Equal Monthly Instalment) of Rs. 36,49,590/- starting from 15.08.2021, out of which 20 Instalment has been paid so far as at 31.03.2023 | 8.40% |

*Secured against Immovable property situated at Chandigarh

**Secured against Immovable property situated at Sector-57, Noida Uttar Pradesh

***Secured against Immovable property situated at SEZ Noida, UP

Above Loans are repayable in equal monthly installments as follows :

| Particulars | As at 31.03.2023 | As at 31.03.2022 |
|---------------------------|---------------------|---------------------|
| Term Loan | | |
| Repayable within 1 Year | 328.47 | 308.38 |
| Repayable within 1-3 year | 746.84 | 697.41 |
| Repayable after 3 years | 785.96 | 1,175.49 |
| | 1,861.27 | 2,181.28 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|---------------------------------|---------------------------------|
| 20. Non Current Financial Liabilities - Other : | | |
| - Security Deposits | 266.07 | 245.90 |
| - Prepaid Income | 76.34 | 94.93 |
| Total: | 342.41 | 340.83 |
| | As at March 31, 2023 | As at March 31, 2022 |
| 21. Non-Current Provisions : | | |
| - Provision for Leave encashment | 28.08 | 26.65 |
| - Provision for Gratuity | 105.19 | 108.15 |
| Total: | 133.27 | 134.80 |
| | As at March 31, 2023 | As at March 31, 2022 |
| 22. Current Financial Liabilities - Trade Payables : | | |
| Unsecured | | |
| (i) Total outstanding dues of Micro, Small & Medium Enterprise | 1.93 | 2.93 |
| (ii) Total outstanding dues of creditors other than Micro, Small & Medium Enterprise | 103.20 | 103.91 |
| Total: | 105.13 | 106.84 |

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the ended March 31, 2023 and March 31, 2022, an amount of Rs. 0.91 lakhs and Rs. 0.40 lakhs was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006

The Trade Payables ageing schedule for the years ended as on March 31, 2023 is as follows:

| Particulars | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-------------------|-----------|-----------|-------------------|--------|
| 1. MSME | 1.93 | - | - | - | 1.93 |
| 2. Others | 40.62 | 5.55 | - | 57.03 | 103.20 |
| 3. Disputed Dues-Msme | - | - | - | - | - |
| 4. Disputed Dues- Others | - | - | - | - | - |

The Trade Payables ageing schedule for the years ended as on March 31, 2022 is as follows:

| Particulars | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
|--------------------------|-------------------|-----------|-----------|-------------------|--------|
| 1. MSME | 2.93 | - | - | - | 2.93 |
| 2. Others | 27.12 | 10.14 | 66.66 | - | 103.91 |
| 3. Disputed Dues-Msme | - | - | - | - | - |
| 4. Disputed Dues- Others | - | - | - | - | - |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 23. Current Financial Liabilities - Others : | | |
| - Prepaid Income | 18.59 | 18.74 |
| - Interest Payables | 7.28 | - |
| Total: | 25.86 | 18.74 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---------------------------------|---------------------------------|
| 24. Current Provisions : | | |
| - Provision for Leave Encashment | 4.19 | 4.01 |
| - Provision for Gratuity | 16.71 | 16.14 |
| Total: | <u>20.90</u> | <u>20.16</u> |
| | As at March 31, 2023 | As at March 31, 2022 |
| 25. Other Current Liabilities : | | |
| -Advance received from customers | 270.34 | 56.31 |
| -Others (Payables) | 246.36 | 199.85 |
| -Audit Fee Payables | 5.38 | 4.28 |
| - Indirect tax payable and other statutory liabilities | 45.13 | 35.45 |
| Total: | <u>567.21</u> | <u>295.88</u> |
| | As at March 31, 2023 | As at March 31, 2022 |
| 26. REVENUE FROM OPERATIONS | | |
| IT Enabled Services; | | |
| - Overseas | 2,070.53 | 1,983.11 |
| - Domestic | 600.13 | 671.53 |
| Rental Income | 820.74 | 807.05 |
| Total: | <u>3,491.39</u> | <u>3,461.69</u> |
| <p>- Unbilled revenue of Rs. 52.39 Lakhs is billed during the year ended March 31, 2023(March 31, 2022 : Rs. 50.51 Lakhs). Refer Note No. 16</p> <p>- Amount of Rs. 9.10 Lakhs is recognized as revenue during the year ended March 31, 2023 out of Advance received from customer (March 31, 2022 : 200.17 Lakhs). Refer Note No. 25</p> | | |
| 27. OTHER INCOME | As at March 31, 2023 | As at March 31, 2022 |
| Other income (net) consist of the following (At Amortized Cost): | | |
| - Interest income | 219.14 | 183.43 |
| - Net foreign exchange gains | - | 0.28 |
| - Other Income | 2.48 | 4.59 |
| Total: | <u>221.62</u> | <u>188.30</u> |
| Interest income comprise: | | |
| - Interest on bank deposits | 21.40 | 9.39 |
| - Interest income on financial assets | 186.01 | 169.36 |
| - Other interest (including interest on income tax refunds) | 11.74 | 4.68 |
| Total: | <u>219.14</u> | <u>183.43</u> |
| 28. EMPLOYEE BENEFIT EXPENSES | As at March 31, 2023 | As at March 31, 2022 |
| Employee costs consist of the following: | | |
| - Salaries, incentives and allowances | 2,091.44 | 2,177.23 |
| - Contributions to provident and other funds | 43.67 | 32.36 |
| - Staff welfare expenses | 50.01 | 40.08 |
| Total: | <u>2,185.12</u> | <u>2,249.67</u> |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| 29. FINANCE COSTS (at effective interest rate method) | As at March 31, 2023 | As at March 31, 2022 |
|--|---------------------------------|---------------------------------|
| Finance costs consist of the following: | | |
| - Interest expenses | 170.71 | 222.81 |
| - Bank Charges | 3.34 | 5.88 |
| Total: | 174.05 | 228.69 |
| 30. DEPRECIATION AND AMORTISATION EXPENSE | As at March 31, 2023 | As at March 31, 2022 |
| Depreciation on Property, Plant and equipment | 116.68 | 114.76 |
| Depreciation on Investment Property | 302.01 | 269.92 |
| Amortisation of Intangible Assets | 0.87 | 1.00 |
| Total: | 419.56 | 385.68 |
| 31. OTHER OPERATING EXPENSES | As at March 31, 2023 | As at March 31, 2022 |
| Other operating expenses consist of the following: | | |
| - Fees to external consultants | 200.96 | 229.45 |
| - Communication expenses | 53.64 | 43.70 |
| - Technical Sub-contracting expenses | - | 1.00 |
| - Travel expenses | 58.67 | 41.79 |
| - Conveyance | 55.12 | 31.24 |
| - Power & Fuel | 121.65 | 90.97 |
| - Auditors Remuneration (refer to note (i) below) | 13.05 | 12.33 |
| - Running & Maintenance | 53.04 | 72.95 |
| - Manpower Expenses | 15.35 | 17.45 |
| - Software Expenses | 13.24 | 11.88 |
| - Insurance Expenses | 14.13 | 14.63 |
| - Rent Expenses | 35.51 | 11.55 |
| - Other expenses | 113.31 | 59.01 |
| Total: | 747.67 | 637.94 |
| (i) payment to Auditors net of GST, where applicable. | | |
| - Annual Audit fee Incl. Quarterly review fee | 12.55 | 9.93 |
| - Tax Audit & GST Audit Fee | 0.50 | 2.40 |
| Total | 13.05 | 12.33 |

32. Tax Expenses

Income tax expense in the statement of profit and loss comprises;

| Particulars | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|--|--|--|
| Income Taxes Recognised in Profit and Loss: | | |
| Current taxes | | |
| In respect of the current period | 70.60 | 24.85 |
| Adjustments for prior periods | - | - |
| Deferred taxes | | |
| In respect of the current period | 2.24 | 20.16 |
| Total Income Tax Expense for the period | 72.84 | 45.01 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

The Company has decided to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 on 20th September, 2019. After adoption of Section 115BAA, the Company will be outside the scope and applicability of MAT provisions under Section 115JB of Income Tax Act, 1961. Further, Provision for Tax has been Computed at the rate permitted under section 115BAA of Income Tax Act, 1961 for the year ending 31.03.2023 and 31.03.2022

