

27th September, 2018

To,  
The Bombay Stock Exchange,  
Phiroze Jeejeebhoy Towers,  
27th floor, Dalal Street,  
Mumbai-400023

Dear Sir/madam,

**Security Code:- 517119**

**Re: 37th Annual General Meeting of the Company for the F.Y 2017-18 held on 26th September, 2018**

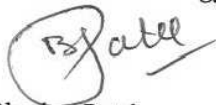
This is to inform you that Annual General Meeting of the Company was held on 26th September, 2018 at 12 :30 p.m at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105.

In regards to it, please find enclosed herewith the :

- 1) Gist of proceedings as required under the Regulation 30, Part A of Schedule - III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure - I.
- 2) Voting Result as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations and,- Annexure-II
- 3) Report of Scrutinizer pursuant to Section 108 of the Companies Act, 2013 and Rule 20 (4) (xii) of the Companies (Management and Administration), Rules 2014.-Annexure-III
- 4) 37<sup>th</sup> Annual Report of the Company for Financial year 2017-2018- Annexure- IV

Kindly Acknowledge the same.

Thanking You,  
For **PCS Technology Limited**



Bhaskar Patel  
Company Secretary

**Gist of the proceedings of the Annual General Meeting of PCS Technology Limited held on 26<sup>th</sup> September, 2018.**

The 37th Annual General Meeting of the Members of the Company was held on 26<sup>th</sup> September, 2018 at 12:30 p.m at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105.

Mr. H.C. Tandon, Director chaired the proceedings of the Meeting.

Total 43 members (including Proxies) attended the Meeting as per the Records of the Attendance.

The Chairman informed the Members that pursuant to the provisions of the Section 108 of the Companies Act, 2013, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had extended the E-voting Facility to the Members of the Company in respect of the businesses to be transacted at the Annual General Meeting. The E- voting commenced at 10:00 a.m on 23<sup>rd</sup> September, 2018 and ended on 5:30 p.m on 25<sup>th</sup> September, 2018. Mr. Bhavesh Desai of B. Desai & Associates, practising Company Secretary was appointed as scrutinizer by the Board for the Scrutinizing the E-voting and poll Process.

Thereafter the Chairman invited members for discussion on the above resolutions. Since there were no queries, the Chairman proceeds with the commencement of poll process with the help of scrutinizer.

The Scrutinizer has submitted his Report on the Result of the E- Voting on 26th September, 2018 and all the following 8 (Eight) Resolutions contained in the Notice of the 37th Annual General Meeting (AGM) had received the requisite majority.

1. Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.. (Ordinary Resolution).
2. Mr. Ashok Kumar Patni (Din :- 00014194) , Director of the Company who retired by rotation was re-appointed as Director of the Company (Ordinary Resolution).
3. Ratification for Appointment of Statutory Auditors of the Company (Ordinary Resolution).
4. Appointment of Mr. Gajendra Kumar Patni (Din: 00014163) as a Director of the Company pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9th May, 2018 amending the SEBI (LODR), Regulation, 2015. (Special Resolution)
5. Re-Appointment of Mr. Girish Dave (Din : 00036455) as an Independent Director of the Company for further period of 5 years w.e.f 1<sup>st</sup> April, 2019. (Special Resolution).

6. Re-Appointment of Mr. Kamal Kumar Barjatya (Din: 00107064) as an Independent Director of the Company for further period of 5 years w.e.f 1<sup>st</sup> April, 2019. (Special Resolution).
7. Re-Appointment of Mr. Satish Ajmera (Din: 00208919) as an Independent Director of the Company for further period of 5 years w.e.f 1<sup>st</sup> April, 2019. (Special Resolution).
8. Re-Appointment of Mr. Yash Bhardwaj (Din: 01714824) as an Executive Director (Whole- Time) of the Company for further period of 1 year w.e.f 22<sup>nd</sup> July, 2018 (Special Resolution).

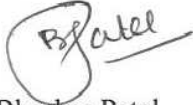
The Scrutinizer Report received from Mr. Bhavesh Desai of B. Desai & Associates, Practising Company Secretary on the remote e-Voting and poll on the above Resolutions has been sent to BSE under Regulation 44(3) of LODR Regulation, 2015.

We request you to kindly take on your record the Gist of the Proceeding of the Annual General Meeting of the Company.

This is for your information.

Thanking you,

Yours Faithfully  
For **PCS Technology Limited**



Bhaskar Patel  
Company Secretary

CC:  
**Central Depository Services Limited.**  
Phiroze Jeejeebhoy Towers,  
17<sup>th</sup> Floor,  
Dalal Street,  
Mumbai 400001.

## VOTING RESULT

Format of Voting Result under Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<b>Date of Annual General Meeting of Equity Shareholders</b>	September 26, 2018
<b>Total number of shareholders on record date</b>	29914
<b>No. of shareholders present in the meeting either in person or through proxy:</b>	
Promoters and Promoter Group:	9
Public:	34
<b>No. of shareholders attended the meeting through Video Conferencing</b>	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable



Resolution Required: (Ordinary/Special)		Resolution No. 1 To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon: <b>Ordinary Resolution</b>							
Whether promoter/ promoter group are interested in the agenda/resolution?	None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.								
Category	Mode of Voting	No. of Shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Total	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
	Total	20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0



Resolution Required: (Ordinary/Special)		Resolution No. 2 To appoint a Director in place of Mr. A. K. Patni (DIN - 00014194) who retires by rotation and being eligible, offers himself for re-appointment: <b>Ordinary Resolution</b>							
Whether promoter/ promoter group are interested in the agenda/resolution?		Except Mr. Gajendrakumar Patni and Mr. Ashokkumar Sobhagmal Patni and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, whether financially or otherwise, in the said resolution.							
Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes -- in favour (4)	No. of Votes -- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	3195366	21.73%	3195366	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	3195366	21.73%	3195366	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Total	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	5904021	3601	0.06%	3491	110	96.95%	3.05%	0
	Total	20950677	3198967	15.269%	3198857	110	99.99%	0.01%	0



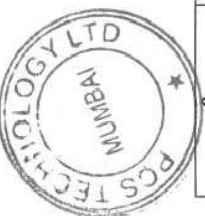
**Resolution Required: (Ordinary/Special)**

**Resolution No. 3** To ratify appointment of M/s. Vinod .K. Mehta & Co., Chartered Accountant (Firm Registration No. 111508W) as statutory Auditors of the Company and to fix their Remuneration: **Ordinary Resolution**

**Whether promoter/ promoter group are interested in the agenda/resolution?**

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes -- in favour (4)	No. of Votes -- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Public Non Institutions	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Total	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
	Total	20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0



Resolution Required: (Ordinary/Special)		Resolution No. 4 Re-appointment of Mr. Gajendrakumar Patni (DIN: 00014163) as Director of the Company: Special Resolution							
Whether promoter/ promoter group are interested in the agenda/resolution?		Except Mr. Gajendrakumar Patni and Mr. Ashok Kumar Patni being brother of Mr. Gajendrakumar Patni, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, whether financially or otherwise, in the said resolution.							
Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	3201341	21.77%	3201341	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	3201341	21.77%	3201341	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Public Non Institutions	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Total	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
		20950677	3204942	15.29%	3204832	110	99.99%	0.01%	0





Resolution Required: (Ordinary/Special)		Resolution No. 5 Re-appoint Mr. Girish Dave (DIN: 00036455) as an Independent Director of the Company: Special Resolution							
Whether promoter/ promoter group are interested in the agenda/resolution?		Except Mr. Girish Dave, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, whether financially or otherwise, in the said resolution.							
Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Public Non Institutions	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Total	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
	Total	20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0



**Resolution Required: (Ordinary/Special)**

**Resolution No. 6 Re-appoint Mr. Kamal Kumar Barjatiya (DIN: 00107064) as an Independent Director of the Company: Special Resolution**

**Whether promoter/ promoter group are interested in the agenda/resolution?**

Except Mr. Kamal Kumar Barjatiya, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, whether financially or otherwise, in the said resolution.

Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]* 100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
Public Institutions	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
Public Non Institutions	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
Total		20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0



Resolution Required: (Ordinary/Special)

Resolution No. 7 Re-appoint Mr. Satish Ajmera (DIN: 00208919) as an Independent Director of the Company: Special Resolution

Whether promoter/ promoter group are interested in the agenda/resolution? Except Mr. Satish Ajmera, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, whether financially or otherwise, in the said resolution.

Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Public Institutions	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
Public Non Institutions	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
Public Non Institutions	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
Total	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
	Total	20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0



Resolution Required: (Ordinary/Special)			Resolution No. 8 Re-appoint Mr. Yash Bhardwaj (DIN 01714824) as an Executive Director (Whole-Time) of the Company: <b>Special Resolution</b>						
Whether promoter/ promoter group are interested in the agenda/resolution?	None of the Directors or any other key managerial personnel or any of their relatives, except Mr. Yash Bhardwaj, in his capacity of being a Director, is concerned or interested, whether financially or otherwise, in the said resolution.								
Category	Mode of Voting	No. of Shares (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes -- in favour (4)	No. of Votes -- against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100	Votes Invalid
Promoter and Promoter Group	E-Voting	14699995	13251406	90.14%	13251406	0	100%	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	14699995	13251406	90.14%	13251406	0	100%	0	0
Public Institutions	E-Voting	346661	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	346661	0	0	0	0	0	0	0
Public Non Institutions	E-Voting	5904021	3545	0.06%	3435	110	96.90%	3.10%	0
	Poll		56	0.0009%	56	0	100%	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0	0
	Total	5904021	3601	0.060%	3491	110	96.95%	3.05%	0
Total		20950677	13255007	63.27%	13254897	110	99.99%	0.01%	0





## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

### Report of Scrutinizer's

[Pursuant to rule section 108 and 109 of the Companies Act, 2013 and rule 20 and 21 of the Companies (Management and Administration) Rules, 2014]

To  
The Chairman

37<sup>th</sup> Annual General Meeting (AGM) of the Equity Shareholders of **PCS Technology Limited** held on Wednesday, September 26, 2018 at 12:30 p.m. (IST) at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412105.

Dear Sir,

I, Bhavesh Desai, proprietor of B. Desai & Associates, a Practising Company Secretary in whole-time practice, appointed as the Scrutinizer for the purpose of scrutinizing the e-voting process together with the voting through polling paper in physical mode at the Poll held at the 37<sup>th</sup> Annual General Meeting (AGM) of the members of the Company, held on Wednesday, September 26, 2018 at 12:30 p.m. (IST) at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412105 submit my report as under on the resolutions set out in the notice to the 37<sup>th</sup> Annual General Meeting (AGM) of the equity shareholders of the Company

1. The management of the Company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and rules made thereunder and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to voting through electronic means and poll on the resolutions set out in the Notice to the 37<sup>th</sup> Annual General Meeting (AGM) of the members of the Company. My responsibility as a scrutinizer for the e-voting process is restricted to make a Scrutinizer's Report of the votes cast "in favour" or "against" the resolutions stated above, based on the reports generated from the e-voting system provided by Central Depositories Services Limited (CDSL), the authorized agency to provide e-voting facilities.



407, Sanjar Enclave Above Mahindra Showroom Opposite to PVR Cinema, S.V Road, Kandivali West, Mumbai-400067 Email id: [bndesai4u@gmail.com](mailto:bndesai4u@gmail.com)





## B. DESAI & ASSOCIATES

B.COM. LLB. FCS

PRACTISING COMPANY SECRETARY

2. Further to the above, I submit my report as under:-

- (i) The e-voting period remained open from Sunday, September 23, 2018 at 10.00 a.m. (IST) and ends on Tuesday, September 25, 2018, at 5.00 p.m. (IST)
- (ii) The Company has also provided facility for voting by Polling Paper to the members attending the meeting, who have not cast their vote by remote e-voting.
- (iii) The members of the Company as on the "Cut off" date i.e. September 18, 2018 were entitled to vote on the resolutions as set out in the Notice of the 37<sup>th</sup> AGM of the members of the Company.
- (iv) The Votes cast were noted and confirmed on September 26, 2018 in the presence of two witnesses, Ms. Shruti Jain and Ms. Nidhi Parekh who are not in the employment of the Company. They have signed below in confirmation of the votes being unblocked in their presence. .

Name of the Witness	Signature
Shruti Jain	
Nidhi Parekh	

- (v) Thereafter, the details containing inter alia, list of Equity Shareholders, who voted "for", "against" each of the resolutions that were put to vote, were generated from the e-voting website of Central Depositories Services Limited (CDSL) i.e. <https://www.evotingindia.com/> and based on such report generated the result of the e-voting process are as under:-



407, Sanjar Enclave Above Mahindra Showroom Opposite to PVR Cinema, S.V Road, Kandivali West, Mumbai-400067 Email id: [bndesai4u@gmail.com](mailto:bndesai4u@gmail.com)



## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
1.	<b>Ordinary Resolution:</b> To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.	<b>E-Voting</b>	13254841	99.99%	110	0.01%	13254951
		<b>Ballot/Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>



407, Sanjar Enclave Above Mahindra Showroom Opposite to PVR Cinema, S.V Road, Kandivali West, Mumbai-400067 Email id: [bn-desai4u@gmail.com](mailto:bn-desai4u@gmail.com)



## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
2.	Ordinary Resolution: To appoint a Director in place of Mr. A.K. Patni (DIN - 00014194) who retires by rotation and being eligible, offers himself for re-appointment.	<b>E-Voting</b>	3198801	99.99%	110	0.01%	3198911
		<b>Ballot/Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>3198857</b>	<b>99.99%</b>	<b>110</b>	<b>0.001%</b>	<b>3198967</b>



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## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
3.	Ordinary Resolution: To ratify appointment of M/s. Vinod .K. Mehta & Co., Chartered Accountant (Firm Registration No. 111508W) as statutory Auditors of the Company and to fix their remuneration	<b>E-Voting</b>	13254841	99.99%	110	0.01%	13254951
		<b>Ballot/Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>



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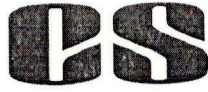
## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
4.	<u>Special Resolution:</u> Re- Appointment of Mr. Gajendra Kumar Patni (DIN: 00014163) as Director of the Company	<b>E-Voting</b>	3204776	99.99%	110	0.01%	3204886
		<b>Ballot/ Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>3204832</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>3204942</b>



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## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
5.	Special Resolution: Re- Appoint Mr. Girish Dave (DIN : 00036455) as Independent Director of the Company	E-Voting	13254841	99.99%	110	0.01%	13254951
		Ballot/ Polling paper	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>



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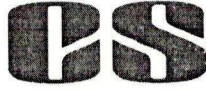
## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	
6.	Special Resolution: Re- Appoint Mr. Kamal Kumar Barjatya (DIN: 00107064) as Independent Director of the Company	E-Voting	13254841	99.99%	110	0.01%	13254951
		Ballot/Polling paper	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>



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## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
7.	Special Resolution: Re- Appoint Mr. Satish Ajmera (DIN: 00208919) as Independent Director of the Company	<b>E-Voting</b>	13254841	99.99%	110	0.01%	13254951
		<b>Ballot/Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>





## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

Item No. of the Notice	Type of Resolution: Subject Matter	Particulars of Businesses	Votes in favour of the resolution		Votes against the resolution		Total Votes Casted
			No. of Shares	% of Total No. of Valid Votes	No. of Shares	% of Total No. of Valid Votes	No. of Shares
8.	<u>Special Resolution:</u> Re- Appoint Mr. Yash Bhardwaj (DIN 01714824) as Executive Director (Whole-Time) Of The Company	<b>E-Voting</b>	13254841	99.99%	110	0.01%	13254951
		<b>Ballot/Polling paper</b>	56	100%	0	0	56
		<b>Total</b>	<b>13254897</b>	<b>99.99%</b>	<b>110</b>	<b>0.01%</b>	<b>13255007</b>



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## B. DESAI & ASSOCIATES

B.COM. LLB. FCS  
PRACTISING COMPANY SECRETARY

- (vi) There are no invalid votes casted against aforesaid resolutions item Sr. No. 1 to 8.
- (vii) The poll papers and all other relevant records were sealed and handed over to the Company Secretary / Director authorized by the Board for safe keeping.
- (viii) I have also appended format of voting result under regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in "Annexure A" to this report.

Thanking you

Yours faithfully,

**For B. Desai and Associates**  
**Practising Company Secretary**

**Bhavesh Desai**  
**C.P.No.7711**



Date : September 27, 2018  
Place : Mumbai



# **PCS Technology Limited**

**37th  
Annual Report  
2017-18**





TECHNOLOGY

## PCS TECHNOLOGY LIMITED

CIN - L74200MH1981PLC024279

### BOARD OF DIRECTORS

Mr. G. K. Patni (DIN - 00014163)	Chairman
Mr. A. K. Patni (DIN - 00014194)	Vice Chairman
Mr. H. C. Tandon (DIN - 00037611)	Director
Mr. Satish Ajmera (DIN - 00208919)	Director
Mr. G. M. Dave (DIN - 00036455)	Director
Mr. K. K. Barjatya (DIN - 00107064)	Director
Mrs. Vandana Gupta (DIN - 07117752)	Director
Mr. Yash Bhardwaj (DIN - 01714824)	Executive Director (Whole- Time)

### CHIEF FINANCIAL OFFICER

Mr. M. P. Jain

### COMPANY SECRETARY

Mr. Bhaskar J. Patel

### AUDITORS

#### Vinod K Mehta & Co.

Chartered Accountants, Mumbai

### REGISTERED OFFICE

Office no.1, Gat no. 478  
Alandi Markaal Road,  
Tal. Khed, Alandi  
Dist Pune 412 106.

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd.  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Tel: 022 62638200

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### 37<sup>th</sup> ANNUAL GENERAL MEETING

**Day, Date & Time** : Wednesday, 26th September, 2018, 12.30 p.m.  
**Venue** : Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road,  
Pune 412 105

**MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT ALONG WITH THEM AT THE ANNUAL GENERAL MEETING**

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **37th ANNUAL GENERAL MEETING of PCS TECHNOLOGY LIMITED** will be held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, 26th September, 2018 at 12:30 p.m.. to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.K. Patni (DIN - 00014194) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors of the Company and to fix remuneration and to pass the following resolution as an ordinary resolution thereof.

**"RESOLVED THAT** pursuant to section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the appointment of M/s. Vinod K Mehta & Co., Chartered Accountant (Firm Registration No.111508W) as Statutory Auditors of the Company, be and is hereby ratified for the Financial Year 2018-19 at such remuneration plus applicable taxes and out of pocket expenses as may be decided by the Board of Directors of the Company on the recommendation of the Audit Committee and in consultation with the Auditors."

**"RESOLVED FURTHER THAT** pursuant to the notified Section of the Companies (Amendment) Act, 2017 the Company shall not be required to seek the approval of the shareholders for the ratification of the appointment of Statutory Auditors from the next Annual General Meeting of the Company."

### SPECIAL BUSSINESS

#### 4. TO RE-APPOINT MR. GAJENDRA KUMAR PATNI (DIN: 00014163) AS DIRECTOR OF THE COMPANY

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

**"RESOLVED** that pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 amending the SEBI (LODR) Regulation, 2015, approval of the Members of the Company be and is hereby granted for continuation of holding of office to Mr. Gajendra Kumar Patni (Din : 00014163), as Director of the Company w. e. f. 1st April, 2019 who has attained the age of 77 (Seventy Seven) years."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 5. TO RE-APPOINT MR. GIRISH DAVE (DIN : 00036455) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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

**"RESOLVED** that pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 amending the SEBI (LODR) Regulation, 2015, approval of the Members of the Company be and is hereby granted for continuation of holding of office to Mr. Girish Dave, as an Independent Director of the Company w.e.f 1st April, 2019 who has attained the age of 79 (Seventy Nine) years."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. G. M Dave be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) years up to 31st March, 2024 not liable to retire by rotation".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 6. TO RE-APPOINT MR. KAMAL KUMAR BARJATYA (DIN: 00107064) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

**"RESOLVED** that pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 amending the SEBI (LODR) Regulation, 2015, approval of the Members of the Company be and is hereby granted for continuation of holding of office to Mr. Kamal Kumar Barjatya, as an Independent Director of the Company w.e.f 1st April, 2019 who has attained the age of 80 (Eighty) years."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Kamal Kumar Barjatya be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) years up to 31st March, 2024 not liable to retire by rotation".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 7. TO RE-APPOINT MR. SATISH AJMERA (Din : 00208919), AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

**"RESOLVED** that pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 amending the SEBI (LODR) Regulation, 2015, approval of the Members of the Company be and is hereby granted for continuation of holding of office to Mr. Satish Ajmera, as an Independent Director of the Company w.e.f 1st April, 2019 who has attained the age of 74 (Seventy Four) years."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Satish Ajmera be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) years up to 31st March, 2024 not liable to retire by rotation".

# PCS TECHNOLOGY LIMITED

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

## 8. TO RE-APPOINT MR. YASH BHARDWAJ (DIN 01714824) AS AN EXECUTIVE DIRECTOR (WHOLE-TIME) 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 Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mr. Yash Bhardwaj be and is hereby re-appointed as an Executive Director (Whole- Time) of the Company for a further period of 1 (One) year with effect from 22nd July, 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice concerning this meeting and as further set out in the Agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (herein after referred to as “the Board” which terms shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the said terms and conditions of the said appointment and /or agreement as it may deem fit and as may be acceptable to Mr. Yash Bhardwaj.”

### Registered Office:

Office no.1, Gat no. 478  
Alandi Markaal Road,  
Tal. Khed, Alandi  
Dist Pune 412 106  
CIN - L74200MH1981PLC024279

Mumbai, 2<sup>nd</sup> August, 2018

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

### NOTES :

- 1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 19th September, 2018 to Wednesday, 26th September, 2018, both days inclusive.  
Members are requested to:
  - (a) intimate to the Company / their Depository Participant (“DP”), changes, if any, in their registered address or their email ID at an early date .
  - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
  - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
  - (d) to send their queries, if any, at least 10 (ten) days in advance of the meeting so that the information can be made available at the meeting.
- 4) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the R & T agent or with the Depository Participant(s). For the members who have not registered their email address, physical copies of the Annual Report 2017-18 are being sent by the permitted mode.
- 5) Members may also note that the Notice of the 37th AGM and the Company's Annual Report 2017-18 will be available on the Company's website www.pctestech.com. The physical copies of the documents will also be available at the Company's registered office.
- 6) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
- 7) Information on Directors recommended for appointment/ re-appointment at the Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

### Re-appointment of Mr. Ashok Kumar Patni (DIN : 00014194) (Item no. 2)

#### Ashok Kumar Patni

Mr. Ashok Kumar Patni serves as Non-Executive Vice Chairman of PCS Technology Limited and has been its Director since April 22, 1981.

