FCS
The efficiency catalyst

FCS/107/2010 **September 03, 2010**

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

Sub.: Notice of seventeenth Annual General Meeting

Dear Sir,

Please find attached herewith, the copy of notice convening the 17th Annual General Meeting of the Company to be held on Monday, 27th September, 2010 at the Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi – 110074, at 10.30 A.M.

Thanking you,

Yours truly,
For **FCS Software Solutions Limited**

Gagan Kapshik
(Company Secretary)

Encl.: As above.

C.C.:
1. CDSL,
2. NSDL.

business processes collaborative platforms enterprise interface

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tel :+91-120-4635900 fax :+91-120-4635941 www.fcsltd.com
regd. off : 205, 2nd floor, aggarwal chamber IV, 27, veer sawarker block, vikas marg, shakarpur, delhi 110 092
fcs software solutions ltd., a-86, sector-57, noida-201 301, india. phone : +91-120-3061100 fax : +91-120-3061111 www.fcsltd.com
fcs software solutions ltd., plot no. j-7, rgtp, chandigarh-160 003, india. tel :+91-172-5060168 / 5060169 www.fcsltd.com

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Members of the Company will be held on Monday, September 27, 2010 at the Executive Club, 439, Village Shahoorpur, Fatehpur Beri, New Delhi - 110074, at 10.30 A.M. for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2010 and the Balance Sheet as on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint Statutory Auditors in place of M/s. SPMG & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment as Statutory Auditors of the Company, and to authorize the Board to fix their remuneration.
3. To consider re-appointment of Mr. Shiv Nandan Sharma as Director, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Non-Executive, Independent Director.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to Section 31, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) the Articles of Association of the Company be and are hereby altered by substituting the existing articles no. 113 of the Article of Association of the Company by the following new article:

   113. "The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and at least one Director, or Company Secretary of the Company, or any other officer of the Company authorised by the Board, shall sign every instrument to which the Seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the directors to issue the same."

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

   "RESOLVED THAT pursuant to the provisions of sections 198, 269, 302 and 309, read with Schedule XIII of the Companies Act, 1956, and other applicable provisions of the Act, if any, Mr. Dalip Kumar be and is hereby reappointed as the Managing Director of the Company w.e.f. 1st April, 2010, for a further period of 5 years, i.e. upto 31st March, 2015, on the remuneration and other terms & conditions, as recommended and placed by the Remuneration Committee before the Board and which are hereby approved by the Board, as reproduced below:

   1. Salary: upto ₹ 1,00,000/- per month.

FCS Software Solutions Ltd.

2. Commission: upto 3% of the net profits calculated in the manner laid down under sections 198 & 309 of the Companies Act, 1956.

CATEGORY (A)

I. Housing:

- In case of furnished accommodation provided by the Company, such expenditure not exceeding 60% of the salary.
- In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance subject to the ceiling laid under the provisions of Income Tax Act, 1961.
- In case accommodation is owned by the Company, a deduction of 10% of the salary of the Managing Director shall be made by the Company.
- The expenditure incurred by the Company on gas, electricity, water & furnishing shall be valued as per the Income Tax Rules, 1962 which shall, however, be subject to a ceiling of 10% of the salary.

II. Medical Reimbursement:

Medical Reimbursement of the expenses incurred by Mr. Dalip Kumar for self and his family subject to a ceiling of one month's salary in a year or 5 months' salary over a period of 5 years.

III. Leave Travel Concession:

Leave Travel Concession for him and his family once in a year in accordance with the rules of the Company.

IV. Club Fees :

Fees of the clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V. Personal Accident Insurance:

Personal Accident Insurance of an amount not exceeding ₹ 10,000/- (Rupees Ten Thousand only)

CATEGORY (B)

Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these, either singly or put together, are not taxable under Income Tax Act, 1961.

CATEGORY (C)

The Company shall provide a car with a driver and two telephones and a fax at his residence. Personal long distance calls and use of car for private purpose shall be billed by the Company to him. All official calls made by him from his Cell Phone will also be reimbursed by the Company.

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TERMINATION

The appointment of the Managing Director shall be terminable by either party giving to the other, six calendar months' notice in writing.

In the event of termination of the appointment of Managing Director by the Company, he shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

CEILING ON REMUNERATION:

The aggregate remuneration shall not exceed the limits provided in Sections 198 and 309 of the Companies Act, 1956.

The shareholders' approval may be sought for authorisation to increase, vary or amend the remuneration including salary, perquisites and benefits, minimum remuneration and other terms of appointment of the Managing Director from time to time, as deemed expedient or necessary during the tenure of his appointment.