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | For the Year Ended | For the Year Ended |
|---|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| Profit before tax | 218.82 | 39.79 |
| Tax rate | 25.168% | 25.168% |
| Computed expected tax expense | 55.07 | 10.01 |
| Tax Effect of non-deductible expenses | 91.31 | 132.04 |
| Tax Effect of deductible expenses | (75.78) | (117.20) |
| Tax Effect of Timing Difference on Depreciation | 2.24 | 20.16 |
| Total tax expense | 72.84 | 45.01 |

33. Earnings per equity share

The Group's Earnings Per Share ('EPS') is determined based on the net profit attributable to the shareholders of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti dilutive.

| Particulars | For the Year Ended | For the Year Ended |
|--|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| Net Profit/(Loss) attributable to equity shareholders | 145.98 | (5.23) |
| Profit/(Loss) per equity share: | | |
| Nominal value of equity share | 1.00 | 1.00 |
| Weighted-average number of equity shares for basic and diluted EPS | 17,095.53 | 17,095.53 |
| Basic Earnings per share | 0.01 | (0.00) |
| Diluted Earnings per share | 0.01 | (0.00) |

34. Related Party Transactions

FCS Software Solutions Limited's principal related parties consist of its own subsidiaries, associates and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business

Subsidiaries Companies

| Name of Subsidiaries | Country | Holding % as at | |
|--------------------------------------|---------|-----------------|------------|
| | | 31.03.2023 | 31.03.2022 |
| FCS Software Middle East FZE | UAE | 100 | 100 |
| FCS Software Solutions GmbH | Germany | 100 | 100 |
| FCS Software (Sanghai) Co., Ltd. | China | 100 | 100 |
| Insync Business Solutions Limited | India | 100 | 100 |
| Stablesecure Infraservices Pvt. Ltd. | India | 100 | 100 |

Associate Companies

| Name of Associate | Country | Holding % as at | |
|--------------------------|---------|-----------------|------------|
| | | 31.03.2023 | 31.03.2022 |
| Enstaserv Eservices Ltd. | India | 48.94 | 48.94 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

List of Directors/Key Managerial Personnel

- Dalip Kumar – Chairman & Managing Director
- Mahendra Pratap Singh – Non- executive Director
- Shayam Sunder Sharma – Independent Director
- Sunil Sharma – Director
- Shweta Shatsri – Independent Director resigned on dated 05.05.2022
- Archana Sharma – Independent Director appointed on dated 06.05.2022
- Brijesh Singh Bhadauriya – Independent Director appointed on dated 07.07.2022
- Anil Kumar Sharma – Chief Financial Officer
- Harsha Sharma – Company Secretary

Relative of Director/KMP

- Babita Sharma
- Utkrasht Sharma
- Sandhya Singh

A. Transactions with the Related Parties**

| Particulars | For the Year Ended | For the Year Ended |
|--|--------------------|--------------------|
| | 31.03.2023 | 31.03.2022 |
| Salary & Other Benefits to Key Management Personnel | | |
| 1. Sunil Sharma | 9.52 | 9.52 |
| 2. Harsha Sharma | 9.67 | 9.36 |
| 3. Anil Kumar Sharma | 25.24 | 21.24 |
| Directors Sitting Fee | | |
| 1. Shayam Sunder Sharma | 2.10 | 2.00 |
| 2. Shweta Shatsri | - | 1.60 |
| 3. Mahendra Pratap Singh | 1.40 | 1.20 |
| 4. Raj Kumar Manikpuri | - | 0.20 |
| 5. Archana Sharma | 2.00 | - |
| 6. Brijesh Singh Bhadauriya | 1.20 | - |
| Legal & Professional Charges | | |
| 1. Babita Sharma | - | 3.90 |
| Salary | | |
| 1. Utkrasht Sharma | - | 4.00 |
| 2. Sandhya Singh | 4.54 | 4.32 |

**Transactions and balances with its own subsidiaries are eliminated on consolidation.

35. Corporate Social Responsibility

As per Section 135 of Companies Act 2013 a Corporate Social responsibility Committee has been formed by the Company. During the year the Company has undertaken Corporate Social Responsibility activities as approved by the CSR Committee which are specified in Schedule VII of the Companies Act 2013

Gross amount spent by the Company during the year ended 31st March, 2023 and 31st March, 2022 are as below;

36. 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 Ind AS 108. The segmentation is based on the Geographies (reportable business segment) in which the Group operates and internal reporting systems. The geographical segmentation is based on the nature and type of services rendered. Based on the "management approach" as defined in Ind AS 108.