He is a Mechanical Engineer from IIT, Mumbai. He has over 22 years of experience in computer hardware and systems software.

Mr. Ashok Kumar Patni was also Co-founder of Patni Computer Systems Ltd. Mr. Patni served as Joint Managing Director of PCS Technology Limited in year, 2005. Mr. Patni has contributed significantly in the past to the growth of the hardware and Software business of the Company. **Listed Companies (other than PCS Technology Limited) in which Mr. Ashok Kumar Patni holds the directorship and Committees membership:**

#### Directorship in 14 Companies namely:

- PCS Cullinet Pvt. Ltd
- Ashoka Computer Systems Pvt. Ltd
- PCS Finance Private Ltd.
- PCS Infotech Limited
- PCS Positioning Systems (India) Ltd.

- Saulese Energija Ltd
- Gemstone Real Estate Pvt. Ltd
- Patni Healthcare Pvt Ltd.
- Kalpavruksh Systems Pvt Limited
- Currae Capital Finance Pvt Ltd
- Patni Financial Advisors Pvt Ltd
- Patni Software Services Pvt Ltd.
- Apoovas Advisement Services Private Limited
- Yanshvar Emonisis Consultatory Private Limited

**Chairperson of Board Committees:**

Nil

**Member of Board Committee:**

Member of Stakeholders Relationship Committee - PCS Technology Limited

Member of Corporate Social Responsibility Committee - PCS Technology Limited

Member of Nomination and Remuneration Committee - PCS Technology Limited

**Shareholding in the Company:**

5,75,995 shares

**Disclosure of relationships between directors inter-se**

Relative

**8. Voting through electronic means**

Pursuant to the provisions of section 108 of the Companies Act, 2013 and amended Rule 20 of Companies (Management and Administration) Rules, 2014, pursuant to Regulation 44(1) of SEBI (LODR) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail this facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

**The instructions for members for voting electronically are as under:-**

The remote e-voting period begins on Sunday, 23<sup>rd</sup> September, 2018 at 10:00 a.m and ends on at Tuesday, 25th September, 2018 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 18th September, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

**E-voting Process**

**(A) In case of members receiving e-mail:**

1. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
2. Click on "Shareholders" tab.
3. Now, select "PCS Technology Limited" from the drop down menu and click on "SUBMIT"
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier for any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number and after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Bank Details OR Date of Birth (DOB)	Enter the Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Bank details field as mentioned in instruction (4).</li> </ul>

# PCS TECHNOLOGY LIMITED

8. After entering these details appropriately, click on "SUBMIT" tab.
  9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  11. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
  12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  17. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  18. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  19. Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case of members receiving the physical copy:
- (i) Please follow all steps from sl. no. (1) to sl. no. (19) above to cast vote.
  - (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## (B) General:

- (a) In case of any queries regarding remote e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.
- (b) The facility for voting through polling paper shall be made available at the venue of the AGM.
- (c) The members who will be attending the meeting and who have not casted their vote through remote e- voting shall be able to exercise their voting rights at the AGM. The members who have already casted their vote through remote e-voting may attend the meeting but shall NOT be entitled to cast their vote again at the AGM.
- (d) Members holding shares in Physical or dematerialized form, as on the cut-off date of 18th September, 2018, shall only be entitled to avail the facility of Remote E-voting or voting through polling paper at the AGM.
- (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 18th September, 2018.
- (f) M/s. B. Desai & Associates, Practicing Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- (g) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- (h) The results of the remote e-voting and voting through poll along with the scrutinizer's report shall be placed in the Company's website [www.pctestech.com](http://www.pctestech.com) within statutory period in the Company's Act, 2013 after passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

## Registered Office:

Office no.1, Gat no. 478  
Alandi Markaal Road,  
Tal. Khed, Alandi  
Dist Pune 412 106  
CIN - L74200MH1981PLC024279

Mumbai, 2<sup>nd</sup> August, 2018

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item no. 3

##### **RATIFICATION OF THE AUDITORS OF THE COMPANY**

M/s. Vinod K Mehta & Co., Chartered Accountant (Firm Registration No.111508W), Mumbai were appointed as the Statutory Auditors of the Company for a period of 5 (Five ) years at the Annual General Meeting (AGM) of the Company held on 20th September, 2017 to hold office from the conclusion of the 36<sup>th</sup> AGM till the conclusion of the 41<sup>st</sup> AGM of the Company. As per the provisions of Section 139 (1) of the Act, their appointment for the above tenure was subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors for the financial year 2018-19 as per the proposal contained in the resolution set out in item no. 3 of the Notice.

Further as per the notified section of the Companies (Amendment Act), 2017 the requirement related to annual ratification of appointment of Auditors by members is omitted. Pursuant to the said amendment, the Company is not required to seek ratification of appointment of shareholders from the next AGM. Accordingly, the statutory auditors shall continue their term till the conclusion 41<sup>st</sup> AGM of the Company, without seeking ratification from members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 3 of the accompanying notice.

The Board recommends the ordinary resolution set out in Item no. 3 of the notice for approval by the Members.

#### Item no.4

##### **RE-APPOINT MR. GAJENDRA KUMAR PATNI AS DIRECTOR OF THE COMPANY**

Mr. Gajendra Kumar Patni is Chemical Engineer and serves as Non-Executive Chairman of PCS Technology Limited and has been its Director since April 22, 1981 and has over 35 years of experience in finance, banking, legal and personnel functions and has contributed significantly in the past to the growth of the Company.

Pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 as on 9th May, 2018 of SEBI (LODR) Regulation, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Therefore, Board of Directors recommended the special resolution set out in Item No. 4 for approval of the Members for re- appointment of Mr. Gajendra Kumar Patni who has attained age 77 years for period of 5 years w.e.f 1st April, 2019.

Except Mr. Gajendra Kumar Patni and Mr. Ashok Kumar Patni being brother of Mr. Gajendra Kumar Patni, None of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested ,in the resolution set out at item No. 4 of the accompanying notice.

#### Item no.5

##### **RE-APPOINT MR. GIRISH DAVE AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. G. M. Dave is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29th September, 1995. Mr. Dave acts as Member of Audit Committee and also a member of Nomination and Remuneration committee of the Company.

Pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 as on 9th May, 2018 of SEBI (LODR) Regulation, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Therefore, Mr. Dave who has attained the age of 79 and whose term as an Independent Director of the Company expires as on 31st March, 2019 and being eligible is proposed to be re- appointed as an Independent Director w.e.f from 1st April, 2019 for further period of five consecutive years upto 31st March, 2024, not liable to retire by rotation.

Copy of the draft letter for appointment of Mr. Dave as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board of Directors recommends special resolution set out in Item No. 5 for approval of the Members.

Except Mr. Dave, None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 5.

#### Item no.6

##### **RE-APPOINT MR. KAMAL KUMAR BARJATYA AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

Mr. Barjatya is a Non-Executive Independent Director of the Company and holds Sr. School certificate of Cambridge University. He is by profession a Producer of Films and is associated with the Company from year 1995.

Pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 as on 9th May, 2018 of SEBI (LODR) Regulation, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Therefore, Mr. Barjatya who has attained the age of 80 and whose term as an Independent Director of the Company expires as on 31st March, 2019 and being eligible is proposed to be re- appointed as an Independent Director w.e.f from 1st April, 2019 for further period of five consecutive years upto 31st March, 2024, not liable to retire by rotation.

Copy of the draft letter for appointment of Mr. Barjatya as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board of Directors recommends special resolution set out in Item No. 6 for approval of the Members.

Except Mr. Barjatya, None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 6.

# PCS TECHNOLOGY LIMITED

## Item no.7

### RE-APPOINT MR. SATISH AJMERA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Mr. Satish Ajmera is a Non-Executive Independent Director of the Company and joined the Board of Directors of the Company on 25th June, 1990. Mr. Ajmera is Chairman of Audit Committee and also acts as Chairman for Stakeholders Relationship Committee of the Company

Mr. Ajmera is a science graduate and also a Chartered Accountant. He is a practicing Chartered Accountant and has been in practice for the last 45 years.

Pursuant to the Notification No. SEBI/LAD-NRO/GN/2018/10 as on 9th May, 2018 of SEBI (LODR) Regulation, 2015, No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Therefore, Mr. Ajmera who has attained the age of 74 and whose term as an Independent Director of the Company expires as on 31st March, 2019 and being eligible is proposed to be re-appointed as an Independent Director w.e.f from 1st April, 2019 for further period of five consecutive years upto 31st March, 2024, not liable to retire by rotation.

Copy of the draft letter for appointment of Mr. Ajmera as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board of Directors recommends special resolution set out in Item No. 7 for approval of the Members.

Except Mr. Ajmera, None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 7.

## Item No. 8

### RE-APPOINT MR. YASH BHARDWAJ AS AN EXECUTIVE DIRECTOR (WHOLE TIME) OF THE COMPANY

The Board of Directors on recommendation by the Nomination and Remuneration Committee at its meeting held on 24<sup>th</sup> May, 2018 re-appointed Mr. Yash Bhardwaj (Din: 01714824), as an Executive Director (Whole- Time) of the Company for further period of 1 (one) year w.e.f 22<sup>nd</sup> July, 2018 subject to the approval of the members at the ensuing Annual General Meeting on terms and Conditions as decided between Board and Mr. Bhardwaj.

Mr. Bhardwaj aged 64 years and holds B.Sc. degree and has about 43 years of Experience in Field of Information Technology. The Board of Directors are in opinion that his association would bring immense benefit to the Company.

The Company has also received from Mr. Bhardwaj consent in writing to act as a Director in Form DIR -2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, and an intimation in Form- DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

He does not hold any shares in the Company.

None of the Directors or any other key managerial personnel or any of their relatives, except Mr. Bhardwaj, in his capacity of being a Director, is concerned or interested, whether financially or otherwise, in this Resolution.

The Board recommends the resolution set forth in item no. 8 for approval of members

The Company has entered into the agreement with an Executive Director (Whole-Time) the various terms and conditions *inter-alia* containing the agreement are given herein below.

(a) Rs.1,00,000/- (Rupees One Lakh only) per month.

(b) Perquisites : In addition to the salary, the Executive Director shall be entitled to other the following perquisites:

The perquisites are classified into three categories as under:

#### CATEGORY 'A'

i) Housing I : The expenditure incurred by the Company on hiring furnished accommodation for the Executive Director will be subject to 30% (Thirty percent) of the salary.

Housing II : In the case the accommodation is owned by the Company, ten per cent of the salary of the Executive Director shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, the Executive Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.

City Compensatory Allowance, Adhoc Allowance, Special Allowance, Bonus/ex-gratia and other allowances, benefits etc. as decided by the Board / Committee from time to time.

ii) Leave Travel Concession : For the Executive Director and his family, once in a year incurred in accordance with the rules specified by the Company.

iii) Medical/ Hospitalization expenses for self and family subject to ceiling of one month's salary in a year.

iv) Personal Accident Insurance premium as per the rules of the Company.

#### CATEGORY 'B'

i) Provident Fund : Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.

Contribution to provident fund will not be included in the computation of perquisites.

ii) Gratuity : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

iii) Encashment of Leave : Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

## CATEGORY 'C'

- i. Car : Provision of car for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Executive Director (Whole- Time).
  - ii. Telephone : Telephone at the residence of Executive Director (Whole- Time). including Mobile Phone provided to him shall not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company to the Executive Director (Whole- Time)..
1. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration to the Executive Director.
  2. The Executive Director shall be entitled to annual privilege leave on full salary for a period of 21 days (twenty one) and such leave shall be allowed to be accumulated for not more than 60 days.
  3. The Executive Director shall be entitled to reimbursement of entertainment expenses incurred by him for the purpose of the business of the Company.
  4. The Executive Director shall be in the Whole time employment of the Company.
  5. The Executive Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions from time to time, given and imposed by the board and further subject to the superintendence control and direction of the Board.
  6. The Executive Director shall ensure complete secrecy of all confidential information entrusted to him and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company or its business other than information which is already public.

The Terms and Conditions of the appointment and / or agreement may be altered and varied from time to time by the board of directors in consultation with the Nomination and Remuneration Committee as it may, in its discretion deemed fit subject to the provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof).

The Agreement may be terminated earlier by either party giving 1 (one) months' notice in writing to the other party, or the company paying 1 (one) months basic salary in lieu thereof.

The agreement between the Company and Mr. Yash Bhardwaj is available for inspection by the Members of the Company at its Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day upto the date of this Annual General Meeting of the Company.

This may be treated as abstract of the Agreement entered into between the Company and Mr. Yash Bhardwaj pursuant to Section 190 of the Companies Act, 2013.

Your Directors recommend the Resolutions for your approval.

Except Mr. Yash Bhardwaj Director, none of the other Directors of the Company may be considered to be interested or concerned in this appointment and remuneration.

### I. General Information as required under Schedule V to the Companies Act, 2013

- 1) Nature of industry : Hardware & software
- 2) Date or expected date of commencement of commercial production :  
The Company is mainly engaged in the activities of IT, ITES and Facility Management Services.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- 4) Financial performance based on given indicators :  
For the financial year ended 31st March, 2018, the Company has earned a total income of Rs. 1027.17 lakhs as against Rs. 2585.51 lakhs for the previous financial year.  
For the financial year ended 31st March, 2018, the Company has made a net profit of Rs.280.20 lacs as against Rs.415 lacs in the previous financial year.
- 5) Export performance and net foreign exchange collaborations  
Export during the financial year was Rs. NIL compared to exports of Rs. 65.57 lacs during the previous financial year.  
The Company has earned foreign exchange worth Rs. NIL lacs and spent foreign exchange worth Rs. NIL during the current financial year.
- 6) Foreign investments or collaborators, if any.  
The Company has overseas subsidiary company as under :  
Name of the subsidiary : Investment Amount  
**PCS Technology USA, Inc** : 2,500 Equity shares of USD 2 each fully paid up aggregating to US\$ 5,000.

### II. Information about the appointee

- 1) Background details  
Mr. Yash Bhardwaj aged 64 years is associated with the Company since 1990 and holds B.Sc. degree and has about 43 years of Experience in Field of Information Technology.  
The Board of Directors are in opinion that his association would bring immense benefit to the Company.
- 2) Past remuneration  
Mr. Bhardwaj has been associated with company as an Executive Director (Whole- Time) and now has been re-appointed.
- 3) Recognition or awards  
He has been consistently ranked amongst the high potential employees throughout his career. He has been assigned varied Portfolio in the Company.



# PCS TECHNOLOGY LIMITED

4) Job profile and his suitability

The Executive Director is also responsible for the operations and bringing growth in the Company. He is instrumental in setting and reviewing performance of all units/departments of the Company. He ensures performance compliance in accordance with the Company's stated business plans and policies.

Mr. Yash Bhardwaj's contribution to the Company has been immense.

5) Remuneration proposed

As per the explanatory statement provided to agenda No.8 of the accompanying notice.

6) Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin.)

The remuneration recommended to the Executive Director (Whole-Time) is in line with the industry standard of similar size companies.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

None.

III. Other information

1) Reasons of loss or inadequate profits :

The Company has been operating in extremely competitive domestic market for facility management service business. This business requires manpower resources with the background of Information Technology. The margins remained under pressure due to rising manpower cost in IT industry. The growth prospects of the Facility Management Service are impacted by pricing competition from large players.

2) Steps taken or proposed to be taken for improvement :

In order to meet the challenging environment, your Company is taking all measures to remain financially stable and cost efficient.

3) Expected increase in productivity and profits in measurable terms

Due to steps suggested above and thrusts on cost reduction exercises, it is expected that from the coming financial year onwards, the net profit of the Company may improve effectively.

IV. Disclosures

1) The shareholders of the company shall be informed of the remuneration package of the managerial person.

Given under explanatory statement in the accompanying notice.

2) The following disclosures shall be mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report :

i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors;

Disclosed in the Corporate Governance Report and accompanying notice.

ii) Details of fixed component and performance linked incentives along with the performance criteria;

Relevant information furnished in the Corporate Governance Report.

iii) Service contracts, notice period, severance fees;

The remuneration and appointment is for a further period of 1 (one) year w. e. f. 21st July, 2018 to 20th July, 2019. The appointment is contractual and can be terminated by either party by giving 1 (one) months notice in advance.

iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

- The ESOP Plan 2004 of the Company has not been implemented so far

**Registered Office:**

Office no.1, Gat no. 478  
Alandi Markaal Road,  
Tal. Khed, Alandi  
Dist Pune 412 106  
CIN - L74200MH1981PLC024279

Mumbai, 2<sup>nd</sup> August, 2018

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## DIRECTOR'S REPORT

The Members,

### PCS TECHNOLOGY LIMITED

Your Directors of the Company are pleased to present you the 37th Annual Report of the Company along with the statement of Standalone Audited Financial Statements for the financial year ended 31st March 2018.

### FINANCIAL RESULTS

Key highlights of standalone Audited Financial Results of the Company for the financial year 2017-18 are tabulated below:

Particulars	(Rs. In lakhs)	
	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Net sales and services	1027.17	2585.51
Gross Profit	391.06	628.00
Depreciation	39.71	106.00
Profit for the year from Operations	351.35	521.61
Corporate Social Responsibility Expense	14.00	10.00
Provision for Taxation (Net)	57.15	97.00
Profit for the year / available for Appropriation	280.20	415.48
Balance of Profit/(Loss) available in Balance Sheet	2725.15	2406.00

### OPERATIONS

During the year under review, your Company has achieved Net Sales of Rs. 1027.17 lakhs as against Rs. 2585.51 lakhs in the previous year.

In the current year, The Company is mainly engaged in providing of IT infrastructure facility management services to corporate clients. The domestic IT sourcing services market in India has remained subdued with the large enterprises either cutting down or deferring their spending decisions largely because of weakness in the domestic economy.

During the year, the Company did not find enough opportunities in the company's line of business in the domestic market. The Company continued to bear impact of lower margins and increasing cost, in its operations.

The Company did not enter for the new orders in IT and facility management services due to high servicing cost in IT technological changes. This had the impact on the total sales. However the Company has maintained its level of net profit by cutting down various costs and proper utilization of funds.

Adequacy of Internal Financial Control: The Company has in place adequate internal control procedures commensurate with the size of the Company and the nature of its business.

### EXTRACTS OF ANNUAL RETURN

In accordance with sub-section (3) of Section 92 of the Companies Act, 2013, an extracts of the Annual Return in prescribed in the Form MGT 9 is annexed and marked as **Annexure 1** to the Board's Report.

### DIVIDEND

In order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for Equity Shares for the financial year ended 31st March, 2018.

During the year under review, the Company at its Meeting held on 23rd March, 2018 has approved Dividend of Rs. 35,77,500 on 3975000- 9% Redeemable, Non-Convertible, Non-Cumulative Preference Shares (Preference Shares) of Rs. 10/- each fully paid up.

The dividend on preference shares amounting to Rs.43,05,796 (including dividend distribution tax of Rs.7,28,296) has been paid on 26th March 2018."

### RESERVES

Since the Company do not recommend any dividend, it is not required to transfer any amount to the General Reserve of the Company for the year under review.

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the financial year to which the financial statements relate.

### ANNUAL PERFORMANCE EVALUATIONS

The Board evaluated the effectiveness of its functioning and that of the Committees and of the individual Directors by seeking their inputs on various aspects of Board/Committee Governance.

Further, the Independent Directors at their meeting, reviewed the performance of Non-independent Directors, Board as a whole, performance of Chairman of the Company taking into account views of Executive and Non-Executive Directors

The criteria for performance evaluation as laid down by the Nomination Committee are mentioned in Corporate Governance attached to the Directors' Report of the Company.

# PCS TECHNOLOGY LIMITED

## DIRECTORS

### Appointment

As tenure of Mr. Girish Dave, Independent Director of the Company, will expire on 31st March, 2019, it is proposed to re-appointed him as an Independent Director for further period of five years w.e.f 1st April, 2019, not liable to retire by rotation, subject to approval of Members.

As tenure of Mr. Kamal Kumar Barjatya, Independent Director of the Company, will expire on 31st March, 2019, it is proposed to re-appointed him as an Independent Director for further period of five years w.e.f 1st April, 2019, not liable to retire by rotation, subject to approval of Members.

As tenure of Mr. Satish Ajmera, Independent Director of the Company, will expire on 31st March, 2019, it is proposed to re-appointed him as an Independent Director for further period of five years w.e.f 1st April, 2019, not liable to retire by rotation, subject to approval of Members

Mr. Yash Bhardwaj has been re- appointed as an Executive Director (Whole-Time) for the further period of 1 (one) year w.e.f 22nd July, 2018, subject to approval of Members.

### Cessation

Mr. H.C Tandon has resigned from the post of Managing Director and CEO of the Company w.e.f 1st April, 2018 and continued as Director of the Company with effect from the said date.

### Retirement by Rotation

As per Article 135, of the Articles of Association of the Company, Mr. A. K. Patni (Din- 00014194), Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment on the Board of your company.

### Declaration given by Independent Director

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013, that he/she meets criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Board and Audit Meetings

During the year under review, 6 (Six) Board Meetings and 5 (Five) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes including independence of a directors of the Company.

The Remuneration Policy is stated in the Corporate Governance Report.

## COMMITTEES OF THE BOARD

Currently, the Board has four Committees namely : Audit Committee, Stakeholders' Relationship Committee (SRC), Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR Committee). The Composition of each of the committee is mentioned in the **Annexure 2** of the Boards' Report.

### STATUTORY AUDITOR

Mr. Divyesh Mehta of M/s. Vinod K Mehta & Co., Chartered Accountant (Firm Registration No.111508W) was appointed as Statutory Auditors of the Company at the AGM held on 20th September, 2017 to hold office till the conclusion of the 41<sup>st</sup> AGM of the Company and as required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM

### SECRETARIAL AUDITOR

Mr. Bhavesh Desai of M/s. B. Desai & Associates, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2017-18 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit report for FY 2017-18 forms part of the Annual report as **Annexure 3** to the Board's Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the on going concern status and Company's operations.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3C) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- 1 In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 2 Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2018 and of the profit of the Company for the said year;
- 3 Proper and sufficient care has been taken 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 Annual Accounts have been prepared on a going concern basis.
- 5 Internal Financial controls are followed by the Company in adequate manner and are operating effectively.
- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In view of the provisions relating to CSR contained in Companies Act, 2013, the Board of Directors of your Company has set up a CSR Committee comprising four directors namely :

Mr. G M Dave, a Non-Executive Independent Director,

Mr. G. K. Patni, Non-Executive Director,

Mr. A. K. Patni, Non-Executive Director and

Mr. H. C. Tandon, Director

of the Company. The Committee will oversee and monitor its CSR activities in line with the CSR policy of the Company in compliance with the provisions of the Companies Act, 2013.