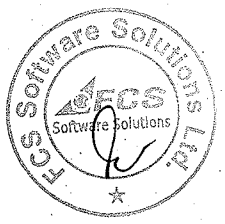
RESOLVED FURTHER THAT Mr. Gagan Kaushik, Company Secretary of the Company, be and is hereby authorised to take all necessary steps on behalf of the Company to give effect to the above resolution."

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

"RESOLVED THAT pursuant to Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the consent of the members be and is hereby accorded for increasing the Authorised Share Capital of Company from ₹ 1,25,00,00,000/- (Rupees One Hundred and Twenty Five Crores) divided into 1,25,00,00,000 (One Hundred and Twenty Five Crores) Equity Shares of the face value of ₹ 1/- (Rupee One) each to ₹ 1,50,00,00,000/- (Rupees one Hundred and Fifty Crores) divided into 1,50,00,00,000 (One Hundred and Fifty Crores) Equity Shares of the face value of ₹ 1/- (Rupee One) each, and accordingly existing Clause V of the Memorandum of Association of the Company be deleted and the following new Clause V be substituted there for:

V. The Authorised Share Capital of the Company is ₹ 1,50,00,00,000/- (Rupees One Hundred and Fifty Crores) divided into 1,50,00,00,000 (One Hundred and Fifty Crores) Equity Shares of ₹ 1/- (Rupee One) each."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as the Board may in its absolute discretion deem necessary and to settle any question that may arise in this regard."



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

"RESOLVED THAT pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and in accordance with the guidelines issued by the Securities and Exchange Board of India (SEBI), and clarifications thereon issued from time to time and subject to the approval(s), consent(s), permission(s), and/ or sanction(s), if any, of appropriate authorities, institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorized committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the Board be and is hereby authorized on behalf of the Company to create, issue/offer and allot 18 Crores Convertible Warrants on Preferential Placement basis through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents/writings, in such form, manner and upon such terms and conditions as may be determined by the Board in its absolute discretion, provided that the aggregate number of resultant equity shares of the Company to be issued against such warrants shall not exceed 18 crores fully paid up equity shares of the face value of ₹ 1/- each at a premium of ₹ 3.18/- each against the Convertible Warrant of ₹ 4.18/- each, being not less than the price calculated in accordance with the subsisting SEBI (DIP) Guidelines and SEBI (ICDR) Guidelines, as applicable in this behalf, aggregating up to ₹ 75.24 Crores, and which shall be convertible into equity shares with in a period not exceeding eighteen months (18 months) from the date of allotment of Equity Warrants in accordance with SEBI (ICDR) Guidelines to the following allottees as detailed herein below:

Name of the Allottee	Category	No. of Warrants to be allotted
M/s. Zero Time Constructions Pvt. Ltd.	Non promoter	18,00,00,000

RESOLVED FURTHER THAT the equity shares to be issued on conversion of the warrants shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend.

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RESOLVED FURTHER THAT an amount equivalent to 20% of the Conversion Price or such higher percentage as board may decide, shall be payable at the time of making application for the warrants, which shall be adjusted and appropriated against the Conversion Price payable by the warrant holders at the time of exercising the option to convert the warrants into equity shares, and that in the event the option for such conversion is not exercised within the prescribed time, the warrants shall lapse, and the amount so paid on the allotment of the Warrants shall stand forfeited.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the above mentioned Convertible Warrants upon conversion, on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the 'Relevant date' as per the SEBI (ICDR) Guidelines, 2009 as applicable from time to time for the determination of applicable price for issue of Convertible Warrants is August 28, 2010.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorized to issue and allot such number of equity shares, as may be required to be issued and allotted upon conversion of Warrants in accordance with the terms of the offer and subject to the provisions of the Company's Memorandum and Articles of Association.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of said Warrants and equity shares arising there from, including utilizations of the proceeds, without being required to seek any further consent or approval of members or otherwise to the end and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

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

Noida
September 01, 2010

Gagan Kaushik
Company Secretary

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING. UNDER THE COMPANIES ACT 1956, VOTING IS BY SHOW OF HANDS, UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON OR BY PROXY ENTITLED TO VOTE ON THE RESOLUTIONS HOLDING AT LEAST ONE-TENTH OF THE TOTAL VOTING POWER, OR BY THOSE HOLDING IN AGGREGATE, PAID UP SHARE CAPITAL OF AT LEAST ₹ 50,000/-. A PROXY SHALL NOT VOTE EXCEPT ON A POLL.**
2. The Register of Members and Shares Transfer Books of the Company shall remain closed form September 23, 2010 to September 27, 2010 (both days inclusive) for the purpose of Annual General Meeting.
3. Members/Proxy holders are requested to produce at the entrance, the enclosed admission slip duly completed and signed, for admission to the meeting.
4. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the AGM.
5. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the Company.