The Group has identified two main Geographical Segments as reportable segments. The business segments comprise:

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

1. Indian Segment
2. USA Segment

The Profit and Loss for reportable Primary Segment is set out below:-

For the period ending 31st March 2023

| Description | India | USA | Total |
|--------------------------|---------------|---------------|-----------------|
| Revenue | 1,420.86 | 2,070.53 | 3,491.39 |
| Expenses | 547.42 | 1,637.70 | 2,185.12 |
| Segment result | 873.44 | 432.83 | 1,306.27 |
| Un-allocable expenses | | | 1,309.48 |
| Operating income | | | (3.21) |
| Other income (net) | | | 222.03 |
| Profit before tax | | | 218.82 |

For the period ending 31st March 2022

| Description | India | USA | Total |
|--------------------------|---------------|---------------|-----------------|
| Revenue | 1,478.58 | 1,983.11 | 3,461.69 |
| Expenses | 705.32 | 1,544.35 | 2,249.67 |
| Segment result | 773.26 | 438.76 | 1,212.02 |
| Un-allocable expenses | | | 1,360.22 |
| Operating income | | | (148.19) |
| Other income (net) | | | 187.98 |
| Profit before tax | | | 39.79 |

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Note 37: Employee benefits

| 37.1 Particulars | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------------|------------------------|------------------------|
| Contribution to provident fund | 40.48 | 32.36 |
| Contribution to gratuity | 25.48 | 27.16 |
| Contribution to leave encashment | 6.93 | 7.10 |

37.2 The Company operates a Gratuity Benefit Plan.

A) Actuarial Assumptions

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Economic Assumptions | | |
| Discount rate | 7.50% p.a | 7.25% p.a |
| Salary Growth Rate | 5.00% p.a | 5.00% p.a |
| Demographic Assumptions | | |
| Retirement age | 58 | 58 |
| Mortality table used | IALM 2012-14 | IALM 2012-14 |

Notes:

1. The discount rate is based on the prevailing market yield of Government bond as at the balance sheet date
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors
3. The expected return on plan assets over the accounting period, based on an assumed rate of return

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

B) Movements in present value of the defined benefit obligation

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Present value of obligation as at the beginning of the year | 124.29 | 121.05 |
| Interest cost | 8.99 | 8.84 |
| Current service cost | 16.49 | 18.32 |
| Past service cost | - | - |
| Benefit paid | (19.33) | (17.17) |
| Actuarial (gain)/loss | (8.55) | (6.75) |
| Present value of the obligation at the end year | 121.89 | 124.29 |

C) Amount recognised in the Balance Sheet

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Present value of obligation at the end of the year | 121.89 | 124.29 |
| Fair value of plan assets at the end of the year | - | - |
| Net liability/ (assets) recognised in the Balance Sheet | 121.89 | 124.29 |

D) Expenses recognised in the Statement of Profit and Loss during the year:

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current service cost | 16.49 | 18.32 |
| Past service cost | - | - |
| Net interest cost | 8.99 | 8.84 |
| Expense recognised in the Statement of Profit and Loss | 25.48 | 27.16 |

E) Expenses recognised in Other Comprehensive Income during the year:

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Actuarial (gain) / loss for the year | (8.55) | (6.75) |
| Expenses recognised in Other Comprehensive Income | (8.55) | (6.75) |

F) Bifurcation of Defined Benefit Obligations at the end of year as current and non current:

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current liability (Amount due within one year) | 16.71 | 16.14 |
| Non-Current liability (Amount due over one year) | 105.19 | 108.15 |
| Total PBO at the end of year | 121.89 | 124.29 |

G) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| a) Impact of the change in discount rate | | |
| -Impact due to increase of 1.00 % | 110.71 | 112.04 |
| -Impact due to decrease of 1.00 % | 135.07 | 138.80 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| b) Impact of the change in salary increase | | |
| - Impact due to increase of 1.00 % | 135.28 | 138.98 |
| - Impact due to decrease of 1.00 % | 110.36 | 111.69 |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