CSR has been integral part of the Company. The CSR policy on the Company is displayed on Company's website [www.pcstech.com](http://www.pcstech.com). CSR report along with the CSR activities are annexed herewith in the report and marked as **Annexure 4**.

Initiations taken by Company for CSR :

The Company has contributed Rs. 10,00,000/- (Rupees Ten Lakhs only) to Prime Minister's National Relief Fund, to comply with CSR activities as specified in Schedule VII of the Companies Act, 2013.

The Balance amount of Rs. 28,37,687 (Rupees Twenty Eight Lakhs Thirty Seven Thousand Six Hundred and Eighty Seven only) will be contributed by the Company in the next financial year 2018-19.

## CORPORATE GOVERNANCE

A report on Corporate Governance and Management Discussion Analysis is included as a part of the Annual Report along with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 27 of SEBI (LODR) Regulation, 2015. Corporate Governance report annexed herewith and marked as **Annexure 5**

## SUBSIDIARY COMPANY

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies for the financial year ended 31st March 2018 namely, PCS Technology USA., INC, PCS Positioning Systems (India) Limited and PCS Infotech Limited are attached in Form AOC-1 and is annexed and marked as **annexure-6(A)** of the Annual Report.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its audited financial statements together with related information and other reports of each of the subsidiary companies, have also been placed on the website of the Company at [www.pcstech.com](http://www.pcstech.com)

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013 of the Annual Report and is annexed and marked as **Annexure- 6(B)**.

## DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place a Policy on Prevention of Sexual Harassment in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

Internal Complaints Committee (ICC) has been set up to redress complaints, if any, received regarding sexual harassment. All employees whether permanent, contractual, temporary, etc have been covered under this Policy.

The Policy is gender neutral. During the year under review, no complaints alleging sexual harassment were received by the Company.

## RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in compliance to the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

## DEPOSITS

Your Company has neither invited nor accepted any deposits from the public so far.

## CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website [www.pcstech.com](http://www.pcstech.com). The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

## CONSOLIDATED FINANCIAL STATEMENT

The consolidated Financial Statements have been prepared in accordance with the provisions of Section 129 of the Companies Act, 2013, applicable Accounting Standards and the provisions of the Listing Agreement with Stock Exchanges and forms part of this Annual Report.

# PCS TECHNOLOGY LIMITED

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## **PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel ) Rules , 2014 is appended as **Annexure 7** to the Board's Report.

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 197 read with Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

The Information required under the above heads in accordance with the provision of section 134(3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in **Annexure '8'** to this report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees given and Investments made during the year under review under Section 186 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this report and marked as **Annexure 9**.

## **ACKNOWLEDGEMENTS**

Your Directors express their warm appreciation to all the employees at various units for their diligence and contribution made towards the growth of the Company. The Board of Directors place on record their appreciation for the un-stinted support by the Bankers and Financial Institutions and confidence given by the Customers, Suppliers and Shareholders at all levels towards the growth and development of the Company.

On behalf of the Board of Directors

**G.K. Patni**  
Chairman

Mumbai, 2<sup>nd</sup> August, 2018

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## Annexure 1

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

#### I. REGISTRATION & OTHER DETAILS:

CIN	L74200MH1981PLC02429
Registration Date	22/04/1981
Name of the Company	PCS Technology Limited
Category/Sub-category of the Company	Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	Office no.1, Gat no.478, Alandi Markaal Road, Tal. Khed, Alandi, Dist – Pune- 412106. Tel : 022 22822621, 022 61017500
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059 Tel: 022 62638200

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer software and related Activities	6202	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	PCS Positioning Systems(I) Ltd, Add:-S. No.1, F-1, Irani Market Compound, Yerawada, Pune 411 106	U72900PN2004PLC019448	Subsidiary (WOS)	100%	2(87)
2	PCS Infotech Ltd Add:-S. No.1, F-1, Irani Market Compound, Yerawada, Pune 411 106	U72900PN2012PLC145598	Subsidiary (WOS)	100%	2(87)
3	PCS Technology USA., INC Add:-6705 Shadow Oaks Ct, Monmouth Jct, NJ 08852	Foreign Company	Subsidiary (WOS)	100%	2(87)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	1656425	-	1656425	7.91%	1656425	-	1656425	7.91%	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	5704679	-	5704679	27.23%	5704679	-	5704679	27.23%	-
(e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(f) Director/ Relatives	7337707	1184	7338891	35.03%	7337707	1184	7338891	35.03%	-
(g) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	<b>14698811</b>	<b>1184</b>	<b>14699995</b>	<b>70.17%</b>	<b>14698811</b>	<b>1184</b>	<b>14699995</b>	<b>70.17%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-

# PCS TECHNOLOGY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A) (1)+(A)(2)</b>	<b>14698811</b>	<b>1184</b>	<b>14699995</b>	<b>70.17%</b>	<b>14698811</b>	<b>1184</b>	<b>14699995</b>	<b>70.17%</b>	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds / UTI	126690	4893	131583	0.63%	126690	4893	131583	0.63%	-
b) Banks / Financial Institutions	236	759	995	0.01%	236	759	995	0.01%	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	213383	-	213383	1.02%	213383	-	213383	1.02%	-
g) Foreign Institutional Investors	0	700	700	0.00%	0	700	700	0.00%	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>	<b>340309</b>	<b>6352</b>	<b>346661</b>	<b>1.66%</b>	<b>340309</b>	<b>6352</b>	<b>346661</b>	<b>1.66%</b>	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	158132	14192	172324	0.82%	150214	14192	164406	0.78%	0.04%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2315660	1444717	3760377	17.95%	2458316	1429159	3887475	18.56%	0.61%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1836391	-	1836391	8.77%	1714390	-	1714390	8.18%	0.59%
c) Any Other	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors / Relatives	432	316	748	0.00%	432	316	748	0.00%	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	17331	1640	18971	0.06%	16583	1640	18223	0.09%	0.03%
OCB	-	100800	100800	0.48%	-	100800	100800	0.48%	-
Clearing Members	10196	0	10196	0.04%	13765	0	13765	0.04%	0.02%
NBFCs registered with RBI	4214	0	4214	0.02%	4214	0	4214	0.02%	0.00%
<b>Sub-total (B)(2)</b>	<b>4342356</b>	<b>1561665</b>	<b>5904021</b>	<b>28.18%</b>	<b>4357914</b>	<b>1546107</b>	<b>5904021</b>	<b>28.18%</b>	-
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>4682665</b>	<b>1568017</b>	<b>6250682</b>	<b>29.83%</b>	<b>4698223</b>	<b>1552459</b>	<b>6250682</b>	<b>29.83%</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>19381476</b>	<b>1569201</b>	<b>20950677</b>	<b>100%</b>	<b>19397034</b>	<b>1553643</b>	<b>20950677</b>	<b>100%</b>	-

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## ii. Shareholding of Promoter & Promoter Group

Sn	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sobhagmal Patni	1,30,936	0.63%	-	1,30,936	0.63%	-	-
2	Kanchanbai Patni	61,286	0.29%	-	61,286	0.29%	-	-
3	Gajendrakumar Patni	5,79,685	2.77%	-	5,79,685	2.77%	-	-
4	Rajnikant G Patni	23,91,081	11.41%	-	23,91,081	11.41%	-	-
5	Amit Kumar Patni	2,61,899	1.25%	-	2,61,899	1.25%	-	-
6	Ruchi Amit Kumar Patni	1,52,540	0.73%	-	1,52,540	0.73%	-	-
7	Ayushi A Patni	2,830	0.01%	-	2,830	0.01%	-	-
8	Akruti A Patni	2,830	0.01%	-	2,830	0.01%	-	-
9	Arihant Gajendrakumar Patni	3,84,186	1.83%	-	3,84,186	1.83%	-	-
10	Ashokkumar S. Patni	5,75,995	2.75%	-	5,75,995	2.75%	-	-
11	Sadhana A Patni	16,94,936	8.10%	-	16,94,936	8.10%	-	-
12	Apoorva Ashokkumar Patni	5,00,745	2.40%	-	5,00,745	2.40%	-	-
13	Vasundhara Apoorva Patni	10,00,000	4.77%	-	10,00,000	4.77%	-	-
14	Poonam N Patni	6,95,626	3.32%	-	6,95,626	3.32%	-	-
15	Anirudh A Patni	5,59,270	2.67%	-	5,59,270	2.67%	-	-
16	Rajkumar Barjatya	760	0.00%	-	760	0.00%	-	-
17	Sooraj Barjatya	145	0.00%	-	145	0.00%	-	-
18	Meeta M Gangwal	184	0.00%	-	184	0.00%	-	-
19	Munish Gangwal	56	0.00%	-	56	0.00%	-	-
20	Rajrani Gangwal	240	0.00%	-	240	0.00%	-	-
21	Pankaj Patni	86	0.00%	-	86	0.00%	-	-
22	PCS Cullinet Pvt. Ltd.	19,01,559	9.08%	-	19,01,559	9.08%	-	-
23	Ashoka Computer Systems Pvt. Ltd.	19,01,560	9.08%	-	19,01,560	9.08%	-	-
24	PCS Finance Pvt. Ltd	19,01,560	9.08%	-	19,01,560	9.08%	-	-
	Total	1,46,99,995	70.17%	-	1,46,99,995	70.17%	-	-

## iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

There is no change in Promoters Shareholding as on 31<sup>st</sup> March, 2018.

## iv. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BALRAM BHARWANI	7,79,200	3.72%	7,95,525	3.80%
2	MUKESH MOHANLAL KELAWALA HUF	2,55,300	1.22%	2,55,300	1.22%
3	RUPANKI PRASHANT SHAH	2,01,000	0.96%	1,37,000	0.65%
4	ANJANA SINHA	1,25,671	0.60%	1,25,671	0.60%
5	SURENDRAKUMAR DEVIPRASAD TIBREWALA	1,05,262	0.50%	80,262	0.38%
6	DILIPKUMAR LAKHI	47,551	0.23%	47,551	0.23%
7	MUKESHCHANDRA MOHANLAL KELAWALA	42,690	0.20%	42,690	0.20%
8	GAUTAM MANEKLAL MEHTA	55,000	0.26%	31,354	0.15%
9	PIYUSH M CHOKHAWALA	30,001	0.14%	30,001	0.14%
10	BHAVINI R BHUTWALA	27,030	0.13%	27,030	0.13%



# PCS TECHNOLOGY LIMITED

## v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gajendrakumar Patni	5,79,685	2.77%	5,79,685	2.77%
2	Ashokkumar S. Patni	5,75,995	2.75%	5,75,995	2.75%
3	Harish Chandra Tandon	432	-	432	-
4	Kamal Kumar Barjatya	316	-	316	-
5	M P Jain	10	-	10	-
6	B J Patel	100	-	100	-

## vi. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	181,39,567	200,00,000	-	381,39,567
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	181,39,567	200,00,000	-	381,39,567
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	(181,39,567)	(2,00,00,000)	-	(381,39,567)
<b>Net Change</b>	(181,39,567)	(2,00,00,000)	-	(381,39,567)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rupees)

SN.	Particulars of Remuneration	Name of Managing Director	Name of Whole time Director	Total Amount Rs.
		Mr. H. C. Tandon	Mr. Yash Bhardwaj	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,80,000	11,15,880	27,95,880
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,72,190	13,61,496	22,33,686
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify- Gratuity & Bonus	37,25,810	-	37,25,810
	<b>Total (A)</b>	62,78,000	24,77,376	87,55,376
	Ceiling as per the Act	As per the limit prescribed in the Act	As per the limit prescribed in the Act	

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## B. REMUNERATION TO OTHER DIRECTORS (INDEPENDENT) (Rupees)

Particulars of Remuneration	Name of Directors				Total
	Mr. G. M. Dave	Mr. Satish Ajmera	Mr. K. K Barjatya	Mrs. Vandana Gupta	
Independent Directors					
Fee for attending board & committee meetings	1,40,000	90,000	1,30,000	60,000	4,20,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)					
Other Non-Executive Directors					
Fee for attending board committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)					
Total (B)=(1+2)					
Total Managerial Remuneration	1,40,000	90,000	1,30,000	60,000	4,20,000
Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting. The Company pays sitting fees of Rs. 10,000/- per meeting of the Board (for Board & Committee Meeting attended by the Directors)				

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rupees)

SN	Particulars of Remuneration	Name of the KMP		
		Mr. Bhaskar Patel (Company Secretary)	Mr. M. P. Jain CFO	Total
1	Gross salary	12,63,744	9,95,040	22,58,784
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	12,63,744	9,95,040	22,58,784

## VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

# PCS TECHNOLOGY LIMITED

## Annexure 2

### COMPOSITION OF THE COMMITTEE

#### Audit Committee

Name of the Members	Status
Mr. Satish Ajmera	Non-Executive/ Independent Director- Chairman
Mr. K. K. Barjatya	Non-Executive/ Independent Director
Mr. G. M. Dave	Non-Executive/ Independent Director
Mr. H. C. Tandon	Director

#### Stakeholders Relationship Committee

Name of the Members	Status
Mr. G. K Patni	Non-Executive/ Promoter Director
Mr. A.K Patni	Non-Executive /Promoter Director
Mr. Satish Ajmera	Non-Executive/ Independent Director-Chairman
Mr. K. K. Barjatya	Non-Executive/ Independent Director

#### Nomination and Remuneration Committee

Name of the Members	Status
Mr. K. K. Barjatya	Non-Executive/ Independent Director
Mr. G. M. Dave	Non-Executive/ Independent Director- Chairman
Mr. Satish Ajmera	Non-Executive/ Independent Director
Mr. A. K. Patni	Non-Executive /Promoter Director

#### Corporate Social Responsibility Committee (CSR Committee)

Name of the Members	Status
Mr. G.K Patni	Non-Executive/ Promoter Director- Chairman
Mr. A.K Patni	Non-Executive/ Promoter Director
Mr. G. M. Dave	Non-Executive/ Independent Director
Mr. H.C.Tandon	Director

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

**Members of,**

**PCS Technology Limited,**

Office Premise No. 1, GAT No. 478,  
AlandiMarkaal Road, Alandi, Tal.Khed,  
Pune 412106, Maharashtra

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PCS Technology Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PCS Technology Limited** ("the Company") for the financial year ended on March 31, 2018 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (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, 1992;
  - (c) 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;
  - (d) The Securities and Exchange Board of India (Listing Obligation and Disclosure requirement) Regulations, 2015;
- (vi) Other Laws specifically applicable to the Company during the relevant period ended March 31, 2018:
  1. The Income Tax Act & Rules
  2. Laws relating to Professional Tax, Wealth Tax, Service Tax, Central and State Sales Tax & Rules
  3. Bombay Shops & Establishment Act
  4. Sale of Goods Act, 1930
  5. The Payment of Bonus Act
  6. The Payment of Gratuity Act
  7. The Employees State Insurance Act, 1948
  8. The Trade Marks Act, 1999
  9. Copyright Act, 1957
  10. Information Technology Act, 2000

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements (Listing Obligation and Disclosure requirement), Regulation 2015 entered into by the Company with Bombay Stock Exchange.  
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Adequate notice is given to all directors to schedule the Board Meetings, 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.

Majority decision is carried and recorded as part of the minutes.

# PCS TECHNOLOGY LIMITED

I 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.

I further report that during the audit period the company has not carried on any specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

Thanking you,

Yours faithfully,

For B. Desai and Associates  
Practicing Company Secretary

Bhavesh Desai  
Membership No:- 7899  
C P No: 7711

Date: 13<sup>th</sup> May, 2018

Place: Mumbai

## Annexure 4

### CSR Report

1	A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company shall comply with the activities prescribed in the Schedule VII of the Companies Act, 2013 from time to time.
2	The Composition of the CSR Committee	CSR Committee comprising of four directors viz. Mr. G M Dave, a Non-Executive Independent Director, Mr. G. K .Patni, Non- Executive Director, Mr. A. K. Patni, Non-Executive Director and Mr. H. C. Tandon, Director of the Company
3	Average Net Profit of the Company for last three financial years.	Rs. 6,97,70,822
4	Prescribed CSR expenditure (two per cent of the amount as in item 3 above)	Rs. 13,95,416
5	Details of CSR spent during the financial year. 1.Total amount to be spent for the F.Y.	Rs. 38,37,687
	2. Amount unspent, if any;	Rs. 24,42,271/- of the F.Y. 2016-17 and Rs. 13,95,416/- of the F. Y. 2017-18 aggregating Rs. 38,37,687/-
	3. manner in which the amount spent during the financial year:	The Company has spent Rs. 10,00,000/- (Rupees Ten lakhs only) during the year under review.  The Balance amount of Rs. 28,37,687/- (Rupees Twenty Eight Lakhs Thirty Seven Thousand Six Hundred and Eighty Seven only) will be contributed by the Company in the next financial year 2018-19

The manner of the amount spent during the year is detailed herein below :

1. Sr. no.	2. CSR project/ activity identified	3. Sector in which the Project is covered	4. Projects /Programmes 1.Local area / others- 2.specify the state / district (Name of the District/s, State/s where project /programme was undertaken	5. Amount outlay (budget) project programme wise	6. Amount spent on the project /programme Subheads: 1.Direct expenditure on project, 2.Overheads:	7. Cumulative amount spend upto to the reporting period	8. Amount spent: Direct /through implementing agency*
	Contribution to Prime Minister's National Relief Fund	mentioned in the Schedule VII of the Companies Act, 2013	-	Rs. 10,00,000/-	Contribution to Prime Minister's National Relief Fund	Expenditure incurred upto Rs. 10,00,000/-	Amount spent directly by PCS Technology Limited to the Govt Fund

## REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 29 of SEBI (Listing Obligation Disclosure Regulation), Regulation, 2015 with Stock Exchanges

The following is a report on the ongoing implementation of the Code by your Company.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes in good Corporate Governance and has endeavored to practice and improve its focus on it by increasing transparency and accountability to its shareholders in particular and other stakeholders in general.

### 2. BOARD OF DIRECTOR (BOARD)

The Board of Directors has an optimum mix of Executive and Non-Executive Independent Directors. The present strength of Board is 8 (Eight) members having one Executive Director (Whole- time), Three Non- Executive Directors, Four Non – Executive Independent Directors on the Board, which is in conformity with the Regulation 17(1)(b) of Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Independent Directors are Directors, who apart from receiving Director's Sitting Fees and Professional Fees paid by the firm in which some of the Directors are Partners as disclosed in the Notes to Accounts, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect the independence of the judgment of the Director.

#### • Board Meetings held during the Financial Year 2017-2018

6 (six) Board meeting were held in financial year 2017- 2018 on the following dates:

17.05.2017, 10.08.2017, 12.09.2018, 29.11.2017, 12.02.2018, 23.03.2018

#### • Details of attendance at the Board meetings, Annual General meeting and shareholding of each Director are as follows:

Name of the Director	Category	No. of board meetings attended	Attendance at last AGM held on 20.09.2017	No. of Equity shares held in the Company **
Mr. G. K. Patni Chairman	Promoter - Non-Executive	5	No	579685
Mr. A. K. Patni Vice Chairman	Promoter - Non-Executive	5	No	575995
Mr. Satish Ajmera	Non – Executive & Independent	3	No	Nil
Mr. G. M. Dave	Non – Executive & Independent	6	No	Nil
Mr. K. K. Barjatya	Non – Executive & Independent	5	No	316
Mrs. Vandana Gupta	Non – Executive & Independent	5	No	Nil
Mr. H. C. Tandon#	Non – Executive Director	6	yes	432
Mr. Yash Bhardwaj	Executive Director (Whole-Time)	6	yes	Nil

# Mr. H. C Tandon resigned from the post of Managing Director & CEO w.e.f 1st April, 2018 and to continue as Director with the effect from the said date.

\*\*The above shareholding as at 31st March, 2018 is in respect of shares which are held by Directors as first holder and in which shares they have beneficial interest.

#### • Number of other Companies or Committees of which the Director is a Director/Member/Chairman (excluding the Company) :

Name of Directors	No. of public Companies in which he is a Director*	No. of Board Committees in which he is**	
		Member	Chairman
Mr. G. K. Patni	1	-	-
Mr. A. K. Patni	3	-	-
Mr. Yash Bhardwaj	2	-	-
Mr. Satish Ajmera	3	1	2
Mr. G. M. Dave	4	3	1
Mr. K. K. Barjatya	-	-	-
Mr. H. C. Tandon	1	-	-
Mrs. Vandana Gupta	-	-	-

\* Exclude Directorships in Indian Private Limited Companies, membership of Managing Committees of various bodies.

\*\* Board Committees include Chairmanship/Membership of Audit Committees and Stakeholder Relationship Committee of public limited Companies whether listed or not.

#### • Code of Conduct

In compliance with the Regulation 17(5) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted the Code of Conduct and Ethics ('the Code'). The Code is applicable to the Members of the Board and senior Management. The code is available on the Company's website [www.pcstech.com](http://www.pcstech.com).

All the members of the Board, and senior management Executives have affirmed compliance to the code as on March 31, 2018. A declaration to this effect, signed by WTO and CFO is annexed to the Director's Report.

# PCS TECHNOLOGY LIMITED

## 3. AUDIT COMMITTEE

The Audit Committee comprises of

Mr. Satish Ajmera, Independent Director - Chairman,

Mr. G.M. Dave , Independent Director

Mr. K.K. Barjatya, Independent Director and

Mr. H.C Tandon, Director.

### Terms of Reference

The Terms of Reference of this Committee covers the matters specified for Audit Committee under Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the applicable provisions of Section 177 of the Companies Act, 2013 effective from 1st April, 2014.

### Meetings and attendance during the Financial Year 2017- 2018

During the financial year 5 (Five) Audit Committee Meetings were held on 17.05.2017, 10.08.2017, 12.09.2018, 29.11.2017, 12.02.2018, respectively.

The attendance of the Members at these Meetings during the Financial Year 2017-18 is as follows:

Name of Director	Status	No. of Meetings attended
Mr. Satish Ajmera	Non-executive/ Independent Director	3
Mr. K. K. Barjatya	Non-executive/ Independent Director	4
Mr. G. M. Dave	Non-executive/ Independent Director	5
Mr. H.C Tandon	Non-executive Director	5

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of the following Directors namely:

Mr. G. M. Dave -Chairman of the Committee,

Mr. Satish Ajmera

Mr. K. K. Barjatya and

Mr. A.K.Patni

The Company has one Executive Director –Whole-time (WTD) on the Board.