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

Gagan Kaushik
Company Secretary

Noida
September 01, 2010



Explanatory Statement under section 173(2) of the Companies Act, 1956

Item No. 4

The existing Article No. 113 of the Article of Association of the Company provides that the Common Seal of the Company shall never be used except by the authority of the Director or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the Seal is affixed. Due to busy schedule and foreign trips of the Directors of the Company for the business purpose, it is not always possible for the Directors to sign within requisite time, the instruments on which the Seal is affixed, which causes delay in day to day business operations of the Company. To deal with such circumstances, the Board of Directors of the Company has decided to alter the said clause in order to authorize Company Secretary of the Company, and enable itself to authorise other competent person(s) from time to time, to sign such instruments. For enabling the above provision, the Articles of Association of the Company need to be altered as per provisions of Section 31 of the Companies Act, 1956, which requires your prior approval by way of Special Resolution.

Hence the Board of Directors recommend this resolution for your approval.

None of the Directors of the Company are concerned or interested in the resolution.

Item No. 5

Shri Dalip Kumar was appointed as the Managing Director of the Company w.e.f. 1st April, 2005 for a period of 5 years i.e. 31st March, 2010. The Company had hit the securities market in 2005 by way of its initial public offer (IPO) in his guidance and leadership, which was a great success. And even thereafter, under his supervision, the Company has progressed by leaps and bounds, and has become the leading IT services provider across the globe.

Shri Dalip Kumar, M.S. (Computer Engineering) from Rutgers University, New Jersey, USA, and B.S. (Electronics Engineering), from Punjab Engineering College, Chandigarh, has over 25 years of experience. He has worked on large projects in implementing paper less offices, office automation and workflow management for clients in government, banking, infrastructure and private sector. He has been working on Web based projects and ERP centric projects for many years. His special expertise area now is to build e-business and implement e-services. He has managed various projects starting form microprocessors to mainframes in terms of technology and man management.

The Board of Directors believes that the Company will be greatly benefited by his valuable services for the Company's day to day operations and smooth functioning of the business. Shri Dalip Kumar is technically qualified and has expertise in the field of business in which your Company is presently engaged, and the positive results of his efforts have also been proven by the accelerating growth chart of the Company. His engagement will not only add to the enhancement of the business opportunities of your Company but will also enhance the profits of your Company.

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Your Directors recommend the passing of this resolution as Ordinary Resolution.

Except Mr. Dalip Kumar, none of the Directors of your Company is interested or concerned in the aforesaid resolution.

Item No. 6

The existing Authorised Share Capital of the Company is ₹ 1,25,00,00,000 (Rupees One Hundred and Twenty Five Crores) divided into 1,25,00,00,000 (One Hundred and Twenty Five Crores) Equity Shares of ₹ 1/- (Rupee One) each and the Company has already issued 1,02,95,53,100 (One Hundred Two Crores Ninety Five Lacs Fifty Three Thousand One Hundred only) shares of ₹ 1/- (Rupee One) each. Your Company is contemplating the issue of fresh equity shares for the purpose of expansion of its business, and in view thereof, the Company needs to have enough unissued Authorised Share Capital, so that requisite number of fresh equity shares may be issued for the purpose of raising the sufficient funds. For this purpose, the Company needs to increase its Authorised Share Capital.

The proposal for increase in the Authorised Share Capital and alteration in the Capital Clause of the Memorandum and Articles of Association of the Company requires approval of members in the General Meeting. Therefore, the Board recommends for passing necessary Ordinary Resolution as set out in the Item No. 7 of the notice convening the Annual General Meeting. The draft amended copy of the Memorandum of Association and Articles of Association of the Company is available for inspection at the Registered Office of the Company during the business hours till the conclusion of the Annual General Meeting.

None of the Directors of the Company are concerned or interested in the above said resolutions, except as a member of the Company.

Item No. 7

For the purpose of funding its expansion plans, the Company proposes to issue 18 crores Convertible Warrants at a price of ₹ 4.18/- each per warrant (including premium of ₹ 3.18/- per warrant) to the M/s. Zero Time Constructions Pvt. Limited belonging to Non-Promoter category on preferential basis.

The aggregate amount of the issue of share warrants will be up to ₹ 75.24 Crores.

Each warrant shall give a right to the holder to apply for an equivalent number of fully paid-up equity shares of ₹ 1/- each of the Company at a price of ₹ 4.18/- per share at any time during 18 months from the date of Issue.