H) The employer 's best estimate of contribution expected to be paid during the next year:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Expected contribution of the next year | 5.45 | 5.47 |

37.3 The Company operates a Leave Encashment Benefit.

A) Actuarial Assumptions

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|------------------------|------------------------|
| Economic Assumptions | | |
| Discount rate | 7.50% p.a | 7.25% p.a |
| Salary Growth Rate | 5.00% p.a | 5.00% p.a |
| Demographic Assumptions | | |
| Retirement age | 58 | 58 |
| Mortality table used | IALM 2012-14 | IALM 2012-14 |

Notes:

1. The discount rate is based on the prevailing market yield of Government bond as at the balance sheet date
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors
3. The expected return on plan assets over the accounting period, based on an assumed rate of return

B) Movements in present value of the defined benefit obligation

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Present value of obligation as at the beginning of the year | 30.67 | 28.04 |
| Interest cost | 2.29 | 2.11 |
| Current service cost | 4.63 | 5.00 |
| Past service cost | - | - |
| Benefit paid | (7.71) | (6.76) |
| Actuarial (gain)/loss | 2.39 | 2.29 |
| Present value of the obligation at the end year | 32.27 | 30.67 |

C) Amount recognised in the Balance Sheet

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|--|------------------------|------------------------|
| Present value of obligation at the end of the year | 32.27 | 30.67 |
| Fair value of plan assets at the end of the year | - | - |
| Net liability/ (assets) recognised in the Balance Sheet | 32.27 | 30.67 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

D) Expenses recognised in the Statement of Profit and Loss during the year:

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current service cost | 4.63 | 5.00 |
| Past service cost | - | - |
| Net interest cost | 2.29 | 2.11 |
| Expense recognised in the Statement of Profit and Loss | 6.93 | 7.10 |

E) Expenses recognised in Other Comprehensive Income during the year:

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Actuarial (gain) / loss for the year | 2.39 | 2.29 |
| | - | - |
| Expenses recognised in Other Comprehensive Income | 2.39 | 2.29 |

F) Bifurcation of Defined Benefit Obligations at the end of year as current and non current:

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| Current liability (Amount due within one year) | 4.19 | 4.01 |
| Non-Current liability (Amount due over one year) | 28.08 | 26.65 |
| Total PBO at the end of year | 32.27 | 30.67 |

G) Sensitivity analysis of the defined benefit obligation

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2023 | 31 March 2022 |
| a) Impact of the change in discount rate | | |
| - Impact due to increase of 0.50 % | 29.25 | 27.58 |
| - Impact due to decrease of 0.50 % | 35.84 | 34.34 |
| b) Impact of the change in salary increase | | |
| - Impact due to increase of 0.50 % | 35.90 | 34.39 |
| - Impact due to decrease of 0.50 % | 29.16 | 27.49 |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

38 Fair Value Disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis :

| Particulars | As at March 31, 2023 | Fair value measurement at end of the reporting period using | | | As at March 31, 2022 | Fair value measurement at end of the reporting period using | | |
|----------------------------------|----------------------|---|----------|------------------|----------------------|---|----------|------------------|
| | | Level-1 | Level-2 | Level-3 | | Level-1 | Level-2 | Level-3 |
| Assets | | | | | | | | |
| <u>Investments in</u> | | | | | | | | |
| Equity Instruments of Associates | 1,815.28 | - | - | 1,815.28 | 84.19 | - | - | 84.19 |
| Equity Instruments of Others | 6,804.82 | - | - | 6,804.82 | 7,366.81 | - | - | 7,366.81 |
| Preference Shares | 6,941.30 | - | - | 6,941.30 | 6,941.30 | - | - | 6,941.30 |
| Total | 15,561.41 | - | - | 15,561.41 | 14,392.30 | - | - | 14,392.30 |

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

| Particulars | Level | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------|-----------------|-----------------|
| | | Amount | Amount |
| Financial assets | | | |
| Loans | Level 3 | 2,096.16 | 1,969.02 |
| Other financial assets | Level 3 | 430.68 | 192.44 |
| Total financial assets | | 2,526.85 | 2,161.46 |
| Borrowings | Level 3 | 1,861.27 | 2,181.28 |
| Other financial liabilities | Level 3 | 368.28 | 359.57 |
| Total financial liabilities | | 2,229.55 | 2,540.85 |