The appointment and remuneration of the aforesaid WTD have been fixed on the recommendation of the Nomination and Remuneration Committee by the Board in terms of resolution passed by the Members in the Annual General Meeting.

During the year under review, the Company has held 1 (One) meeting of Nomination and Remuneration Committee dated 12.02.2018 for considering resignation of Mr. H.C Tandon from the post of Managing Director & CEO of the company w.e.f 1st april, 2018 and to continue as Director with the effect from the said date.

### Objectives of the Nomination & Remuneration Committee:

The Committee is empowered -

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

### REMUNERATION POLICY

The Company follows a policy on remuneration of Directors and Senior Management Employees.

#### Remuneration to Whole-time / Executive / KMP and Senior Management Personnel:

- a) Fixed pay: The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.
- b) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## Remuneration to Non- Executive / Independent Director:

- Remuneration / Commission: The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- Sitting Fees: The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- Commission: Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

Non-Executive Independent Directors are paid sitting fees for attending the Board and Committee meetings, under the relevant provision of the Companies Act, 2013.

Details of payments made to Non-Executive Directors for the financial year 2017-2018 are as under:

Name of the Director	Sitting fees Paid (Rs)	Commission paid (Rs)
Mr. Satish Ajmera	90,000/-	Nil
Mr. G. M. Dave	1,40,000/-	Nil
Mr. K. K. Barjatya	1,30,000/-	Nil
Mrs. Vandana Gupta	60,000/-	Nil

## 5. Stakeholders Relationship Committee

This committee comprising of 4 (four) members, 2 (Two) Non Executive (Promoter Director) and 2 (Two) Non-Executive- Independent Directors. Mr. Satish Ajmera, Non-Executive and Independent Director is the Chairman of this Committee. The names of the members of the Committee are as under:

Mr. G. K. Patni

Mr. A. K. Patni

Mr. K.K. Barjatya

Mr. Satish Ajmera

Mr. Bhaskar J. Patel, Company Secretary is the Compliance Officer of the Company.

During the year under review, the Company held 2 (two) Stakeholder Relationship Committee Meeting to update the status of the committee and review the compliances by the company of the capital market requirements.

During the year, 16 (Sixteen) investor complaints/queries were received. There were NIL complaints/queries pending as on March 31, 2018. There were no share transfers pending for more than 30 days as on the said date.

## 6. Independent Directors

The Independent Directors of the Company fully meet the requirement said down under Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Apart from receiving sitting fees, the Independent Directors of the Company do not have any material pecuniary relationships with the Company, its holding or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

- None of the relatives of the Independent Directors has or has had pecuniary relationship or transactions with the Company, its holding or associate company, or their Promoters, or Directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year

Neither the Independent Directors themselves nor any of their relatives -

- holds or have held the position of a key managerial personnel or is or have been employee of the company or its holding or associate company in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed;
- is or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed, of -
  - a firm of auditors or company secretaries in practice or cost auditors of the company or its holding or associate company; or
  - any legal or a consulting firm that has or had any transaction with the company, its holding or associate company amounting to ten per cent or more of the gross turnover of such firm;
- holds together with their relatives two per cent or more of the total voting power of the company; or
- is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its Promoters, Directors or its holding or associate company or that holds two per cent or more of the total voting power of the Company;
- is a material supplier, service provider or customer or a lessor or lessee of the Company;
- the Independent Directors of the Company are not less than 21 years of age.



# PCS TECHNOLOGY LIMITED

## **Separate meetings of the Independent Directors**

The Independent Directors held a Meeting on 23rd March, 2018, to review the following matters:

At the Meeting, they –

- i. reviewed the performance of non-independent directors and the Board as a whole;
- ii. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

## **7. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

## **8. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In line with the best Corporate Governance practices, PCS Technology Limited, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the Audit Committee Chairman, Managing Director, Chairman of the Board and Compliance Officer.

The Whistle-blower Policy is placed on its website [www.pcstech.com/corporate-governance.htm](http://www.pcstech.com/corporate-governance.htm) under Code of Business Conduct & Ethics (Whistle Blower Policy) For Board Members And Senior Management. Moreover, it is also carried in this Annual Report

## **9. RELATED PARTY TRANSACTIONS**

Pursuant to section 188 of the Companies Act, 2013, There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

Transactions with related parties entered into by the Company in the normal course of business are periodically placed before the Audit Committee for review.

Members may refer to the notes to the accounts for details of related party transactions. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement.

The policy has also been uploaded on the website of the Company at [www.pcstech.com](http://www.pcstech.com).

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Companies Act, 2013 and of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

A transaction with the Related Party shall be treated as "material" if the transaction / transactions to be entered into individually or taken together with previous transaction(s) during a financial year with such Related Party exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

## **10. MATERIAL SUBSIDIARY POLICY**

Material Subsidiary Policy of the Company has been uploaded on the website of the Company at [www.pcstech.com](http://www.pcstech.com) and it contains following details for considering a subsidiary to be material if

- a. The investment of the Company, whether current or prospective, in the subsidiary exceeds 20 per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or,
- b. if the subsidiary has generated 20 per cent of the consolidated income of the company during the previous financial year.

Material non-listed Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

## **11. MANAGEMENT OF BUSINESS ETHICS**

PCS Technology Limited has adopted the PCS Code of Conduct. The Code of Conduct upholds the highest standards of corporate and personal conduct and is the guiding force on the ethical conduct behind the Company.

Whistle Blower Policy has been established to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company to report any concerns.

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## 12. GENERAL BODY MEETINGS

### A. The details of Annual General Meetings held in the last three years are as under:

AGM for the F.Y. ended	Date & time of AGM	Place of AGM	Special Resolutions Passed
31-03-2015	16.09.2015 at 11:30 a.m.	Meeting hall of Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi Dist. Pune 412 106.	Yes <ul style="list-style-type: none"> <li>• Appointment of Mrs. Vandana Gupta as Director of the Company.</li> <li>• Appointment of Mrs. Vandana Gupta as an Independent Director of the Company</li> <li>• Appointment of Mr. Yash Bhardwaj as Director of the Company</li> <li>• Appointment of Mr. Yash Bhardwaj as an Executive Director of the Company</li> <li>• Related Party Transactions</li> </ul>
31-03-2016	21.09.2016 12:00 noon	Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105	Yes <ul style="list-style-type: none"> <li>• Appointment of Mr. Harish Chandra Tandon (Din: 00037611) as Managing Director and CEO of the Company</li> </ul>
31-03-2017	20.09.2017 12:00 noon	Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105	Yes <ul style="list-style-type: none"> <li>• Re- Appointment of Mrs. Vandana Gupta (Din: 07117752) as an Independent Director of the Company</li> </ul>

All the resolutions including special resolutions set out in the respective notices calling the AGM were passed by the shareholders. No postal ballots were used for voting at these meetings.

There is no proposal to pass any Special Resolution through postal ballot at the ensuing Annual General Meeting.

### B. Details of the Postal Ballot & E-voting conducted by the Company held during the financial year 2017-18.

During the year under review, the Company has not conducted any Postal ballot & E-Voting.

## 13. Disclosures

- Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.  
*None, Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.*
- Details of non-compliance by the Company, penalties and strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.  
*Company had been awarded an order by CLB vide its order dated 13th February, 2015, Compounding of an offence under Section 621 A of the Companies Act, 1956 for the disclosure required under section 211(3A) of the Companies Act, 1956 in respect of Related Party Transactions in the Balance sheet as on 31st March, 2011. The Company had adequately disclosed the same in its balance sheet and XBRL B/S filed with the ROC by giving the net effect of the Related Party Transactions as required under XBRL form, except the one in kind mentioned above the Company has not filed any application for Compounding of an offence under the Companies Act in past.*  
*The Company has complied with all the mandatory requirements of Corporate Governance under Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is yet to adopt the non-mandatory requirements of the Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance.*
- The WTD/CFO certification forms part of this Annual Report.

## 14. Means of Communication

- ◆ The quarterly and half yearly results are forthwith communicated to all the Stock Exchange with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the leading newspapers in compliance with the Listing Agreement.
- ◆ Management discussion and Analysis forms part of the Annual Report, which is posted to the Shareholders of the Company.

Information about the Company would be available on its website [www.pcstech.com](http://www.pcstech.com) and contact address: Email Id: [Investorsgrievances@pcstech.com](mailto:Investorsgrievances@pcstech.com)

## 15. GENERAL SHAREHOLDER INFORMATION

Date, time & venue of the Annual General Meeting to be held in financial year 2018-19	
<b>Financial Calendar 2018 – 19</b>	
i Financial Year	: April to March
ii First Quarterly Results	: On or before 14 <sup>th</sup> August 2018
iii Half Yearly Results	: On or before 14 <sup>th</sup> November 2018
iv Third Quarter Results	: On or before 14 <sup>th</sup> February 2019
v Audited results	: On or before 30 <sup>th</sup> May, 2019
<b>Date of Book Closure</b>	: 19 <sup>th</sup> September, 2018 to 26 <sup>th</sup> September, 2018 (both days inclusive)
<b>Dividend Payment Date</b>	: Not Applicable
<b>Listing at Stock Exchanges (Stock Code)</b>	: The Bombay Stock Exchange Limited, Mumbai (517119) (BSE Ltd.)
<b>ISIN Number for NSDL &amp; CDSL</b>	: INE 834B01012

Annual Listing Fees have been paid to Bombay stock Exchange for the financial year 2018-2019.

# PCS TECHNOLOGY LIMITED

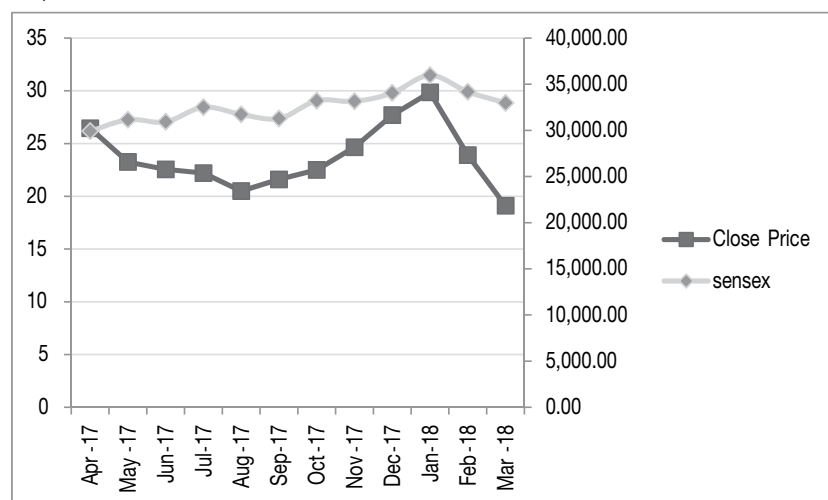
## MANAGEMENT DISCUSSIONS AND ANALYSIS

### Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2017-18 furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2017	April	31.00	25.00	
	May	29.80	21.05	
	June	26.35	20.00	
	July	25.00	21.50	
	August	24.00	19.00	
	September	24.95	20.10	
	October	25.00	20.10	
	November	25.50	21.00	
	December	31.50	24.20	
	2018	January	34.50	27.30
		February	30.30	23.15
		March	24.70	18.00

Graph of Share Price/ BSE Sensex :



### REGISTRARS AND TRANSFER AGENT FOR SHARES HELD IN DEMAT AS WELL AS PHYSICAL FORM

M/s. Bigshare Services Private Limited,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai -400059

### Share Transfer system

All share transfers, subject to correctness and completion of all documents would normally be registered and returned within 2 weeks from the date of receipt.

### The distribution of shareholding as on March 31, 2018 is as follows :

No. of equity shares held	No. of shareholders	%	Shares Amount	%
1 to 5000	29179	97.10	22693840	10.83
5001 to 10000	427	1.43	3405100	1.63
10001 to 20000	191	0.64	3033900	1.45
20001 to 30000	56	0.19	1465260	0.70
30001 to 40000	45	0.15	1618940	0.77
40001 to 50000	37	0.12	1732720	0.83
50001 to 100000	48	0.16	3490410	1.67
100001 & 999999999	67	0.22	172066600	82.13
Grand Total	30050	100.00	209506770	100.00
No. of shareholders in Physical Mode	-	-	1553643	07.49
No. of shareholders in Electronic Mode	-	-	19397034	92.51

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



Shareholding pattern as on March 31, 2018 is as follows :

Category	No. of shareholders	No. of shares	% holding
Indian Promoters & their Relative	24	14699995	70.17
Banks, FIs and Insurance Companies	12	214378	01.02
UTI and Mutual Funds	7	131583	00.63
FIs, NRIs and OBC, NBFC	50	124685	00.57
Overseas /Domestic Companies	183	172324	00.84
Resident Individuals	30033	5596768	27.52
Clearing Member	7	10196	0.065
Directors/ Director Relatives	4	748	0.000
Trusts	0	0	00.00
Total	30296	20950677	100.00

Dematerialization of shares and liquidity	:	As on 31st March, 2018, 92.51% of the paid-up share capital was held in dematerialized form.
Outstanding GDRs/ADRs/warrants/ convertible instruments etc	:	Not applicable since none of the said instruments are ever issued.

**Address for Correspondence:**

Shareholders may correspond on all matters relating to transfer/dematerialization of shares and any other query relating to shares of the Company at the below mentioned address:

**M/s. Bigshare Services Private Limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East), Mumbai -400059

**GREEN INITIATIVE IN CORPORATE GOVERNANCE- SERVICE OF DOCUMENTS IN ELECTRONIC FORM**

As you are aware, Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos.17 and 18 dated 21st April, 2011 and 29th April, 2011 respectively, has now allowed the companies henceforth to send Notices of General Meetings/ other Notices, Audited Financial Statements, Directors' Report, Auditors' Report etc., to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report and other documents to its shareholders in electronic form at the email-address provided by them and made available to us by the Depository.

**DECLARATION BY THE WHOLE TIME DIRECTOR (WTD) UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

The Members of

**PCS Technology Limited**

I, Yash Bhardwaj, Executive Director (Whole Time) of PCS Technology Limited confirmed that as provided in Regulation 26(3) Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2018

**For PCS Technology Limited**  
**Yash Bhardwaj**  
Executive Director (Whole Time)

Place : Mumbai

Date : May 24, 2018

# PCS TECHNOLOGY LIMITED

## AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of

**PCS TECHNOLOGY LIMITED**

Pune

We have examined the compliance of conditions of Corporate Governance by PCS Technology Limited ('the Company') for the year ended on March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges in India (as applicable).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Note on Audit Report and Certificates for Special Purpose (as applicable), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 in the above mentioned Listing Regulations/Listing Agreements (as applicable).

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 Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

**Divyesh V Mehta**  
Partner  
Membership No.:044293

Place: Mumbai  
Date: 24<sup>th</sup> May, 2018

## CERTIFICATION BY THE EXECUTIVE DIRECTOR (WHOLE-TIME) AND CHIEF FINANCIAL OFFICER (CFO) ON THE FINANCIAL STATEMENTS OF THE COMPANY

We, Yash Bhardwaj, Executive Director (Whole Time) and M. P. Jain, Chief Financial Officer, of PCS Technology Limited, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2018 and that to the best of our knowledge and belief;
  - i. these financial 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) There are, to the best of our knowledge and belief, no transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee :
  - i. significant changes in internal control during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For PCS Technology Limited

Yash Bhardwaj	M. P. Jain
Executive Director (Whole-Time)	CFO

Mumbai, May 24, 2018

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Business Scenario & Review**

PCS Technology Ltd is an operating Company in the domestic IT sector. The Company is mainly engaged in providing of IT infrastructure facility management services to corporate clients. The domestic IT sourcing services market in India has remained subdued with the large enterprises either cutting down or deferring their spending decisions largely because of weakness in the domestic economy.

During the year, the Company did not find enough opportunities in the company's line of business in the domestic market. The Company continued to bear impact of lower margins and increasing cost. In its operations.

### **Performance & Review**

#### **IT Services**

The Company has achieved Sales of Rs.1027.17 lakhs against previous year's Rs. 2585.51 lakhs and net profit of Rs. 280 lakhs as against previous year's of Rs. 415.49 lakhs. In the current year Company preferred to focus only for selected orders providing good operating cash flow.

#### **Operations**

The Company has continuously worked on reducing debts and divesting loss making business and strengthening Balance Sheet. The Company is now totally debt free. In the current year, after careful consideration, the Management decided to trim down business of Laboratory Information System and Hospital Information System as these did not yield desired level of profitability due to high overhead cost and low margins attached to these verticles. The Company did not enter for the new orders in IT and facility management services due to high servicing cost in IT technological changes. This had the impact on the total sales.. However the Company has maintained its level of net profit by cutting down various costs and proper utilization of funds..

#### **Opportunities, Threats & Risks**

The Company has been operating in extremely competitive domestic market for IT Facility Management Service business. This business requires high skilled manpower resources in the field of Information Technology. The Company's business bears the risks due to its nature of volatility and rising manpower cost in the IT industry. In the circumstances, the management believes for further decline in sales.

#### **Future Outlook**

The outlook remains weak and could be further decline in sales volume and margins. FY 2017-18 margins will be lower than those in FY 2016-17. The management of the Company is evaluating various restructuring options and will initiate at an appropriate time. In order to meet the challenge, your Company is taking all measures to remain financially stable and cost efficient.

#### **Overseas Subsidiaries**

##### **PCS Technology USA, Inc.**

The US subsidiary Company did not make any business transaction during the year due to Companies operations were adversely affected in the past.

##### **Indian Subsidiary**

##### **PCS Positioning Systems (India) Limited**

The subsidiary did not involve in business.

##### **PCS Infotech Limited**

The subsidiary did not involve in business.

The management is evaluating various options to restructure the activities in the best interest of the Company.

##### **Internal Control and Adequacy**

The Company has an appropriate internal control system for business process and operations, financial reporting and compliance with applicable regulations and laws and to ensure that all the assets are safeguard, protected against loss from unauthorised use or disposition and those transactions are authorised, recorded and reported correctly.

The internal audit & financial reports are reviewed for corrective actions wherever required. The views of statutory auditors are also considered to ascertain the adequacy of the internal control system in the Company.

##### **Human Resources**

Human resources are a valuable assets and Company seek to attract and retain the best talent available. Systematic training, development, continuance of productivity and employee satisfactions is some of the highlight of human resources development activities during the year. Employee relations continued to be cordial. Your Directors acknowledge and thank employees for their continued contribution.

##### **Cautionary Statement**

*Statement in this Management Discussions and Analysis describing company's objective and predictions may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ from those expressed herein. Important factors that could make difference to the operations include Government regulations, tax structures, and country's economic development, availability of input and their prices and other incidental factors.*

# PCS TECHNOLOGY LIMITED

**Annexure 6(A)**

## Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries as on 31st March, 2018

### Part "A": Subsidiaries

(Information in respect of each subsidiary presented with amounts in Rupees)

Sr. No.	Particulars	Name of the Subsidiaries companies		
		PCS Positioning Systems (India) Ltd.	PCS Infotech Limited	PCS Technology USA, Inc.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rupees	Rupees	US Dollar
3	Share capital	1,76,00,000	50,00,000	2,17,850
4	Reserves & surplus	-5,15,62,569	32,38,160	-47,19,805
5	Total assets	41,21,443	84,02,258	3,49,78,842
6	Total Liabilities	3,80,84,012	1,64,098	3,94,80,797
7	Investments	0	0	0
8	Turnover	0	0	0
9	Profit before taxation	-23,991	5,85,071	-70,319
10	Provision for taxation	0	3,68,261	0
11	Profit after taxation	-23,991	2,16,810	-70,319
12	Proposed Dividend	0	0	0
13	% of shareholding	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations: Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

**Annexure – 6(B)**

## FORM NO. AOC -2

### Particulars of contracts/arrangements made with related parties

(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 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.

Name of related party	Nature of Relationship	Duration of contract	Salient terms <sup>(1)</sup>	Amount (Rupees)
<b>Nature of Contract</b>				
Kalpavruksh Systems Pvt Limited Rendering sales and services like Facility Management Services etc..	Group Company	April 2014 –Ongoing	Not applicable	32,63,780/-
Patni Healthcare Pvt Limited Rendering sales and services like Facility Management Services etc..	Affiliates Company	April 2014 –Ongoing	Not applicable	6,93,999/-

<sup>(1)</sup> Appropriate approvals have been taken for related party transactions.

## Annexure 7

### Particulars of employees

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF CHAPTER XIII THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2017-18(Rs. in Lacs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Gajendrakumar Patni Chairman & Non-Executive Director	-	-	-	-
2	Ashokkumar Patni Vice-Chairman & Non-Executive Director	-	-	-	-
3	Harish Chandra Tandon Director	62.78	-	3.56%	The profit before tax decreased by 51% and Profit after tax decreased by 50%
4	Mr. Yash Bhardwaj Executive & Whole-Time Director	24.77	-	10.75%	The profit before tax decreased by 51% and Profit after tax decreased by 50%
5	Mr. G. M. Dave Non-Executive Independent Director	-	-	-	-
6	Mr. K. K. Barjatya Non-Executive Independent Director	-	-	-	-
7	Mr. Satish Ajmera Non-Executive Independent Director	-	-	-	-
8	Mrs. Vandana Gupta Non-Executive Independent Director	-	-	-	-
9	Mr. M. P. Jain CFO	Rs. 9.95	-	N. A	-
10	Mr. Bhaskar Patel Company Secretary	Rs. 12.63	-	N. A.	-

# Mr. H.C Tandon resigned from the post of Managing Director and CEO w.e.f 1st April, 2018 and will continue as Director of the Company w.e.f. the said date

\* Independent Directors are paid only sitting fees and not considered as part of remuneration

\*\* Non-Executive Directors are neither paid any remuneration or sitting fees

- ii. The median remuneration of employees of the Company during the financial year was Rs. 2,52,165 (Previous year 2,02,649 /-)
- iii. In the financial year, there was an increase of 24.13% in the median remuneration of employees
- iv. There were 51 permanent employees on the rolls of the Company as on March 31, 2018
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 22.54% whereas there is no increase in the managerial remuneration for the same financial year.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



# PCS TECHNOLOGY LIMITED

## ANNEXURE 8

Particulars required under the Companies (Accounts) Rules, 2014.

**(A) Conservation of Energy**

Your Company consumes electricity only for in-house operations of Computers. Though the consumption of electricity is negligible as compared to the total turnover of the Company, your Company has taken effective steps at every stage to reduce consumption of electricity.

**(B) Technology Absorption**

Not applicable

**(C) Foreign Exchange Earnings/Outgo**

Your Company has not earned any foreign exchange and has not spent any foreign exchange under the following heads.