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As per chapter VII of the SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 the required details are furnished as under:

a) Object of the issue:

With a view to augment the long term resources of the Company for meeting the fund requirements of growth and diversification plans and for general corporate purposes, it is proposed to issue convertible warrants to the tune of ₹ 75.24 Crores on preferential basis in accordance with the 'Guidelines for Preferential Issues' contained in Chapter VII of the Securities and Exchange Board of India (issue of capital and disclosure requirements) regulations, 2009 (hereinafter referred to as "SEBI (ICDR) Guidelines"), entitling the warrant holders to apply for equivalent number of fully paid equity shares of the Company.

b) Pricing:

The pricing of equity warrants is done in accordance with the guidelines stipulated under SEBI (ICDR) Guidelines, 2009 as applicable from time to time in respect of the pricing of the issues.

c) Payment & Conversion Terms:

20% or such higher percentage, as decided by the board for the value of the warrants is to be paid together at the time of application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months from the date of allotment, the application money will be forfeited by the Company. The warrants are converted at the option of the allottee on payment of the balance amount of the issue price at any time during the period of 18 months. The amount received from the allottees can be adjusted towards outstanding dues if any, payable by the Company on such terms and conditions and in such manner as the Board may think fit.

d) Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

None of the Promoter/ Director/Key Management person is interested in the said transaction and they do not intend to subscribe the offer.

e) Relevant Date:

"Relevant Date" for this purpose is, as per the Regulation 71 of SEBI (ICDR) Guidelines 2009, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. That means for this relevant date is August 28, 2010.

Shareholding pattern before and after the issue:

The Shareholding pattern before and one likely to emerge after the proposed allotment of Equity Warrants upon conversion would be as under:

Name		Pre Issue		Post Issue*	
		No. of Shares	% of Holding	No. of Shares	% of Holding
(A)	**Shareholding of Promoter and Promoter Group**				
	(1) Indian				
	(a) Promoters	135968560	13.21	135968560	11.24
	(2) Foreign	NIL	NIL	NIL	NIL
	Total Shareholding of Promoter and Promoter Group	**135968560**	**13.21**	**135968560**	**11.24**
(B)	**Public Shareholding**				
	(1) Institutions				
	(a) Mutual Funds/UTI	NIL	NIL	NIL	NIL
	(b) Financial Institutions/Banks	1027800	00.10	1027800	00.09
	(c) Venture Capital Funds	NIL	NIL	NIL	NIL
	(d) Foreign Institutional Investors	NIL	NIL	NIL	NIL
	Sub - Total (B)(1)		**00.10**		**00.09**
	(2) Non Institutions				
	(a) Bodies Corporate	188438619	18.30	368438619	30.46
	(b) Individuals	469273322	45.58	469273322	38.80
	(c) Others	27348919	02.66	27348919	02.26
	Sub - Total (B)(2)	**685060860**	**66.54**	**865060860**	**71.52**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**686088660**	**66.64**	**866088660**	**71.61**
	TOTAL (A) + (B)	**822057220**	**79.85**	**1002057220**	**82.85**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued.**	**207496180**	**20.15**	**207496180**	**17.15**
	GRAND TOTAL(A)+(B)+(C)	**1029553400**	**100.00**	**1209553400**	**100.00**

*The percentage etc. has been worked out after assuming that all warrants are converted into shares.

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g) Proposed time within which the allotment shall be complete:

The Board proposes to allot the Warrants within a period of 15 days from the date of this Annual General Meeting. As per the said SEBI (ICDR) Guidelines 2009 the warrant holders have the option to subscribe for one equity share of ₹1 each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

h) The identity of the proposed allottee and the percentage of the preferential issue that may be held by the allottee:

Name of the Allottee	Category	Pre Issue Holding	% to Equity Total	Post - Issue Holding	% to Total Equity
M/s. Zero Time Constructions Pvt. Limited	Non promoter	NIL	NIL	14.88%	14.88%

i) Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance therewith. The Board proposes to allot the Warrants within a period of 15 days from the date of this Annual General Meeting. As per the said SEBI Guidelines, the warrant holders have the option to subscribe for one equity share of ₹ 1/- each per warrant upon the fulfillment of certain identified financial parameters at any time within 18 months from the date of allotment of the warrants. The warrants may be converted into equity shares of the Company in one or more tranches.

j) Lock-In:

The share warrants to be allotted on preferential basis or shares on conversion thereof shall be subject to lock-in as per applicable SEBI (ICDR) Guidelines 2009 in this behalf.

k) Change in Management:

The issue of Equity Shares will not result in any change in the management or control of the Company.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any and in terms of the provisions of the Listing Agreements executed by the Company with the Stock Exchanges where the Company's shares are listed.

None of the Directors of the Company are concerned or interested in the said resolution. The Board of Directors recommends the resolution for the approval of members

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

Gagan Kaushik
Company Secretary

Noida
September 01, 2010

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