39 Financial risk management

i) Financial instruments by category

| Particulars | 31 March 2023 | | | 31 March 2022 | | |
|------------------------------|---------------|-----------------|------------------|---------------|-----------------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | - | 8,620.11 | 6,941.30 | - | 7,451.00 | 6,941.30 |
| Loans | - | - | 2,096.16 | - | - | 1,969.02 |
| Other financial assets | - | - | 430.68 | - | - | 192.44 |
| Trade receivables | - | - | 371.32 | - | - | 196.54 |
| Cash and cash equivalents | - | - | 235.40 | - | - | 296.79 |
| Other Balances with Bank | - | - | 293.41 | - | - | 141.57 |
| Total | - | 8,620.11 | 10,368.28 | - | 7,451.00 | 9,737.66 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 1,861.27 | - | - | 2,181.28 |
| Trade payables | - | - | 105.13 | - | - | 106.84 |
| Other financial liabilities | - | - | 368.28 | - | - | 359.57 |
| Total | - | - | 2,334.68 | - | - | 2,647.69 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

ii) Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|--------------------------------|---|-----------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost | Aging analysis | Bank deposits, diversification of asset base, credit limits and collateral. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk - foreign exchange | Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting | Forward contract/hedging, if required |
| Market risk - interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Negotiation of terms that reflect the market factors |
| Market risk - security price | Investments in equity securities | Sensitivity analysis | Company presently does not make any investments in equity shares, except for entities where it exercises control or joint control or significant influence. |

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹370.66 Lakhs and 185.31 Lakhs as at March 31, 2023 and March 31, 2022, respectively and unbilled revenue amounting to 46.50 Lakhs and 49.37 lakhs as at March 31, 2023 and March 31, 2022, respectively. Trade Receivables and unbilled revenue are typically unsecured and are derived from revenue from customers.

Credit risk has always been managed by the Company and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The details in respect of percentage of revenues generated from top five customers and top ten customers are as follows :

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------|-----------------|-----------------|
| Revenue from top five customers | 3,134.09 | 2,940.91 |
| Revenue from top ten customers | 3,476.07 | 3,224.82 |
| Total | 6,610.16 | 6,165.73 |

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

a) Expected credit losses

The Company provides for expected credit losses based on the following:

Trade receivables

- (i) The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above. And such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

| Particulars | 31 March 2023 | | 31 March 2022 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | IT & IT Enable Services | Rental Income | IT & IT Enable Services | Rental Income |
| Gross amount of sales | 2,670.66 | 820.74 | 2,654.64 | 807.05 |
| Expected loss rate | 0.44% | 1.82% | 0.20% | 0.20% |
| Expected credit loss (loss allowance provision) | 11.79 | 14.91 | 5.09 | 1.60 |
| Receivables due from customers where specific default has occurred | - | - | - | - |

During the year ended 31st March 2023, Expected Credit Loss was calculated @100% based on management estimates for doubtful Trade Receivables, out of which 50% was booked during Previous Financial Year.

- (ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

| Reconciliation of loss allowance | Trade receivables | |
|---|-------------------|--------------|
| Loss allowance on 01 April 2021 | | 20.01 |
| Add/ (Less): Changes in loss allowances due to write off/recovery | | 6.69 |
| Add/ (Less): Changes in loss allowances due to assets originated or purchased | | - |
| Loss allowance on 31 March 2022 | | 26.70 |
| Add/ (Less): Changes in loss allowances due to write off/recovery | | 26.70 |
| Add/ (Less): Changes in loss allowances due to assets originated or purchased | | - |
| Loss allowance on 31 March 2023 | | 53.40 |