Particulars:	(₹ in Lacs)
(i) Stores & Spares	-
(ii) Capital Goods	-
(iii) Other Expenses	-
Total	-

On behalf of the Board of Directors

G.K. Patni  
Chairman

Mumbai,  
May 24, 2018

## Annexure 9

Particulars of Loans, Guarantee or Investments pursuant to Section 134(g) of the Companies Act, 2013

**A. Amount outstanding as on March 31, 2018:**

Particulars	Amount (Rs. In millions)
Loans given	Nil
Guarantee given	Nil
Investments Made	35,17,02,764

**B. Loans, Guarantee and Investments made during financial year 2018:**

Name of entity	Relation	Amount (in Rs.)	Particulars of Loans, guarantees given or Investments made	Purpose for which loans, guarantees and Investments are proposed to be utilized
-	-	-	-	-
-	-	-	-	-

On behalf of the Board,

G. K Patni  
Chairman

Mumbai  
May 24, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## INDEPENDENT AUDITORS' REPORT



### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Standalone Ind AS financial statements

We have audited the accompanying standalone Ind AS financial statements of PCS TECHNOLOGY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including Other comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1 As required by section 143(3) of the Act, 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has not been an occasion in case of the company during the year under report to transfer any sums to the Investor Education and Protection Fund.
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

**Divyesh V Mehta**  
Partner  
Membership No.:044293

Place: Mumbai  
Date: 24<sup>th</sup> May, 2018

# PCS TECHNOLOGY LIMITED

## “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under “Report on other legal and regulatory requirements” of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Controls over financial reporting of PCS TECHNOLOGY LIMITED (“the Company”) as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended as at on that date.

#### Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the company.
- (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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting 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.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

**Divyesh V Mehta**  
Partner  
Membership No.:044293

Place: Mumbai

Date: 24<sup>th</sup> May, 2018

## “ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in Paragraph 2 under “Report on other legal and regulatory requirements” of our report of even date)

1. In respect of its Property, Plant and Equipment:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
  - b. As explained to us, all the Property, Plant and Equipment have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanations given to us and the title deeds/lease deeds and other records examined by us, we report that the title deeds / lease deeds in respect of all the immovable properties of land which are freehold, immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statement and buildings are held in the Company’s name or in the Company’s erstwhile name as at the balance sheet date.
2. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
4. The Company has not directly or indirectly advanced loan to the persons covered under section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.
5. According to the information and explanations given to us, the Company has not accepted any deposits nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company’s business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. In respect of Statutory dues :
  - (a) According to the records of the company , undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, undisputed amounts payable in respect of the aforesaid dues, outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, the status of disputed dues payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as on 31st March,2018 is as follows:
    - i. The Commissioner of Service Tax, Mumbai has passed an order confirming the demand of Rs. 2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec2004 – Mar2009.  
The Company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules. The Company has filed an appeal before Appellate Tribunal, Mumbai and the Appellate Tribunal has granted the Stay Order on the said matter.
    - ii. The Company has received a demand of Rs.19,12,633 from the Commissioner of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept 2006 - Mar 2010.  
The Company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.
    - iii. The Company has received a Show Cause Notice from Director of Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.  
The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of the Company. The Company has deposited Rs. 50 lakhs as pre-deposit under protest.
    - iv. The Company has received a demand order from office of the Commissioner of Central Excise Puducherry for Rs.15,13,920 on account of Excise on computer manufacturing.  
The Company has filed appeal before the Commissioner of Central Excise, Chennai denying the demand on the facts and grounds as per Law.
8. In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.
9. The Company has not raised money by way of initial public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company is noticed or reported during the year nor have we been informed of any such instance by the Management.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. In our opinion and according to the information and explanations given to us the company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the Directors or Persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. To the best of our knowledge and as explained, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

**Divyesh V Mehta**  
Partner  
Membership No.:044293

Place: Mumbai  
Date: 24<sup>th</sup> May, 2018

# PCS TECHNOLOGY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>I. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Property, plant and equipment	3	99,873,978	106,551,560	126,646,087
(b) Intangible assets	3	-	-	469,812
(c) Financial assets				
(i) Investments	4	5,020,000	5,024,000	5,024,000
(d) Other assets	5	45,992,895	56,597,926	84,209,324
<b>Total non-current assets</b>		<b>150,886,873</b>	<b>168,173,486</b>	<b>216,349,223</b>
<b>2 Current assets</b>				
(a) Inventories	6	-	380,793	2,705,711
(b) Financial assets				
(i) Investments	7	326,682,764	168,658,940	60,401,984
(ii) Trade receivables	8	1,724,448	11,400,024	59,027,487
(iii) Unbilled revenue	9	-	10,422,201	10,262,244
(iv) Cash and cash equivalents	10	9,795,728	74,193,328	38,709,468
(v) Other balances with banks	11	-	-	104,106
(vi) Loans	12	36,667,195	106,206,732	155,538,499
(vii) Current tax assets (net)	13	1,937,223	-	1,207,087
(viii) Other financial assets		-	-	-
(c) Other current assets	14	555,387	3,316,980	5,029,966
<b>Total current assets</b>		<b>377,362,745</b>	<b>374,578,998</b>	<b>332,986,552</b>
<b>TOTAL ASSETS</b>		<b>528,249,618</b>	<b>542,752,484</b>	<b>549,335,775</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Share capital	15	209,506,770	209,506,770	209,506,770
(b) Other equity	16	272,514,526	246,266,999	210,983,565
<b>Total Equity</b>		<b>482,021,296</b>	<b>455,773,769</b>	<b>420,490,335</b>
<b>2 Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	17	36,911,788	53,255,404	46,989,976
(ii) Other financial liabilities	18	2,045,127	-	-
(b) Provisions	19	458,097	1,596,739	4,393,400
(c) Other liabilities	20	284,771	-	-
<b>Total non-current liabilities</b>		<b>39,699,783</b>	<b>54,852,143</b>	<b>51,383,376</b>
<b>3 Current Liabilities</b>				
(a) Financial liabilities				
(i) Short-term borrowings	21	-	18,139,567	32,219,455
(ii) Trade and other payables	22	2,911,283	4,286,432	9,846,568
(b) Provisions	24	749,656	1,278,903	1,206,700
(c) Other liabilities	25	2,867,600	8,421,670	34,189,341
<b>Total current liabilities</b>		<b>6,528,539</b>	<b>32,126,572</b>	<b>77,462,064</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>528,249,618</b>	<b>542,752,484</b>	<b>549,335,775</b>

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**H.C. Tandon**  
(Director)

**A. K. Patni**  
(Vice Chairman)

**Yash Bhardwaj**  
Executive Director (Whole Time)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018



(Amount in Rs.)

Particulars		Note No.	Year ended 31-Mar-2018	Year ended 31-Mar-2017
I.	Revenue from operations	26	102,717,188	258,550,577
II.	Other income (net)	27	35,982,048	38,731,478
III.	<b>TOTAL INCOME</b>		<b>138,699,236</b>	<b>297,282,055</b>
IV.	<b>Expenses:</b>			
	Cost of material consumed		-	-
	Purchase of stock-in-trade		-	414,622
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	-	267,818
	Employee benefit expenses	29	72,324,400	162,540,317
	Finance costs	30	8,314,186	7,122,532
	Depreciation and amortisation expenses	31	3,971,228	10,574,075
	Other expenses	32	32,796,679	64,885,507
	<b>TOTAL EXPENSES</b>		<b>117,406,493</b>	<b>245,804,871</b>
V.	<b>PROFIT BEFORE TAX (III-IV)</b>		<b>21,292,743</b>	<b>51,477,184</b>
VI.	<b>EXCEPTIONAL ITEMS</b>	33	<b>12,442,103</b>	<b>(217,539)</b>
VII.	<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>		<b>33,734,846</b>	<b>51,259,645</b>
VIII.	<b>Tax expense:</b>			
	(a) Current tax		7,600,000	10,300,000
	(b) Deferred tax		-	-
	(c) Taxation pertaining to earlier years		(1,885,322)	(589,217)
	<b>TOTAL TAX EXPENSE</b>		<b>5,714,678</b>	<b>9,710,783</b>
IX.	<b>PROFIT FOR THE YEAR (VII-VIII)</b>		<b>28,020,168</b>	<b>41,548,862</b>
X.	<b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>			
	(A) (i) Items that will be reclassified subsequently to the statement of profit and loss:		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
	(B) (i) Items that will not be reclassified subsequently to the statement of profit and loss:			
	(a) Net changes in fair values of financial liabilities carried at fair value through OCI		(1,772,641)	(6,265,428)
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		488,416	1,472,752
	<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>		<b>(1,284,225)</b>	<b>(4,792,676)</b>
XI.	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX+X)</b>		<b>26,735,943</b>	<b>36,756,186</b>
XII.	<b>Earning per equity share of face value of Rs.10 each</b>			
	<b>I) For Continuing operation</b>			
	Basic (in Rs.)		1.34	1.98
	Diluted (in Rs.)		1.34	1.98
	<b>II) For Discontinued Operations</b>			
	Basic (in Rs.)			
	Diluted (in Rs.)			
	<b>II) For Discontinued &amp; Continuing Operations</b>			
	Basic (in Rs.)		1.34	1.98
	Diluted (in Rs.)		1.34	1.98

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**A. K. Patni**  
(Vice Chairman)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

**H.C. Tandon**  
(Director)

**Yash Bhardwaj**  
Executive Director (Whole Time)

# PCS TECHNOLOGY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### A Equity Share Capital

(Amount in Rs.)

Particulars	Amount
<b>As at April 01, 2016</b>	209,506,770
Changes in Equity share capital during the year	-
<b>As at March 31, 2017</b>	209,506,770
Changes in Equity share capital during the year	-
<b>As at March 31, 2018</b>	209,506,770

### B Other Equity

(Amount in Rs.)

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
<b>As at April 01, 2016</b>	-	-	-	-	210,983,565	-	210,983,565
Profit for the year	-	-	-	-	41,548,862	-	41,548,862
Other Comprehensive Income	-	-	-	-	(6,265,428)	-	(6,265,428)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>35,283,434</b>	-	<b>35,283,434</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	-	-	-	-	<b>246,266,999</b>	-	<b>246,266,999</b>
Profit for the year	-	-	-	-	28,020,168	-	28,020,168
Other Comprehensive Income	-	-	-	-	(1,772,641)	-	(1,772,641)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>26,247,527</b>	-	<b>26,247,527</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	-	-	-	-	<b>272,514,526</b>	-	<b>272,514,526</b>

The accompanying notes form an integral part of the Financial Statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**H.C. Tandon**  
(Director)

**A. K. Patni**  
(Vice Chairman)

**Yash Bhardwaj**  
Executive Director (Whole Time)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018



(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	28,020,168	41,548,862
Adjustments for:		
CSR Provision	1,400,000	1,000,000
Depreciation	3,971,228	10,574,075
Finance cost	8,314,186	7,122,532
Sundry balances written off	2,965,536	6,190,827
Fixed assets written off / Profit or Loss of Sale of Fixed Assets	(12,442,103)	217,539
Interest received	(30,561,351)	(35,324,919)
<b>Operating profit before working capital changes</b>	<b>1,667,664</b>	<b>31,328,916</b>
Decrease/ (increase) in trade and others receivables	119,541,296	79,100,324
Decrease/ (increase) in inventories	380,793	2,324,918
(Decrease)/ increase in trade and other payables	(40,750,393)	(41,866,725)
<b>Cash generated from operations</b>	<b>80,839,360</b>	<b>70,887,433</b>
Income tax paid (net of refunds)	16,219,314	44,854,550
<b>Net cash flow from/ (used in) operating activities</b>	<b>97,058,674</b>	<b>115,741,983</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(235,500)	(244,900)
Purchase of non-current investments	(158,019,824)	(108,256,956)
Proceeds from sale of fixed assets	15,258,437	9,900,000
Interest received	24,337,982	33,280,725
Movement in Margin money deposits with original maturity of more than 12 months	-	-
<b>Net cash from/ (used in) investing activities</b>	<b>(118,658,905)</b>	<b>(65,321,131)</b>
<b>C. Cash from financing activities</b>		
Repayment of borrowings (net)	(38,254,234)	(14,079,888)
Finance cost	(4,543,135)	(857,104)
<b>Net cash from/ (used in) financing activities</b>	<b>(42,797,369)</b>	<b>(14,936,992)</b>
Net increase/ (decrease) in cash and cash equivalents	(64,397,600)	35,483,860
Cash and cash equivalents at beginning of the year	74,193,328	38,709,468
Cash and cash equivalents at end of the year	<b>9,795,728</b>	<b>74,193,328</b>
	-	-

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT</b>		
Cash on hand	65,806	282,207
Balance with banks	9,729,922	73,911,121
Cheques on hand	-	-
Fixed deposits with banks, having original maturity of three months or less	-	-
Cash and cash equivalents at the end of the year	<b>9,795,728</b>	<b>74,193,328</b>



# PCS TECHNOLOGY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

RECONCILIATION STATEMENT OF CASH AND BANK BALANCE			
Particulars	Year ended	Year ended	
	31-Mar-2018	31-Mar-2017	
Cash and cash equivalents at the end of the year as per above	9,795,728	74,193,328	
Add: Balance with bank in dividend / unclaimed dividend accounts	-	-	
Add: Fixed deposits with banks, having remaining maturity for less than twelve months	-	-	
Add: Fixed deposits with banks (lien marked)	-	-	
Less: Fixed deposit with banks, having remaining maturity for more than twelve months	-	-	
<b>Cash and bank balance as per balance sheet (refer note 10)</b>	<b>9,795,728</b>	<b>74,193,328</b>	

### Disclosures as required by IND AS 7

#### Reconciliation of liabilities arising from financing activities

March 31, 2018	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	18,139,567	(18,139,567)		-
Long term secured borrowings	53,255,404	(20,000,000)	3,656,384	36,911,788
<b>Total liabilities from financing activities</b>	<b>71,394,971</b>	<b>(38,139,567)</b>	<b>3,656,384</b>	<b>36,911,788</b>

March 31, 2017	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	32,219,455	(14,079,888)	-	18,139,567
Long term secured borrowings	46,989,976	-	6,265,428	53,255,404
<b>Total liabilities from financing activities</b>	<b>79,209,431</b>	<b>(14,079,888)</b>	<b>6,265,428</b>	<b>71,394,971</b>

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**H.C. Tandon**  
(Director)

**A. K. Patni**  
(Vice Chairman)

**Yash Bhardwaj**  
Executive Director (Whole Time )

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018



### 1. CORPORATE INFORMATION

The Company is incorporated as at 22nd April 1981. The Company is engaged mainly in Computer peripherals, softwares and related IT services. The Company is a public limited company incorporated and domiciled in India. The address of the office is Office No.1, Gat No.478, Alandi Markaal Road, Tal. Khed, Alandi, Dist Pune - 412106. The financial statements of the Company for the year ended 31st March 2018 are approved by the Board of Directors in Board Meeting.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) Statement of Compliance

- (i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

#### (B) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for

- (i) certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- (ii) Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements for the year ended March 31, 2018 are the First Ind AS Financial Statements of the Company. The financial statements for the year ended March 31, 2017 were prepared as per the Companies (Accounting Standards) Rules 2006 (IGAAP), have now been restated to give effect of IndAS and to arrive at comparable figures for the year ended March 31, 2018, by availing voluntary exemptions and subject to mandatory exemption as per Ind AS 101 'First-time adoption of Indian Accounting Standards "Ind AS 101"'. Reconciliation and descriptions of the effect of the transition has been summarized in note no. 49. 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.

#### (C) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment.

If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. A deferred tax asset shall be recognised for all deductible temporary differences and unused losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused losses can be utilised.

#### Provisions and contingent liabilities

A provision is required when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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 liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (D) Revenue recognition

The Company earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment. The Company also sales the products ancillary to supply of above services.

#### The Company recognises revenue as follows:

Revenue from sale of services is recognized for the work completed in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

Revenue from sale of products is recognized when risk and reward are passed on to the customer which is generally on dispatch of goods.

Revenues is reported net of discounts, indirect and service taxes.

- (E) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

#### (F) Leases

No assets are taken on lease by the Company.

#### (G) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such commission and brokerage, recruitment and training, entertainment etc.

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### (H) Foreign currency

The functional currency of the Company is Indian Rupee (INR).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit & Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

### (I) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in Statement of Profit & Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

#### Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### (J) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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.

#### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

#### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### (K) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

### (L) Property, plant and equipment

Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

SN	Type of asset	Method	Useful lives
1	Buildings	Straight line	60 years
2	Leasehold improvements	Straight line	38 years
3	Plant and equipment	Straight line	15 years
4	Computer equipment	Straight line	03 years
5	Vehicles	Straight line	08 years
6	Office equipments	Straight line	05 years
7	Electrical installations	Straight line	10 years
8	Furniture and fixtures	Straight line	10 years

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

### (M) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

### (N) Impairment

#### Financial assets (other than at fair value)

The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### Financial assets (other than at fair value)

##### Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (of CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (of CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018



### (O) Employee benefits

#### **Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & Loss for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

#### **Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

### (P) Inventories

Company has Stock & Spare items on hand as inventory. Inventory is carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

### (Q) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### (R) Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expenses in the year in which they arise.

Transition to Ind AS

The Company has opted to continue the Accounting Policy availed under para 46 A of Accounting Standard - 11 'The effects of changes in foreign currency rates' of IGAAP inserted vide notification dated December 29, 2011 issued by Ministry of Corporate Affairs, Government of India. Paragraph D13AA of Ind AS 101 allows an entity to continue this Accounting Policy availed under IGAAP for all outstanding long-term foreign currency monetary items as on March 31, 2016. Consequently, foreign exchange difference on account of long - term foreign currency borrowings utilised to acquire a depreciable asset is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.

The Company has opted the exemption vide para D12 of ind AS 101, accordingly the cumulative translation difference for all foreign operation are deemed to be zero at date of transition to Ind AS.

### (S) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years' presented.

Diluted earnings per share are computed by dividing net profit 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 unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

### (T) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 3 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Rs.)

Description	Tangible Assets							Intangible Assets	Total
	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipment	Furniture and fixtures	Software	
<b>Cost as at 1-Apr-2016</b>	109,784,870	1,177,904	2,424,172	488,650	8,513,016	17,305,561	6,152,703	977,214	146,824,090
Additions	244,900	-	-	-	-	-	-	-	244,900
Disposals	(9,188,295)	-	(2,424,172)	(177,450)	-	(105,925)	(912,909)	(977,214)	(13,785,965)
<b>Cost as at 31-Mar-2017</b>	<b>100,841,475</b>	<b>1,177,904</b>	<b>-</b>	<b>311,200</b>	<b>8,513,016</b>	<b>17,199,636</b>	<b>5,239,794</b>	<b>-</b>	<b>133,283,025</b>
Additions	-	-	-	-	-	10,500	225,000	-	235,500
Disposals	(6,098,014)	-	-	-	(876,747)	-	-	-	(6,974,761)
<b>Cost as at 31-Mar-2018</b>	<b>94,743,461</b>	<b>1,177,904</b>	<b>-</b>	<b>311,200</b>	<b>7,636,269</b>	<b>17,210,136</b>	<b>5,464,794</b>	<b>-</b>	<b>126,543,764</b>
<b>Accumulated depreciation as at 1-Apr-2016</b>	-	568,866	895,660	306,986	4,134,832	10,943,411	2,351,034	507,402	19,708,191
Depreciation for the year	3,597,432	27,492	227,281	85,275	1,123,510	4,711,870	645,851	155,364	10,574,075
Disposals	(875,481)	-	(1,122,941)	(109,211)	-	(77,428)	(702,974)	(662,766)	(3,550,801)
<b>Accumulated depreciation as at 31-Mar-2017</b>	<b>2,721,951</b>	<b>596,358</b>	<b>-</b>	<b>283,050</b>	<b>5,258,342</b>	<b>15,577,853</b>	<b>2,293,911</b>	<b>-</b>	<b>26,731,465</b>
Depreciation for the year	1,824,170	27,492	-	12,669	1,018,245	535,888	552,765	-	3,971,229
Disposals	(3,713,522)	-	-	-	(319,386)	-	-	-	(4,032,908)
<b>Accumulated depreciation as at 31-Mar-2018</b>	<b>832,599</b>	<b>623,850</b>	<b>-</b>	<b>295,719</b>	<b>5,957,201</b>	<b>16,113,741</b>	<b>2,846,676</b>	<b>-</b>	<b>26,669,786</b>
<b>Net carrying amount as at 01-Apr-2016</b>	109,784,870	609,038	1,528,512	181,664	4,378,184	6,362,150	3,801,669	469,812	127,115,899
<b>Net carrying amount as at 31-Mar-2017</b>	98,119,524	581,546	-	28,150	3,254,674	1,621,783	2,945,883	-	106,551,560
<b>Net carrying amount as at 31-Mar-2018</b>	<b>93,910,862</b>	<b>554,054</b>	<b>-</b>	<b>15,481</b>	<b>1,679,068</b>	<b>1,096,395</b>	<b>2,618,118</b>	<b>-</b>	<b>99,873,978</b>

- i. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.
- ii. Hypothication details: Cash credit and Working Capital Demand Loan were hypothecated on inventories, bookdebts and first charge on the fixed assets in the year ended 31-Mar-17 and 31-Mar-2016. The said charge has been satisfied and surrendered in the current year ended 31-Mar-18.

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>4 NON-CURRENT INVESTMENTS</b>			
<b>I) Investment carried at cost</b>			
	<b>Number</b>	<b>Face Value p.u.</b>	
a) <u>Investments in equity instruments</u>			
<u>In subsidiary companies (Unquoted)</u>			
PCS Infotech Limited	50000	INR 10	5,000,000
PCS Positioning Systems (India) Limited	1,760,000	INR 10	17,510,000
PCS Technology Inc., USA	2,500	USD 2	217,850
			<b>22,727,850</b>
Less: Provision for diminution in value of investments			<b>17,727,850</b>
<b>Net investment in subsidiaries</b>			<b>5,000,000</b>
<b>II) Investment carried at amortised cost</b>			
b) <u>Investment in Government securities</u>			
National Savings Certificate	4	1000	-
			<b>4,000</b>
			<b>4,000</b>
<b>III) Investment carried at fair value through profit or loss</b>			
a) <u>In Other Companies (Quoted)</u>			
Longview tea Limited	200	10	-
NEPC Micon Limited	400	10	-
Asit C Mehta Financial Services limited	5,000	10	-
Riga Sugar Co Limited	2,200	10	-
Western India Industries Limited	7,500	10	-
			<b>635,000</b>
Less: Provision for dimunition in value of quoted investments			<b>635,000</b>
<b>Net quoted investment</b>			<b>-</b>

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018



(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>b) In Others (Unquoted)</b>			
Saraswat Coop Bank Limited	10,000	10,000	10,000
	10,000	10,000	10,000
<b>Total of investments in equity instruments</b>	<b>5,010,000</b>	<b>5,010,000</b>	<b>5,010,000</b>
<b>c) Investment in Share Certificates</b>			
Membership of Technocity Co-operative Society	10,000	10,000	10,000
	10,000	10,000	10,000
<b>Net investments</b>	<b>5,020,000</b>	<b>5,024,000</b>	<b>5,024,000</b>
Aggregate amount of quoted Investments (Market value Rs.Nil previous year Rs.1,86,522)	-	635,000	635,000
Aggregate amount of Unquoted Investments	22,747,850	22,751,850	22,751,850
Aggregate provision for diminution in value of investments	17,727,850	18,362,850	18,362,850

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>5 OTHER ASSETS</b>			
Security Deposits with Excise & Customs Authorities & Others	5,927,450	6,697,910	6,602,123
Advances recoverable in cash or in kind	28,500	579,021	378,633
Advances - Related Parties (refer note no.51)	-	48,548	45,935
Income tax paid (Net of provisions)	37,670,577	47,100,984	75,470,666
Non Current Bank Balances	2,366,368	2,171,463	1,711,967
	45,992,895	56,597,926	84,209,324
<b>b) Unsecured, Considered doubtful</b>			
Advances - Related Parties (refer note no.51)	25,000,000	25,000,000	25,000,000
	70,992,895	81,597,926	109,209,324
Less: Provision for doubtful loans and advances	25,000,000	25,000,000	25,000,000
	45,992,895	56,597,926	84,209,324
<b>6 INVENTORIES</b>			
Stores & Spares	-	380,793	2,437,893
Stock-in-trade	-	-	267,818
	-	380,793	2,705,711
<b>7 CURRENT INVESTMENTS</b>			
Corporate Bonds & Debentures	326,682,764	168,658,940	60,401,984
	326,682,764	168,658,940	60,401,984
<b>8 TRADE RECEIVABLES</b>			
<b>a) Unsecured, Considered good</b>	1,724,448	11,400,024	59,027,487
<b>b) Unsecured, Considered doubtful</b>	17,169,715	17,169,715	17,169,715
Total trade receivables	18,894,163	28,569,739	76,197,202
Less: Provision for doubtful trade receivables	17,169,715	17,169,715	17,169,715
	1,724,448	11,400,024	59,027,487
<b>9 UNBILLED REVENUE</b>			
Revenue Accrued	-	10,422,201	10,262,244
	-	10,422,201	10,262,244
<b>10 CASH AND BANK BALANCES</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash in hand	65,806	282,207	2,369,435
Balances with Banks			
In Current account	9,729,922	73,911,121	36,310,033
Deposits with original maturity of less than 3 months	-	-	30,000
<b>Total Cash &amp; Bank Balances</b>	<b>9,795,728</b>	<b>74,193,328</b>	<b>38,709,468</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>11 OTHER BALANCES WITH BANKS</b>			
Deposits with Original maturity of more than 3 months but less than 12 months	-	-	104,106
	-	-	<b>104,106</b>
<b>12 LOANS</b>			
Inter Corporate Deposits	20,000,000	97,500,000	150,000,000
Interest Accrued	16,657,195	8,575,025	4,334,709
Loans and advances to employees	10,000	80,000	-
Earnest Money Deposit	-	51,707	1,203,790
	<b>36,667,195</b>	<b>106,206,732</b>	<b>155,538,499</b>
<b>13 CURRENT TAX ASSETS (NET)</b>			
Income tax paid (Net of provisions)	1,937,223	-	1,207,087
	<b>1,937,223</b>	-	<b>1,207,087</b>
<b>14 OTHER CURRENT ASSETS</b>			
Prepaid Expenses	455,387	1,062,980	2,415,966
Advance to Suppliers	-	-	360,000
Rent deposit (repayable on demand) - Related Parties (refer note no.51.5)	100,000	2,254,000	2,254,000
	<b>555,387</b>	<b>3,316,980</b>	<b>5,029,966</b>
<b>15 SHARE CAPITAL</b>			
<b>Authorised:</b>			
2,10,25,000 Equity shares of Rs.10/- each	210,250,000	210,250,000	210,250,000
39,75,000 Preference Shares of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative)	39,750,000	39,750,000	39,750,000
	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and paid up:</b>			
2,09,50,677 (Previous Year - 2,09,50,677) Equity Shares of Rs.10/- each	209,506,770	209,506,770	209,506,770
	<b>209,506,770</b>	<b>209,506,770</b>	<b>209,506,770</b>

**a) Terms/ Rights attached to Equity Shares:**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Reconciliation of the shares outstanding at the beginning and end of the year 31-03-2018, 31-03-2017, 31-03-2016:**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	20,950,677	209,506,770
Shares outstanding at the end of the year	20,950,677	209,506,770

**c) Details of shareholding more than 5% Equity Shares of total Equity Shares in the company:**

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding	No.of shares	% holding
Mrs. Rajnikanta Patni	2,391,081	11.41	2,391,081	11.41	2,391,081	11.41
M/s. PCS Finance Private Limited	1,901,560	9.08	1,901,560	9.08	1,901,560	9.08
M/s. Ashoka Computer Systems Pvt. Ltd.	1,901,560	9.08	1,901,560	9.08	1,901,560	9.08
M/s. PCS Cullinet Private Limited	1,901,559	9.08	1,901,559	9.08	1,901,559	9.08
Mrs. Sadhana A. Patni	1,694,936	8.09	1,694,936	8.09	1,694,936	8.09

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018



(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>16 OTHER EQUITY</b>			
<b>Retained Earnings</b>			
Opening balance	246,266,999	210,983,565	142,434,682
Add: OCI Reserves	-	-	12,760,024
Add: Profit for the year	28,020,168	41,548,862	55,788,859
Add: Remeasurement gain   (loss) on defined benefit plans	(1,772,641)	(6,265,428)	-
<b>Closing balance</b>	<b>272,514,526</b>	<b>246,266,999</b>	<b>210,983,565</b>
<b>17 LONG TERM BORROWINGS</b>			
<b>(carried at amortised value)</b>			
<b>Unsecured</b>			
<b>Loan from Related Parties</b>			
a) Term Loan	-	16,580,564	14,359,663
b) Preference Shares	36,911,788	36,674,840	32,630,313
<b>Total financial liabilities</b>	<b>36,911,788</b>	<b>53,255,404</b>	<b>46,989,976</b>

The above Long term borrowings include:

a) 39,75,000 (Previous Year - 39,75,000) 9% Preference Share of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative) carried at amortised cost

b) **Terms/ Rights attached to Preference Shares:**

The Company has only one class of preference shares having a par value of Rs.10 per share, allotted on 31st January 2013 and redeemable in the 12th and 13th year from the date of allotment or earlier as the Board of Directors may decide. Each holder of preference share is entitled to one vote per share. In the event of liquidation of the company, before any entitlement of assets to holders of equity shares, the holders of preference shares will be entitled to receive remaining assets of the company, after distribution of all other preferential amounts. The distribution will be in proportion to the number of preferential shares held by the shareholders.

c) **Details of shareholding more than 5% Preference Shares of total Preference Shares in the company:**

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding	No.of shares	% holding
Mr. Ashok Kumar Patni	1,965,000	49.43	1,965,000	49.43	1,965,000	49.43
Mr. Gajendra Kumar Patni	1,480,000	37.23	1,480,000	37.23	1,480,000	37.23

d) Board of Directors of the Company at its Meeting held on 23rd March, 2018 has approved the payment of 9 % dividend aggregating to the value of Rs.35,77,500 on 3975000- 9% Redeemable, Non-Convertible, Non-Cumulative Preference Shares (Preference Shares) of Rupees 10/- each fully paid up to the Preference Shareholders of the Company. The dividend on preference shares amounting to Rs.43,05,796 (including dividend distribution tax of Rs.7,28,296) has been paid on 26th March 2018.

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>18 OTHER FINANCIAL LIABILITIES</b>			
Deposits received on rental premises	2,045,127	-	-
	<b>2,045,127</b>	-	-
<b>19 PROVISIONS</b>			
Long-term provision for leave benefits	458,097	1,596,739	4,393,400
	<b>458,097</b>	<b>1,596,739</b>	<b>4,393,400</b>
<b>20 OTHER LIABILITIES</b>			
Deferred Rental Deposits	284,771	-	-
	<b>284,771</b>	-	-
<b>21 SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
Cash credit from banks	-	18,139,567	20,504,336
Working capital loan	-	-	11,715,119
	-	<b>18,139,567</b>	<b>32,219,455</b>



# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
Cash credit and Working Capital Demand Loan which was earlier hypothecated on inventories, bookdebts and first charge on the fixed assets has been surrendered in the current year and the charge has been satisfied.			
<b>22 TRADE AND OTHER PAYABLES</b>			
Due to Micro , Small and Medium Enterprises	508,200	508,200	3,621,450
(Refer note 39 for details of dues to MSME)	2,403,083	3,778,232	6,225,118
Others			
	<b>2,911,283</b>	4,286,432	9,846,568
<b>23 CURRENT INCOME TAX LIABILITIES (NET)</b>			
Income tax paid (Net of provisions)			
	-	-	-
<b>24 PROVISIONS</b>			
Short-term provision for leave benefits	749,656	1,278,903	1,206,700
	<b>749,656</b>	1,278,903	1,206,700
<b>25 OTHER CURRENT LIABILITIES</b>			
Deferred Rental Deposits	170,102	-	-
Statutory dues and taxes payable	557,527	2,950,072	6,364,744
Income received in advance	-	3,244,792	16,913,019
Trade advances	2,139,971	2,226,806	10,911,578
	<b>2,867,600</b>	<b>8,421,670</b>	<b>34,189,341</b>

(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>26 REVENUE FROM OPERATIONS</b>		
Traded Goods : Computers Peripherals & Softwares	-	1,693,502
Sales of Services: Computers related IT services	102,717,188	256,857,075
<b>Net Sales</b>	<b>102,717,188</b>	<b>258,550,577</b>
<b>27 OTHER INCOME</b>		
i) Interest income from Financial Assets measured at amortised cost : Interest income from NCD & Bonds	30,561,351	35,324,919
ii) Rent income	3,097,766	-
iii) Other non-operating income	2,322,931	3,162,904
iv) Net gain on disposal of Investments carried at amortised cost	-	243,655
	<b>35,982,048</b>	<b>38,731,478</b>
<b>28 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Inventory at the end of the year	-	-
Inventory at the beginning of the year	-	267,818
(Increase) / Decrease in Inventory	-	267,818
<b>29 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	65,620,631	141,861,210
Contribution to Provident fund etc	5,873,239	16,865,536
Staff Welfare expenses	830,530	3,813,571
	<b>72,324,400</b>	<b>162,540,317</b>

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>30 FINANCE COST</b>		
Interest expense	237,339	802,761
Dividend on Preference Shares (including DDT)	4,305,796	-
Interest on financial liabilities carried at amortised cost	3,771,051	6,265,428
Other borrowing cost	-	54,343
	<b>8,314,186</b>	<b>7,122,532</b>
<b>31 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation and amortisation expenses	3,971,228	10,574,075
	<b>3,971,228</b>	<b>10,574,075</b>
<b>32 OTHER EXPENSES</b>		
Power & fuel	780,377	2,251,115
Rent	2,050,330	3,386,643
Rates & taxes	569,955	742,189
Insurance	987,637	1,700,807
Advertisement & sales promotion	302,173	553,062
Travelling and conveyance expenses	2,222,837	12,563,312
Consumable, stores and spares	2,308,667	8,120,735
Office maintainence	789,640	1,666,843
Printing & stationery	732,462	2,611,428
Communication expenses	427,900	1,565,003
Auditor's remuneration		
as Auditors	200,000	340,000
for Tax audit	50,000	50,000
for Certificate/ limited review	-	95,000
Legal, professional & consultancy charges	5,158,484	7,028,647
Freight & forwarding	405,428	846,202
Directors sitting fees	461,800	295,900
Bad debts and remissions	1,256,108	5,576,306
Subcontracting charges paid	4,526,495	9,289,495
Sales & Work contract tax paid	152,041	55,116
Net Loss disposal of Investments carried at amortised cost	2,113,370	-
Contribution to CSR	1,400,000	1,000,000
Miscellaneous expenses	5,900,975	5,147,704
	<b>32,796,679</b>	<b>64,885,507</b>

### 33 EXCEPTIONAL ITEMS

(Amount in Rs.)

Particulars	Income   (Expenses)	
	2017-18	2016-17
Net gain on disposal of Property, Plant and Equipment	12,442,103	(217,539)
<b>Total</b>	<b>12,442,103</b>	<b>(217,539)</b>

### 34. Note on Contingent Liability:

In respect of performance bank guarantees furnished by the Company to its customers amounting to Rs.11,28,800 (Previous Year – Rs.37,40,881) the Company has deposited corresponding margin money with the concerned banks. Hence, there is no contingent liabilities on this account.

35. The Company is entitled to carry forward its business loss and unabsorbed depreciation as per the provisions of the Income-tax Act, 1961 and consequently has a net deferred tax asset as on 31st March 2018. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized.

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 36. The Company has made Inter Corporate Deposits with following Companies for their Business Purpose

(Amount in Rs.)

SN	Name	Rate	31-Mar-18	31-Mar-17	31-Mar-16
1	Mukand Ltd	14.00%	-	40,000,000	70,000,000
2	Anil Ltd	15.50%	20,000,000	20,000,000	10,000,000
3	The Bombay Dyeing & Mfg. Co. Ltd.	14.50%	-	10,000,000	20,000,000
4	Bhoruka Power Corporation Ltd	16.00%	-	10,000,000	-
5	The Oudh Sugar Mills Limited	12.00%	-	10,000,000	-
6	Leading Hotels Ltd	17.00%	-	5,000,000	-
7	Kirloskar Electric Co Ltd	14.25%	-	2,500,000	-
8	Videocon Industries Ltd	16.50%	-	-	50,000,000
	<b>Total</b>		<b>20,000,000</b>	<b>97,500,000</b>	<b>150,000,000</b>

### 37. a) Status of statutory dues of service tax under disputes on category, where amount were paid under different category:

- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding Rs.50,45,046 as recipient of services for the period Apr2009 - Mar2010.  
The Company has filed appeal before Appellate Tribunal, Mumbai, stating the facts and grounds that the Company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, the Company is not liable for further dues.
- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding Rs.29,13,810 as recipient of services for the period Apr2010 - Mar2011.  
The Company has filed appeal before Appellate Tribunal, Mumbai, stating the demand on the facts and grounds that the Company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, the Company is not liable for further dues.
- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding Rs.5,96,410 as recipient of services for the period Apr2011 - Mar2012.  
The Company has filed appeal before Appellate Tribunal, Mumbai, stating the facts and grounds that the Company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, the Company is not liable for further dues.

### b) Status of statutory dues under disputes on which amount has not been paid:

- The Commissioner of Service Tax, Mumbai has passed an order confirming the demand of Rs.2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec2004 – Mar2009.  
The Company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules. The Company has filed an appeal before Appellate Tribunal, Mumbai and the Appellate Tribunal has granted the Stay Order on the said matter.
- The Company has received a demand of Rs.19,12,633 from the Commissioner of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept2006 - Mar2010.  
The Company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.
- The Company has received a Show Cause Notice from Director of Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.  
The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of the Company. The Company has deposited Rs. 50 lakhs as pre-deposit under protest.
- The Company has received a demand order from office of the Commissioner of Central Excise Puducherry for Rs.15,13,920 on account of Excise on computer manufacturing.  
The Company has filed appeal before the Commissioner of Central Excise, Chennai denying the demand on the facts and grounds as per Law.

38. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

### 39. Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Principle amount due to suppliers under MSMED Act at the year end	508,200	508,200
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	71,148	53,361
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	-	-
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	71,148	53,361

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 40. (A) Value of imported and indigenous Computer and Peripherals Accessories consumed and percentage there of:

(Amount in Rs.)

Particulars	31-Mar-2018		31-Mar-2017	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	-	0.00%	414,622	100.00%
	-	0.00%	414,622	100.00%

### (B) Value of imports on CIF basis in respect of:

Particulars	31-Mar-2018	31-Mar-2017
Raw Material, Store & spares and Computer Peripherals	-	-

### (C) Expenditure in foreign currency:

Particulars	31-Mar-2018	31-Mar-2017
Traveling	-	1,881,325

### (D) Earning in foreign currency:

Particulars	31-Mar-2018	31-Mar-2017
Export sales and services	-	6,557,402

### 41. PARTICULARS OF EARNINGS PER SHARES:

Particulars	31-Mar-2018	31-Mar-2017
a) Net Profit for the year	28,020,168	41,548,862
b) Number of equity shares outstanding at the beginning and at the end of the year	20,950,677	20,950,677
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	1.34	1.98

### 42 CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

#### a) Income tax expense

Particulars	2017-18	2016-17
<b>i) Current tax</b>		
Current tax on profits for the year	7,600,000	10,300,000
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	7,600,000	10,300,000
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	-	-
Decrease   (Increase) in deferred tax assets	-	-
Transferred to OCI on actuarial gain or loss	-	-
<b>Total deferred tax expense(benefit)</b>	-	-
<b>Income tax expense</b>	7,600,000	10,300,000

#### b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

Particulars	2017-18	2016-17
a) Statutory income tax rate	27.55%	30.00%
b) Differences due to:		
i) Expenses not deductible for tax purposes	38.62%	29.60%
ii) Income exempt from income tax	0.01%	0.00%
iii) Income tax incentives	0.00%	0.00%
iv) Others	-43.65%	-39.51%
<b>Effective income tax rate</b>	<b>22.53%</b>	<b>20.09%</b>

#### c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### d) Current tax liabilities (net)

(Amount in Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Opening balance	-	1,207,087	-
Add: Current tax payable for the year	-	10,300,000	-
Less: Taxes paid	-	(7,075,764)	-
<b>Closing balance</b>	-	<b>4,431,323</b>	-

### e) Current tax assets (net)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Opening balance	4,431,323	-	-
Add: Tax paid in advance, net of provisions during the year	9,245,814	-	15,217,087
Less: Current tax payable for the year	(7,600,000)	-	(14,010,000)
<b>Closing balance</b>	<b>6,077,137</b>	-	<b>1,207,087</b>

### f) Unrecognised temporary differences

The Company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

## 43 EMPLOYEE BENEFIT OBLIGATIONS

### Funded Scheme

#### a) Defined Benefit Plans:

##### Gratuity

The Company operates a gratuity plan through the 'PCS TECHNOLOGY LIMITED Employees Gratuity Trust'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

##### Balance sheet amount (Gratuity)

Particulars	Amount in Rs.
<b>April 1, 2016</b>	
<b>Liability at the beginning of the year</b>	18,049,171
Current service cost	1,282,976
Interest expense (income)	793,237
<b>Total amount recognised in profit and loss</b>	<b>20,125,384</b>
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income)	(15,278,486)
(Gain )   Loss from change in financial assumptions	6,218,701
Experience (gains) losses	-
<b>Total amount recognised in other comprehensive income</b>	<b>(9,059,785)</b>
Employer contributions	-
Benefit payments	-
<b>March 31, 2017</b>	<b>11,065,599</b>
Current service cost	589,047
Interest expense (income)	422,293
<b>Total amount recognised in profit and loss</b>	<b>1,011,340</b>
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income)	(9,817,650)
(Gain )   Loss from change in financial assumptions	2,914,305
Experience (gains) losses	-
<b>Total amount recognised in other comprehensive income</b>	<b>(6,903,345)</b>
Employer contributions	-
Benefit payments	-
<b>March 31, 2018</b>	<b>5,173,594</b>

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The net liability disclosed above relates to funded and unfunded plans are as follows:

(Amount in Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Present value of funded obligations	5,173,594	11,065,599	18,049,171
Fair value of plan assets	7,717,283	14,154,755	20,461,908
<b>Deficit of Gratuity plan</b>	<b>(2,543,689)</b>	<b>(3,089,156)</b>	<b>(2,412,737)</b>

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

(Amount in Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Discount rate	7.82%	6.86%	7.62%
Attrition rate	1.00%	1.00%	1.00%
Rate of return on plan assets	12.00%	12.00%	12.00%
Salary escalation rate	5.00%	5.00%	5.00%

**Sensitivity analysis**

The above sensitivity analyses are based on same assumptions while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

**Major category of plan assets are as follows:**

(Amount in Rs.)

Particulars	31-Mar-18			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	7,717,283	7,717,283	100%
<b>Others</b>				
Special deposit scheme	-	-	-	-
	-	<b>7,717,283</b>	<b>7,717,283</b>	<b>100%</b>

Particulars	31-Mar-17			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	14,154,755	14,154,755	100%
<b>Others</b>				
Special deposit scheme	-	-	-	-
	-	<b>14,154,755</b>	<b>14,154,755</b>	<b>100%</b>

Particulars	1-Apr-16			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	20,461,908	20,461,908	100%
<b>Others</b>				
<b>Special deposit scheme</b>	-	-	-	-
	-	<b>20,461,908</b>	<b>20,461,908</b>	<b>100%</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

#### a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 is NIL

The weighted average duration of the defined benefit obligation is 5 years (2015-16: 5 years). The expected maturity analysis of gratuity is as follows:

(Amount in Rs.)

Particulars	Total
Defined benefit obligation (gratuity)	
As at March 31, 2017	1,10,65,599
As at March 31, 2016	1,80,49,171

#### b) Defined contribution plans:

Amount of Rs. NIL (March 31, 2017: Rs. 43,00,000) is recognised as expense and included in the Note 29 'Contribution to Provident and other funds'.

#### c) Provident fund:

The Company makes monthly contribution to Government approved Provident Fund.

#### d) Compensated absences amount of Rs.2,03,084 (March 31, 2017: Rs.15,33,423) is recognised as expense and included in the Note 29 "Salaries & Wages"

### 44 Fair Value Measurement

(Amount in Rs.)