Other financial assets measured at amortised cost

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding borrowings of Rs. 1861.27 Lakhs as on March 31, 2023 & Rs. 2181.28 Lakhs as on March 31, 2022. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

a) Financing arrangements

The Company had access to the following borrowing facilities at the end of the reporting period:

| Particulars | 31 March 2023 | 31 March 2022 |
|-------------------|-----------------|-----------------|
| | Borrowings | Borrowings |
| 0-1 year | 328.47 | 308.38 |
| 1-3 years | 746.84 | 697.41 |
| More than 3 years | 785.96 | 1,175.49 |
| Total | 1,861.27 | 2,181.28 |

b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| 31 March 2023 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|------------------------|------------------|---------------|---------------|-------------------|-----------------|
| Non-derivatives | | | | | |
| Long term borrowings | 328.47 | 746.84 | 785.96 | - | 1,861.27 |
| Trade payables | 42.55 | 5.55 | 57.03 | - | 105.13 |
| Total | 371.02 | 752.39 | 842.99 | - | 1,966.40 |

| 31 March 2022 | Less than 1 year | 1-3 year | 3-5 year | More than 5 years | Total |
|--|------------------|---------------|-----------------|-------------------|-----------------|
| Non-derivatives | | | | | |
| Long term borrowings (including bonds) | 308.38 | 697.41 | 1,175.49 | - | 2,181.28 |
| Trade payables | 30.04 | 76.80 | - | - | 106.84 |
| Total | 338.43 | 774.21 | 1,175.49 | - | 2,288.12 |

C) Market Risk

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(i) Foreign currency risk exposure in Rs.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows

| Particulars | 31 March 2023 | 31 March 2022 |
|--|----------------|---------------|
| Financial assets | 168.55 | 0.23 |
| Financial liabilities | 267.16 | 6.07 |
| Net exposure to foreign currency risk (liabilities) | (98.62) | (5.85) |

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| USD sensitivity | | |
| INR/USD- increase by 500 bps (31 March 2021 500 bps)* | (0.99) | (0.06) |
| INR/USD- decrease by 500 bps (31 March 2021 500 bps)* | 0.99 | 0.06 |

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2023 and 31 March 2022, the Company is exposed to changes in interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits carry fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | 31 March 2023 | 31 March 2022 |
|-------------------------|-----------------|-----------------|
| Variable rate borrowing | 1,861.27 | 2,181.28 |
| Fixed rate borrowing | - | - |
| Total borrowings | 1,861.27 | 2,181.28 |

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

40 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

| Particulars | 31 March 2023 | 31 March 2022 |
|---------------------------------|---------------|---------------|
| Net debt | 1,861.27 | 2,181.28 |
| Total equity | 35,881.44 | 34,788.86 |
| Net debt to equity ratio | 0.05 | 0.06 |

The Company has not declared dividend in current year or previous year.

41. Contingent liabilities and commitments :

Claims against the Company, not acknowledged as debts for the year ending 31st March, 2023 and for the year ending 31st March, 2022 is shown below.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

| Name of the Statute | Amount | Period to which amount relates | Forum where the dispute is pending |
|----------------------|--------|--------------------------------|--|
| Income Tax Act, 1961 | 251.80 | FY 2017-18 | Appeal to the Commissioner of Income-tax (Appeals) |

Note: Accumulated Interest accrued on the demand as at March 31, 2023 is Rs 52.88 Lakhs (March 31, 2022: 22.66 Lakhs) and Rs. 43.09 Lakhs held by IT Department as deposit against demand as at March 31, 2023 (March 31, 2022: 18.47 Lakhs) (Refer Note No. 11)

42. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 :

| Particular | For the Year Ended 31.03.2023 | For the Year Ended 31.03.2022 |
|---|-------------------------------|-------------------------------|
| Principal amount remaining unpaid as at year end | 1.93 | 2.93 |
| Interest due thereon remaining unpaid as at year end | - | - |
| Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006. | - | - |
| Interest accrued and remaining unpaid as at year end.* | - | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises. | - | - |

*There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the ended March 31, 2023 and March 31, 2022, an amount of Rs. 0.91 Lakhs and Rs. 0.40 Lakhs was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 0509249C
Sd/-
CA. Sharad Poddar
(Partner)
M. No. 087853
UDIN: 23087853BGWCBZ4427

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

Sd/-
Dalip Kumar
Chairman & Managing Director
DIN: 00103292

Sd/-
Shayam Sunder Sharma
Director
DIN: 00272803

Sd/-
Anil Kumar Sharma
Chief Financial Officer

Sd/-
Sunil Sharma
Director
DIN: 05359128

Place: New Delhi
Date: 29.05.2023

Place: Noida
Date: 29.05.2023

Sd/-
Harsha Sharma
Company Secretary



Registered Office

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

Corporate office

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