Particulars	31-Mar-18			31-Mar-17			1-Apr-16		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments:									
Equity instruments	20,000	-	-	20,000	-	4,000	20,000	-	4,000
Trade receivables	-	-	1,695,458	-	-	11,400,024	-	-	59,027,487
Cash and bank balances	-	-	9,736,224	-	-	74,193,328	-	-	38,813,574
Other receivables	-	-	16,657,195	-	-	8,575,025	-	-	4,334,709
<b>Total Financial assets</b>	<b>20,000</b>	<b>-</b>	<b>28,088,877</b>	<b>20,000</b>	<b>-</b>	<b>94,172,377</b>	<b>20,000</b>	<b>-</b>	<b>102,179,770</b>
<b>Financial liabilities</b>									
Trade payables	-	-	2,905,243	-	-	4,286,432	-	-	9,846,568
Security deposits	-	-	2,045,127	-	-	-	-	-	-
Directors Loan	-	-	-	-	-	16,580,565	-	-	14,359,663
Preference Shares	-	-	36,911,788	-	-	36,674,840	-	-	32,630,313
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>41,862,158</b>	<b>-</b>	<b>-</b>	<b>57,541,837</b>	<b>-</b>	<b>-</b>	<b>56,836,544</b>

### Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### i) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2018 (Amount in Rs.)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan				-	-
Preference Shares				36,911,788	36,911,788
Security deposits				2,045,127	2,045,127
<b>Total financial liabilities</b>				<b>38,956,915</b>	<b>38,956,915</b>

#### ii) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2017 (Amount in Rs.)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan				16,580,565	16,580,565
Preference Shares				36,674,840	36,674,840
Security deposits				-	-
<b>Total financial liabilities</b>				<b>53,255,405</b>	<b>53,255,405</b>

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

iii) **Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at April 1, 2016** (Amount in Rs.)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan		-	-	14,359,663	14,359,663
Preference Shares		-	-	32,630,313	32,630,313
Security deposits		-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>46,989,976</b>	<b>46,989,976</b>

There were no transfers between any levels during the year:

### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

### c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

### d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>						
Loans to subsidiary companies	-	-	-	-	-	-
Loans to Employees	10,000	10,000	80,000	80,000	-	-
<b>Total financial assets</b>	<b>10,000</b>	<b>10,000</b>	<b>80,000</b>	<b>80,000</b>	-	-
<b>Financial liabilities</b>						
Security deposits	2,500,000	2,045,127	-	-	-	-
Directors Loan	-	-	20,000,000	16,580,565	20,000,000	14,359,663
Preference Shares	39,750,000	36,911,788	39,750,000	36,674,840	39,750,000	32,630,313
<b>Total financial liabilities</b>	<b>42,250,000</b>	<b>38,956,915</b>	<b>59,750,000</b>	<b>53,255,405</b>	<b>59,750,000</b>	<b>46,989,976</b>

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 45 CAPITAL MANAGEMENT

### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium. Total debt includes current debt plus non-current debt.



# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	31-Mar-18	31-Mar-17
Total Debt	36,911,788	71,394,972
Total Equity	469,572,906	455,773,768
Debt-Equity ratio	0.08	0.16

#### 46 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

- a) Gross amount required to be spent by the Company during the year is Rs. 24,42,271/- of the F.Y. 2016-17 and Rs. 13,95,416/- of the F. Y. 2017-18
- b) Amount spent during the year on:

(Amount in Rs.)

Particulars	Paid	Yet to be paid in	Total
i) Construction   acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,000,000	2,837,687	3,837,687

#### 47 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

#### 48 ROUNDING OFF

Figures less than Rs. 50,000 has been shown at actuals in bracket.

#### 49 TRANSITION TO IND AS

These are the First Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes:

#### 49.1 EXEMPTIONS AND EXCEPTIONS AVAILED

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at for the year ended March 31, 2017.

##### a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

##### i) Deemed cost

Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings.

The Plant, Equipment and Intangible assets are measured at its carrying value at the transaction date.

##### ii) Investments in subsidiary companies, associate company and joint venture company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies, associate company and joint venture company under IGAAP carrying amount as its deemed cost on the transition date.

##### b) Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP :

- 1) Preference Share Capital
- 2) Director's Loan

##### ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 49.2 RECONCILIATION BETWEEN IGAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

a) Reconciliation of equity as at March 31, 2017 and April 1, 2016

(Amount in Rs.)

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 01, 2016		
		Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	a	106,551,560	-	106,551,560	222,509,165	(95,863,078)	126,646,087
Capital work-in-progress		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Intangible assets		-	-	-	469,812	-	469,812
Financial assets		-	-	-	-	-	-
i) Investments	c	5,024,000	-	5,024,000	5,024,000	-	5,024,000
ii) Trade receivables		-	-	-	-	-	-
iii) Loans		-	-	-	-	-	-
iv) Other financial assets		-	-	-	-	-	-
Current tax assets (net)		-	-	-	-	-	-
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		56,597,926	-	56,597,926	84,209,324	-	84,209,324
<b>Total non-current assets</b>		<b>168,173,486</b>	<b>-</b>	<b>168,173,486</b>	<b>312,212,301</b>	<b>(95,863,078)</b>	<b>216,349,223</b>
<b>Current assets</b>							
Inventories		380,793	-	380,793	2,705,711	-	2,705,711
Financial assets							
i) Investments	c	168,658,940	-	168,658,940	60,401,984	-	60,401,984
ii) Trade receivables		11,400,024	-	11,400,024	59,027,487	-	59,027,487
iii) Unbilled Revenue		10,422,201	-	10,422,201	10,262,244	-	10,262,244
iii) Cash and cash equivalents		74,193,328	-	74,193,328	38,709,468	-	38,709,468
iv) Bank balances other than cash and cash equivalents above		-	-	-	104,106	-	104,106
v) Loans		106,206,732	-	106,206,732	155,538,499	-	155,538,499
vi) Other financial assets		-	-	-	-	-	-
Current tax assets (net)		-	-	-	1,207,087	-	1,207,087
Other current assets		3,316,980	-	3,316,980	5,029,966	-	5,029,966
<b>Total current assets</b>		<b>374,578,998</b>	<b>-</b>	<b>374,578,998</b>	<b>332,986,552</b>	<b>-</b>	<b>332,986,552</b>
Assets held-for-sale / Assets included in disposal group(s) held-for-sale		-	-	-	-	-	-
<b>TOTAL ASSETS</b>		<b>542,752,484</b>	<b>-</b>	<b>542,752,484</b>	<b>645,198,853</b>	<b>(95,863,078)</b>	<b>549,335,775</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		249,256,770	(39,750,000)	209,506,770	249,256,770	(39,750,000)	209,506,770
Other equity	e	239,772,403	6,494,596	246,266,999	294,086,619	(83,103,054)	210,983,565
<b>Total equity</b>		<b>489,029,173</b>	<b>(33,255,404)</b>	<b>455,773,769</b>	<b>543,343,389</b>	<b>(122,853,054)</b>	<b>420,490,335</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
i) Borrowings		-	-	-	-	-	-
ii) Other financial liabilities		20,000,000	33,255,404	53,255,404	20,000,000	26,989,976	46,989,976
Provisions		1,596,739	-	1,596,739	4,393,400	-	4,393,400
Deferred tax liabilities		-	-	-	-	-	-
Other liabilities		-	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>21,596,739</b>	<b>33,255,404</b>	<b>54,852,143</b>	<b>24,393,400</b>	<b>26,989,976</b>	<b>51,383,376</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 01, 2016		
		Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
<b>Current liabilities</b>							
Financial liabilities							
i) Borrowings		18,139,567	-	18,139,567	32,219,455	-	32,219,455
ii) Trade payables		4,286,432	-	4,286,432	9,846,568	-	9,846,568
iii) Other financial liabilities		-	-	-	-	-	-
Unearned and deferred revenue							
Current tax liabilities (net)		-	-	-	-	-	-
Provisions		1,278,903	-	1,278,903	1,206,700	-	1,206,700
Other liabilities		8,421,670	-	8,421,670	34,189,341	-	34,189,341
<b>Total current liabilities</b>		<b>32,126,572</b>	<b>-</b>	<b>32,126,572</b>	<b>77,462,064</b>	<b>-</b>	<b>77,462,064</b>
<b>Total liabilities</b>		<b>53,723,311</b>	<b>33,255,404</b>	<b>86,978,715</b>	<b>101,855,464</b>	<b>26,989,976</b>	<b>128,845,440</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>542,752,484</b>	<b>-</b>	<b>542,752,484</b>	<b>645,198,853</b>	<b>(95,863,078)</b>	<b>549,335,775</b>

\* The IGAAP figures have been reclassified & regrouped to conform to Ind AS presentation requirements for the purposes of this note.

b) Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes to reconciliation	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from operations		258,550,577	-	258,550,577
Other income		38,731,478	-	38,731,478
<b>Total income</b>		<b>297,282,055</b>	<b>-</b>	<b>297,282,055</b>
<b>Expenses</b>				
Cost of materials consumed		-	-	-
Purchase of stock-in-trade		414,622	-	414,622
Changes in inventories of finished goods, stock-in-trade and work-in-progress		267,818	-	267,818
Excise duty		-	-	-
Employee benefit expenses	d	168,805,745	(6,265,428)	162,540,317
Finance costs		857,104	6,265,428	7,122,532
Depreciation and amortisation expenses		10,574,075	-	10,574,075
Other expenses		64,885,507	-	64,885,507
<b>Total expenses</b>		<b>245,804,871</b>	<b>-</b>	<b>245,804,871</b>
<b>Profit before exceptional items and tax</b>		<b>51,477,184</b>	<b>-</b>	<b>51,477,184</b>
Exceptional items		(217,539)	-	(217,539)
<b>Profit before tax from continuing operations</b>		<b>51,259,645</b>	<b>-</b>	<b>51,259,645</b>
<b>Tax expense</b>				
Current tax		10,300,000	-	10,300,000
Deferred tax		-	-	-
Earlier years		(589,217)	-	(589,217)
<b>Total tax expense</b>		<b>9,710,783</b>	<b>-</b>	<b>9,710,783</b>
<b>Profit for the Year</b>		<b>41,548,862</b>	<b>-</b>	<b>41,548,862</b>
<b>Other comprehensive income</b>	f,d	-	(4,792,676)	(4,792,676)
<b>Total comprehensive income for the year</b>		<b>41,548,862</b>	<b>(4,792,676)</b>	<b>36,756,186</b>

\* The IGAAP figures have been reclassified & regrouped to conform to Ind AS presentation requirements for the purposes of this note.

c) **Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017**

The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 49.3 NOTES TO RECONCILIATION BETWEEN IGAAP AND IND AS

#### a) Property, plant and equipment

Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

#### b) Deferred tax

Under IGAAP, deferred tax were accounted for using the income statement approach which focuses on difference between taxable profit and accounting profit for the period. Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred taxes on temporary differences which were not required to be recorded under IGAAP. In addition, the various transitional adjustments have led to deferred tax implications which the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained earnings or Other Comprehensive Income on the date of transition.

#### c) Fair valuation of investments

Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value and the Company has elected to classify such investments at FVTPL. This has not affected the Retained earnings.

#### d) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 62.66 Lakhs. There is no impact on the total equity as at April 1, 2016.

#### e) Retained earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

#### f) Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans, effective portion of gain | (loss) on cash flow hedging instruments and fair value gain | (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

### 50. Segment Reporting:

The Company is engaged mainly in Computer peripherals, softwares and related IT services and as such it is the only reportable business segment. The export sales of the company are NIL and hence there is single reportable geographical segment.

### 51.1 Related parties disclosures:

#### A Names of the related parties (where control exists) - Subsidiary Companies

1. PCS Technology USA, Inc.
2. PCS Positioning Systems (India) Limited
3. PCS Infotech Limited

#### B Other Related parties with whom there are transactions during the year.

##### a) Key Management Personnel

1. Mr. G.K.Patni (Chairman)
2. Mr. A.K.Patni (Vice Chairman)
3. Mr. H C Tandon (Managing Director & CEO till 31st March 2018) - Presently Designated as "Director"
4. Mr. Yash Bhardwaj (Executive Director-whole time)

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

b) Relatives of key management personnel

1. Mrs. Rajnikanta Patni  
(Wife of Mr. G.K. Patni)
2. Mrs. Sadhna Patni  
(Wife of Mr. A.K. Patni)
3. Mr. Apoorva Patni  
(Son of Mr. A.K.Patni)
4. Mr. Arihant Patni  
(Son of Mr. G.K. Patni)
5. Mrs. Ruchi Patni  
(Daughter-in-law of Mr. G.K. Patni)
6. Sobhagmal M. Patni HUF  
(Mr.G.K.Patni & Mr.A.K.Patni are members of HUF)

c) Affiliates (Enterprises over which Key Management personnel or their relatives have significant influence)

1. Kalpavruksh Systems Private Limited  
(Formerly known as Kalpavruksh Systems Limited and before that Vraksh Technologies Limited)
2. Patni Healthcare Private Limited (Formerly known as Patni Healthcare Limited)

**51.2 Transactions carried out with related parties referred above, in ordinary course of business:**

(Amount in Rs.)

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Sales of goods and services	- (-)	- (-)	- (-)	<b>3,957,779</b> (2,390,290)	<b>3,957,779</b> (2,390,290)
2	Rent paid	- (-)	- (466,000)	- (-)	- (-)	- (466,000)
3	Recovery of expenses received	- (2,613)	- (-)	- (-)	- (-)	- (2,613)
4	Loan Taken	- (-)	- (20,000,000)	- (-)	- (-)	- (20,000,000)
5	Loan Refunded	- (-)	<b>20,000,000</b> (20,000,000)	- (-)	- (-)	<b>20,000,000</b> (20,000,000)
6	Security Deposit (Rent) received back	- (-)	<b>54,000</b> (-)	<b>2,100,000</b> (-)	- (-)	<b>2,154,000</b> (-)
7	Payment returned for receivables	<b>1,200,000</b> (-)	- (-)	- (-)	- (-)	<b>1,200,000</b> (-)
8	Remuneration to Directors	- (-)	<b>8,755,376</b> (5,123,966)	- (-)	- (-)	<b>8,755,376</b> (5,123,966)

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 51.3 Significant transactions carried out with related parties referred above, in ordinary course of business:

(Amount in Rs.)

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	<b>Sales of goods and services</b>				
	Kalpavruksh Systems Pvt. Limited	-	-	-	<b>3,263,780</b>
		(-)	(-)	(-)	(2,383,930)
	Patni Healthcare Pvt. Limited	-	-	-	<b>693,999</b>
		(-)	(-)	(-)	(6,360)
2	<b>Rent paid</b>				
	Mr. A. K. Patni	-	-	-	-
		(-)	(216,000)	(-)	(-)
	Mr. Apoorva Patni	-	-	-	-
		(-)	(250,000)	(-)	(-)
3	<b>Recovery of expenses received</b>				
	PCS Positioning Systems (India) Limited	-	-	-	-
		(2,613)	(-)	(-)	(-)
4	<b>Loan Taken</b>				
	Mr. A. K. Patni	-	-	-	-
		(-)	(20,000,000)	(-)	(-)
5	<b>Loan Refunded</b>				
	Mr. A. K. Patni	-	<b>10,000,000</b>	-	-
		(-)	(20,000,000)	(-)	(-)
	Mr. G. K. Patni	-	<b>10,000,000</b>	-	-
		(-)	(-)	(-)	(-)
6	<b>Security Deposit (Rent) received back</b>				
	Rajnikanta Patni			500,000	
				(-)	
	Sadhana Patni			500,000	
				(-)	
	Apoorva Patni			600,000	
			(-)		
	Arihant Patni			500,000	
				(-)	
	A.K. Patni		54,000		
			(-)		
7	<b>Payment returned for receivables</b>				
	PCS Positioning Systems (India) Limited	<b>1,200,000</b>			
		(-)			
8	<b>Remuneration to Directors</b>				
	H.C.Tandon		<b>6,278,000</b>		
			(2,753,790)		
	Yash Bhardwaj		<b>2,477,376</b>		
			(2,370,176)		

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 51.4 Balance outstanding as at year end:

(Amount in Rs.)

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Receivable	- (48,548)				- (48,548)
2	Loan taken		- (20,000,000)			- (20,000,000)
3	Property deposits		- (54,000)	100,000 (2,200,000)		100,000 (2,254,000)
4	Provision for diminution in value of investments	17,727,850 (17,727,850)				17,727,850 (17,727,850)
5	Provision for diminution in receivables	17,169,715 (17,169,715)				17,169,715 (17,169,715)
6	Provision for diminution in advances	25,000,000 (25,000,000)				25,000,000 (25,000,000)

### 51.5 Significance closing balances outstanding as at year end:

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	<b>Receivable</b> PCS Positioning Systems (India) Limited	- (48,548)			
2	<b>Loan Taken</b> A.K. Patni		- (10,000,000)		
	G.K. Patni		- (10,000,000)		
3	<b>Property Deposits</b> Rajnikanta Patni			- (500,000)	
	Sadhana Patni			- (500,000)	
	Apoorva Patni			- (600,000)	
	Arihant Patni			- (500,000)	
	Sobhagmal Maganmal Patni HUF			100,000 (100,000)	
	A.K. Patni		- (54,000)		

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
4	<b>Provision for diminution in value of investments</b> PCS Positioning Systems (India) Limited	<b>17,510,000</b> (17,510,000)			
	PCS Technology Inc., USA	<b>217,850</b> (217,850)			
5	<b>Provision for diminution in receivables</b> PCS Positioning Systems (India) Limited	<b>11,733,050</b> (11,733,050)			
	PCS Technology Inc., USA	<b>5,436,665</b> (5,436,665)			
6	<b>Provision for diminution in advances</b> PCS Positioning Systems (India) Limited	<b>25,000,000</b> (25,000,000)			

## 52.1 Disclosure requirement of loans & Advances / Investments as per schedule V of SEBI (LODR) Regulations, 2015

Amount of loans and advances in nature of loans outstanding from subsidiaries:

	(Amount in Rs.)
PCS Positioning Systems (India) Limited	25,000,000 (25,000,000)

Note: Previous year figures are shown in brackets

## 52.2 Details of Investment by the Loanee in the shares of the company:

None of the Loanee have made investments in the shares of the company.

53. Figures for the previous year have been regrouped/ rearranged wherever necessary.



# PCS TECHNOLOGY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Consolidated Ind AS financial statements

We have audited the accompanying Consolidated Ind AS financial statements of PCS TECHNOLOGY LIMITED ("the Company") and its subsidiary companies (the Company and its subsidiary companies together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (Including Other comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the Consolidated Ind AS financial statements")

#### Management's Responsibility for the Consolidated Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated changes in equity and Consolidated cash flows of the Group 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the 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 Consolidated Ind AS 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 Ind AS financial statements by the Board of Directors of the company.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Ind AS financial statements in accordance with Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiary companies referred to in the 'Other Matter' below, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31st March 2018, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of 423.69 Lakhs as at 31st March, 2018, total

revenues of Rs 6.27 lakhs and net cash inflows amounting to Rs. 2,321,719 for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sec 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS 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 work done and the reports of other auditors.

#### Report on Other Legal and Regulatory Requirements

1 As required by section 143(3) of the Act, based on our audit and based on the consideration of reports of other auditors on separate financial statements of the subsidiary companies, referred in the 'Other Matter' Paragraph above, 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 our audit of the consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books and the reports of other auditors.
- 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 Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
- d) In our opinion, the Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A" which is based on the auditors' reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting of Company and its subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 Ind AS financial statements disclose the impact of pending litigations on its financial position of the Group.
  - ii. The Company and its subsidiary companies incorporated in India do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has not been any delay in case of the company and its subsidiary companies incorporated in India during the year under report to transfer any sums to the Investor Education and Protection Fund.

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)  
Divyesh V Mehta  
Partner  
Membership No.:044293

Mumbai

Date: 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)



### "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of PCS TECHNOLOGY LIMITED ("the Company") and its subsidiary companies incorporated in India as at 31st March, 2018 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended as at on that date.

#### Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company and its subsidiary companies internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained by the auditors of the subsidiary companies incorporated in India is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the company.
- (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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our knowledge and according to the explanations given to us, the Company and its subsidiary companies incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Companies 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.

#### Other Matters:

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting insofar as it relates to subsidiary companies, which are incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India

**For Vinod K Mehta & Co.,**  
Chartered Accountants  
(Firm Registration No. : 111508W)

**Divyesh V Mehta**  
Partner  
Membership No.: 044293

Mumbai

Date: 24<sup>th</sup> May, 2018

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>I. ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Property, plant and equipment	3	99,873,978	106,551,560	126,646,087
(b) Capital work-in-progress		-	-	-
(c) Intangible assets	3	-	-	469,812
(d) Financial assets				
(i) Investments	4	20,000	24,000	24,000
(ii) Loans		-	-	-
(iii) Other financial assets		-	-	-
(e) Deferred tax assets (net)		-	-	-
(f) Other assets	5	46,774,686	57,312,342	86,503,900
<b>Total non-current assets</b>		<b>146,668,664</b>	<b>163,887,902</b>	<b>213,643,799</b>
<b>2 Current assets</b>				
(a) Inventories	6	-	380,793	2,705,711
(b) Financial assets				
(i) Investments	7	332,698,964	168,658,940	60,401,984
(ii) Trade receivables	8	35,582,627	46,311,869	84,841,878
(iii) Unbilled revenue	9	-	10,422,201	10,262,244
(iv) Cash and cash equivalents	10	13,125,329	75,201,210	39,665,188
(v) Other balances with banks	11	-	-	104,106
(vi) Loans	12	36,954,602	113,533,550	160,695,695
(vii) Current tax assets (net)	13	1,937,223	-	1,207,087
(viii) Other financial assets		-	-	-
(c) Other assets	14	3,650,804	6,440,423	8,187,857
<b>Total current assets</b>		<b>423,949,549</b>	<b>420,948,986</b>	<b>368,071,750</b>
<b>TOTAL ASSETS</b>		<b>570,618,213</b>	<b>584,836,888</b>	<b>581,715,549</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Share capital	15	209,506,770	209,506,770	209,506,770
(b) Other equity	16	279,457,877	253,051,756	217,178,357
<b>Total Equity</b>		<b>488,964,647</b>	<b>462,558,526</b>	<b>426,685,127</b>
<b>2 Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Long-term borrowings	17	36,911,788	53,255,404	46,989,976
(ii) Other financial liabilities	18	2,045,127	-	-
(b) Provisions	19	458,097	1,596,739	4,393,400
(c) Deferred tax liabilities (net)		-	-	-
(d) Other liabilities	20	284,771	-	-
<b>Total non-current liabilities</b>		<b>39,699,783</b>	<b>54,852,143</b>	<b>51,383,376</b>
<b>3 Current Liabilities</b>				
(a) Financial liabilities				
(i) Short-term borrowings	21	-	18,139,567	32,219,455
(ii) Trade and other payables	22	37,815,340	39,054,970	35,654,723
(iii) Other financial liabilities		-	-	-
(b) Unearned and deferred revenue		-	-	-
(c) Current income tax liabilities (net)	23	-	-	-
(d) Provisions	24	749,656	1,278,903	1,206,700
(e) Other liabilities	25	3,388,787	8,952,779	34,566,168
<b>Total current liabilities</b>		<b>41,953,783</b>	<b>67,426,219</b>	<b>103,647,046</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>570,618,213</b>	<b>584,836,888</b>	<b>581,715,549</b>

Notes forming part of the financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**H.C. Tandon**  
(Director)

**A. K. Patni**  
(Vice Chairman)

**Yash Bhardwaj**  
Executive Director (Whole Time)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018



(Amount in Rs.)

Particulars	Note No.	Year ended 31-Mar-2018	Year ended 31-Mar-2017
I. Revenue from operations	26	102,717,188	258,550,577
II. Other income (net)	27	36,609,386	39,720,569
III. <b>TOTAL INCOME</b>		<b>139,326,574</b>	<b>298,271,146</b>
IV. <b>Expenses:</b>			
Cost of material consumed		-	-
Purchase of stock-in-trade		-	414,622
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	-	267,818
Employee benefit expenses	29	72,324,400	162,544,616
Finance costs	30	8,314,186	7,122,532
Depreciation and amortisation expenses	31	3,971,228	10,574,075
Other expenses	32	32,933,256	65,186,075
<b>TOTAL EXPENSES</b>		<b>117,543,070</b>	<b>246,109,738</b>
V. <b>PROFIT BEFORE TAX (III-IV)</b>		<b>21,783,504</b>	<b>52,161,408</b>
VI. <b>EXCEPTIONAL ITEMS</b>	33	12,442,103	(217,539)
VII. <b>PROFIT AFTER EXCEPTIONAL ITEMS</b>		<b>34,225,607</b>	<b>51,943,869</b>
VIII. <b>Tax expense:</b>			
(a) Current tax		7,771,000	10,545,000
(b) Deferred tax		-	-
(c) Taxation pertaining to earlier years		(1,688,061)	(643,092)
<b>TOTAL TAX EXPENSE</b>		<b>6,082,939</b>	<b>9,901,908</b>
XI. <b>PROFIT FOR THE YEAR (VII-VIII)</b>		<b>28,142,668</b>	<b>42,041,961</b>
X. <b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>			
(A) (i) Items that will be reclassified subsequently to the statement of profit and loss:		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(B) (i) Items that will not be reclassified subsequently to the statement of profit and loss:			
(a) Net changes in fair values of financial liabilities carried at fair value through OCI		(1,772,641)	(6,265,428)
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		488,416	1,472,752
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>		<b>(1,284,225)</b>	<b>(4,792,676)</b>
XI. <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR IX+X)</b>		<b>26,858,443</b>	<b>37,249,285</b>
XII. <b>Earning per equity share of face value of Rs.10 each</b>			
I) <b>For Continuing operation</b>			
Basic (in Rs.)		<b>1.34</b>	2.01
Diluted (in Rs.)		<b>1.34</b>	2.01
II) <b>For Discontinued Operations</b>			
Basic (in Rs.)			
Diluted (in Rs.)			
II) <b>For Discontinued &amp; Continuing Operations</b>			
Basic (in Rs.)		1.34	2.01
Diluted (in Rs.)		1.34	2.01

Notes forming part of the financial statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**A. K. Patni**  
(Vice Chairman)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

**H.C. Tandon**  
(Director)

**Yash Bhardwaj**  
Executive Director (Whole Time)

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### A Equity Share Capital

(Amount in Rs.)

Particulars	Amount
As at April 01, 2016	209,506,770
Changes in Equity share capital during the year	-
<b>As at March 31, 2017</b>	<b>209,506,770</b>
Changes in Equity share capital during the year	-
<b>As at March 31, 2018</b>	<b>209,506,770</b>

### B Other Equity

(Amount in Rs.)

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
<b>As at April 01, 2016</b>	-	-	-	-	218,438,486	-	218,438,486
Profit for the year	-	-	-	-	42,041,961	-	42,041,961
Currency Fluctuation Reserve	-	-	-	-	(1,163,263)	-	(1,163,263)
Other Comprehensive Income	-	-	-	-	(6,265,428)	-	(6,265,428)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>34,613,270</b>	-	<b>34,613,270</b>
Tax	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
Reserve Withdrawn	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	-	-	-	-	<b>253,051,756</b>	-	<b>253,051,756</b>
Profit for the year	-	-	-	-	28,142,668	-	28,142,668
Currency Fluctuation Reserve	-	-	-	-	36,094	-	36,094
Other Comprehensive Income	-	-	-	-	(1,772,641)	-	(1,772,641)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>26,406,121</b>	-	<b>26,406,121</b>
Tax	-	-	-	-	-	-	-
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
Reserve Withdrawn	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	-	-	-	-	<b>279,457,877</b>	-	<b>279,457,877</b>

The accompanying notes form an integral part of the Financial Statements

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**A. K. Patni**  
(Vice Chairman)

**H.C. Tandon**  
(Director)

**Yash Bhardwaj**  
Executive Director (Whole Time )

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	34,225,607	51,943,869
Adjustments for:		
CSR Provision	1,400,000	-
Depreciation	3,971,228	10,574,075
Sundry balances written off	3,001,275	5,589,160
(Profit)/ Loss from sale of fixed assets	12,442,103	3,490,683
Interest received	(31,186,460)	(36,314,010)
Finance cost	8,314,186	7,122,532
<b>Operating profit before working capital changes</b>	<b>32,167,939</b>	<b>42,406,309</b>
Decrease/ (increase) in trade and others receivables	(114,715,065)	(68,011,462)
Decrease/ (increase) in inventories	380,793	3,086,504
(Decrease)/ increase in trade and other payables	(40,624,796)	(32,752,060)
<b>Cash generated from operations</b>	<b>(122,791,129)</b>	<b>(55,270,709)</b>
Income tax paid (net of refunds)	(16,990,205)	(6,354,869)
<b>Net cash flow from/ (used in) operating activities</b>	<b>(139,781,334)</b>	<b>(61,625,578)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	235,500	244,900
Purchase of non-current investments	79,540,024	57,756,956
Proceeds from sale of fixed assets	15,258,437	19,053,453
Interest received	25,468,861	35,043,283
<b>Net cash from/ (used in) investing activities</b>	<b>120,502,822</b>	<b>112,098,592</b>
<b>C. Cash from financing activities</b>		
Repayment of borrowings (net)	(34,483,183)	(7,814,460)
Finance cost	(8,314,186)	(7,122,532)
<b>Net cash from/ (used in) financing activities</b>	<b>(42,797,369)</b>	<b>(14,936,992)</b>
Net increase/ (decrease) in cash and cash equivalents	(62,075,881)	35,536,022
Cash and cash equivalents at beginning of the year	75,201,210	39,665,188
Cash and cash equivalents at end of the year	13,125,329	75,201,210
	-	-

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT</b>		
Cash on hand	65,806	288,577
Balance with banks	13,059,523	74,912,633
Cheques on hand	-	-
Fixed deposits with banks, having original maturity of three months or less	-	-
Cash and cash equivalents at the end of the year	<b>13,125,329</b>	<b>75,201,210</b>

# PCS TECHNOLOGY LIMITED

## RECONCILIATION STATEMENT OF CASH AND BANK BALANCE

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash and cash equivalents at the end of the year as per above	13,125,329	75,201,210
Add: Balance with bank in dividend / unclaimed dividend accounts	-	-
Add: Fixed deposits with banks, having remaining maturity for less than twelve months	-	-
Add: Fixed deposits with banks (lien marked)	-	-
Less: Fixed deposit with banks, having remaining maturity for more than twelve months	-	-
<b>Cash and bank balance as per balance sheet (refer note 10)</b>	<b>13,125,329</b>	<b>75,201,210</b>

## DISCLOSURE AS REQUIRED BY IND AS 7

### Reconciliation of liabilities arising from financing activities

March 31, 2018	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	18,139,567	(18,139,567)	-	-
Long term secured borrowings	53,255,404	(20,000,000)	3,656,384	36,911,788
<b>Total liabilities from financing activities</b>	<b>71,394,971</b>	<b>(38,139,567)</b>	<b>3,656,384</b>	<b>36,911,788</b>

March 31, 2017	Opening balance	Cash flows	Non cash changes	Closing balance
Short term secured borrowings	32,219,455	(32,219,455)	-	18,139,567
Long term secured borrowings	46,989,976	-	6,265,428	53,255,404
<b>Total liabilities from financing activities</b>	<b>79,209,431</b>	<b>(32,219,455)</b>	<b>6,265,428</b>	<b>71,394,971</b>

As per my report of even date attached

For **Vinod K. Mehta & Co.**  
Chartered Accountants

**Divyesh V. Mehta**  
Partner  
Membership no. 044293

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)

**H.C. Tandon**  
(Director)

**A. K. Patni**  
(Vice Chairman)

**Yash Bhardwaj**  
Executive Director (Whole Time)

Place : Mumbai  
Date : 24<sup>th</sup> May, 2018

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 1. **CORPORATE INFORMATION**

The Company along with its subsidiaries, cumulatively known as "The Group". The Group is engaged mainly in Computer peripherals, softwares and related IT services. The parent Company is a public listed company incorporated and domiciled in India and the subsidiaries are public unlisted companies incorporated and domiciled in respective countries. The financial statements of the Group for the year ended 31st March 2018 are approved by the Board of Directors in Board Meeting.

### 2. **SIGNIFICANT ACCOUNTING POLICIES**

#### (A) **Statement of Compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, The Group has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, The Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

#### (B) **Basis of preparation**

These financial statements have been prepared on the historical cost basis, except for

- (i) certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- (ii) Defined benefit plans - plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements for the year ended March 31, 2018 are the First Ind AS Financial Statements of The Group. The financial statements for the year ended March 31, 2017 were prepared as per the Companies (Accounting Standards) Rules 2006 (IGAAP), have now been restated to give effect of IndAS and to arrive at comparable figures for the year ended March 31, 2018, by availing voluntary exemptions and subject to mandatory exemption as per Ind AS 101 'First-time adoption of Indian Accounting Standards "Ind AS 101"'. Reconciliation and descriptions of the effect of the transition has been summarized in note no. 49. 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.

#### (C) **Use of estimates and judgements**

The preparation of these financial statements in conformity with the recognition and measurement principles of IndAS requires the management of The Group to make estimates and assumptions that affect the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

#### **Impairment of investments**

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **Useful lives of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Valuation of deferred tax assets**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. A deferred tax asset shall be recognised for all deductible temporary differences and unused losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and unused losses can be utilised.

#### **Provisions and contingent liabilities**

A provision is required when The Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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 liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### (D) **Revenue recognition**

The Group earns revenue primarily from providing information technology and consultancy services, including services under contracts for software development, implementation and other related services, licensing and sale of its own software, business process services and maintenance of equipment. The Group also sales the products ancillary to supply of above services.

#### The Group recognises revenue as follows:

Revenue from sale of services is recognized for the work completed in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

Revenue from sale of products is recognized when risk and reward are passed on to the customer which is generally on dispatch of goods.

Revenues is reported net of discounts, indirect and service taxes.

- (E) Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

#### (F) **Leases**

No assets are taken on lease by The Group.

#### (G) **Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their nature.

The costs of The Group are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such commission and brokerage, recruitment and training, entertainment etc.



# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### (H) Foreign currency

The functional currency of the parent company and its Indian subsidiaries is Indian Rupee (INR) and functional currency of overseas subsidiaries is the local currency of the country where the same is incorporated.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit & Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

### (I) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and Deferred taxes are recognised in Statement of Profit & Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### Current income taxes

The current income tax expense includes income taxes payable by the parent company and its all subsidiaries. The current tax payable by the Company in India is Indian income tax payable on worldwide income.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

#### Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

### (J) Financial instruments

Financial assets and liabilities are recognised when The Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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.

#### Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of The Group after deducting all of its liabilities. Equity instruments recognised by The Group are recognised at the proceeds received net off direct issue cost.

### (K) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

### (L) Property, plant and equipment

Property is stated at fair value less accumulated depreciation (other than freehold land) and impairment loss, if any.

Plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment loss, if any.

Depreciation is provided for property, plant and equipment so as to expense the cost over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

SN	Type of asset	Method	Useful lives
1	Buildings	Straight line	60 years
2	Leasehold improvements	Straight line	38 years
3	Plant and equipment	Straight line	15 years
4	Computer equipment	Straight line	03 years
5	Vehicles	Straight line	08 years
6	Office equipments	Straight line	05 years
7	Electrical installations	Straight line	10 years
8	Furniture and fixtures	Straight line	10 years

Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.

On 28th December 2011, The Group has revalued its office premises located in Technocity, Navi Mumbai, on the basis of a Government approved valuer. Consequently increase in value of Rs.87,705,187 is transferred to Revaluation Reserve Account.

Depreciation is provided on the revalued amount at the rates calculated as per straight line method over the residual life of revalued assets, as certified by the Government approved valuer. At the rates and in the manner as specified in Schedule II of the Companies Act, 2013. Individual items of Fixed Assets added during the year costing upto Rs.5,000 each are fully depreciated in the first year.

### (M) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

### (N) Impairment

#### **Financial assets (other than at fair value)**

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### **Financial assets (other than at fair value)**

##### **Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. 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 the recoverable amount of an asset (of CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (of CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### (O) Employee benefits

#### **Defined benefit plans**

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & Loss for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

#### **Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

### (P) Inventories

Company has Stock & Spare items on hand as inventory. Inventory is carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

### (R) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### (S) Foreign currency transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expenses in the year in which they arise.

Transition to Ind AS

The Group has opted to continue the Accounting Policy availed under para 46 A of Accounting Standard - 11 'The effects of changes in foreign currency rates' of IGAAP inserted vide notification dated December 29, 2011 issued by Ministry of Corporate Affairs, Government of India. Paragraph D13AA of Ind AS 101 allows an entity to continue this Accounting Policy availed under IGAAP for all outstanding long-term foreign currency monetary items as on March 31, 2016. Consequently, foreign exchange difference on account of long - term foreign currency borrowings utilised to acquire a depreciable asset is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.

The Group has opted the exemption vide para D12 of IND AS 101, accordingly the cumulative translation difference for all foreign operation are deemed to be zero at date of transition to Ind AS.

### (T) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of The Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years' presented.

Diluted earnings per share are computed by dividing net profit attributable to the equity holders of The Group 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 unless the results would be anti - dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds

### (U) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of The Group is such that its disclosure improves the understanding of the performance of The Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 3 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Rs.)

Description	Tangible Assets							Intangible Assets	Total
	Buildings	Leasehold improvements	Plant and equipment	Computer equipment	Vehicles	Office equipments	Furniture and fixtures	Software	
Cost as at 1-Apr-2016	109,784,870	1,177,904	2,424,172	488,650	8,513,016	17,305,561	6,152,703	977,214	146,824,090
Additions	244,900	-	-	-	-	-	-	-	244,900
Disposals	(9,188,295)	-	(2,424,172)	(177,450)	-	(105,925)	(912,909)	(977,214)	(13,785,965)
<b>Cost as at 31-Mar-2017</b>	<b>100,841,475</b>	<b>1,177,904</b>	<b>-</b>	<b>311,200</b>	<b>8,513,016</b>	<b>17,199,636</b>	<b>5,239,794</b>	<b>-</b>	<b>133,283,025</b>
Additions	-	-	-	-	-	10,500	225,000	-	235,500
Disposals	(6,098,014)	-	-	-	(876,747)	-	-	-	(6,974,761)
<b>Cost as at 31-Mar-2018</b>	<b>94,743,461</b>	<b>1,177,904</b>	<b>-</b>	<b>311,200</b>	<b>7,636,269</b>	<b>17,210,136</b>	<b>5,464,794</b>	<b>-</b>	<b>126,543,764</b>
Accumulated depreciation as at 1-Apr-2016	-	568,866	895,660	306,986	4,134,832	10,943,411	2,351,034	507,402	19,708,191
Depreciation for the year	3,597,432	27,492	227,281	85,275	1,123,510	4,711,870	645,851	155,364	10,574,075
Disposals	(875,481)	-	(1,122,941)	(109,211)	-	(77,428)	(702,974)	(662,766)	(3,550,801)
<b>Accumulated depreciation as at 31-Mar-2017</b>	<b>2,721,951</b>	<b>596,358</b>	<b>-</b>	<b>283,050</b>	<b>5,258,342</b>	<b>15,577,853</b>	<b>2,293,911</b>	<b>-</b>	<b>26,731,465</b>
Depreciation for the year	1,824,170	27,492	-	12,669	1,018,245	535,888	552,765	-	3,971,229
Disposals	(3,713,522)	-	-	-	(319,386)	-	-	-	(4,032,908)
<b>Accumulated depreciation as at 31-Mar-2018</b>	<b>832,599</b>	<b>623,850</b>	<b>-</b>	<b>295,719</b>	<b>5,957,201</b>	<b>16,113,741</b>	<b>2,846,676</b>	<b>-</b>	<b>26,669,786</b>
Net carrying amount as at 01-Apr-2016	109,784,870	609,038	1,528,512	181,664	4,378,184	6,362,150	3,801,669	469,812	127,115,899
Net carrying amount as at 31-Mar-2017	98,119,524	581,546	-	28,150	3,254,674	1,621,783	2,945,883	-	106,551,560
Net carrying amount as at 31-Mar-2018	93,910,862	554,054	-	15,481	1,679,068	1,096,395	2,618,118	-	99,873,978

i. Pursuant to Para D5 of Ind AS 101, the company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

ii. Hypothecation details: Cash credit and Working Capital Demand Loan were hypothecated on inventories, bookdebts and first charge on the fixed assets in the year ended 31-Mar-17 and 31-Mar-2016.

The said charge has been satisfied and surrendered in the current year ended 31-Mar-18.

(Amount in Rs.)

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
<b>4 NON-CURRENT INVESTMENTS</b>			
<b>I) Investment carried at amortised cost</b>			
b) <u>Investment in Government securities</u>			
National Savings Certificate	4	1000	
			-
			4,000
			4,000
<b>II) Investment carried at fair value through profit or loss</b>			
a) <u>In Other Companies (Quoted)</u>			
Longview tea Limited	200	10	
			-
			13,000
NEPC Micon Limited	400	10	
			-
			12,000
Asit C Mehta Financial Services limited	5,000	10	
			-
			50,000
Riga Sugar Co Limited	2,200	10	
			-
			110,000
Western India Industries Limited	7,500	10	
			-
			450,000
			-
			635,000
Less: Provision for diminution in value of quoted investments			-
			635,000
<b>Net quoted investment</b>			
b) <u>In Others (Unquoted)</u>			
Saraswat Coop Bank Limited	1,000	10	
			10,000
			10,000
			10,000
<b>Total of investments in equity instruments</b>			
			10,000
			10,000
			10,000

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	As at 31/Mar/18	As at 31/Mar/17	As at 1/Apr/16
c) <u>Investment in Share Certificates</u>			
Membership of Technocity Co-operative Society	10,000	10,000	10,000
	10,000	10,000	10,000
<b>Net investments</b>	<b>20,000</b>	<b>24,000</b>	<b>24,000</b>
Aggregate amount of quoted Investments (Market value Rs.Nil previous year Rs.1,86,522)	-	635,000	635,000
Aggregate amount of Unquoted Investments	22,747,850	22,751,850	22,751,850
Aggregate provision for diminution in value of investments	17,727,850	18,362,850	18,362,850

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>5 OTHER ASSETS</b>			
Security Deposits with Excise & Customs Authorities & Others	5,927,450	6,697,910	6,602,123
Advances recoverable in cash or in kind	28,500	579,021	378,633
Advances - Related Parties (refer note no.51)	-	-	-
Income tax paid (Net of provisions)	38,452,368	47,863,948	77,811,177
Non Current Bank Balances	2,366,368	2,171,463	1,711,967
	46,774,686	57,312,342	86,503,900
<b>b) Unsecured, Considered doubtful</b>			
Advances - Related Parties (refer note no.51)	25,000,000	25,000,000	25,000,000
	71,774,686	82,312,342	111,503,900
Less: Provision for doubtful loans and advances	25,000,000	25,000,000	25,000,000
	46,774,686	57,312,342	86,503,900
<b>6 INVENTORIES</b>			
Stores & Spares	-	380,793	2,437,893
Stock-in-trade	-	-	267,818
	-	380,793	2,705,711
<b>7 CURRENT INVESTMENTS</b>			
Corporate Bonds & Debentures	332,698,964	168,658,940	60,401,984
	332,698,964	168,658,940	60,401,984
<b>8 TRADE RECEIVABLES</b>			
a) Unsecured, Considered good	35,582,627	46,311,869	84,841,878
b) Unsecured, Considered doubtful	17,169,715	17,169,715	17,169,715
Total trade receivables	52,752,342	63,481,584	102,011,593
Less: Provision for doubtful trade receivables	17,169,715	17,169,715	17,169,715
<b>Grand Total</b>	<b>35,582,627</b>	<b>46,311,869</b>	<b>84,841,878</b>
<b>9 UNBILLED REVENUE</b>			
Revenue Accrued	-	10,422,201	10,262,244
	-	10,422,201	10,262,244
<b>10 CASH AND CASH EQUIVALENTS</b>			
Cash in hand	65,806	288,577	2,375,942
Balances with Banks			
In Current account	13,059,523	74,912,633	37,259,246
Deposits with original maturity of less than 3 months	-	-	30,000
<b>Total Cash &amp; Cash Equivalents</b>	<b>13,125,329</b>	<b>75,201,210</b>	<b>39,665,188</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>11 OTHER BALANCES WITH BANKS</b>			
Deposits with Original maturity of more than 3 months but less than 12 months	-	-	104,106
	-	-	<b>104,106</b>
<b>12 LOANS</b>			
Inter Corporate Deposits	<b>20,000,000</b>	104,500,000	155,000,000
Interest Accrued	<b>16,811,099</b>	8,768,340	4,334,709
Loans and advances	<b>123,503</b>	193,503	137,196
Earnest Money Deposit	<b>20,000</b>	71,707	1,223,790
	<b>36,954,602</b>	<b>113,533,550</b>	<b>160,695,695</b>
<b>13 CURRENT TAX ASSETS (NET)</b>			
Income tax paid (Net of provisions)	1,937,223		1,207,087
	<b>1,937,223</b>	-	<b>1,207,087</b>
<b>14 OTHER CURRENT ASSETS</b>			
Prepaid Expenses	455,387	1,062,980	2,420,265
Advance to Suppliers	500,461	500,503	860,503
Security Deposits	2,594,956	2,622,940	2,653,089
Rent deposit - Related Parties (refer note no.51.4)	100,000	2,254,000	2,254,000
	<b>3,650,804</b>	<b>6,440,423</b>	<b>8,187,857</b>
<b>15 SHARE CAPITAL</b>			
<b>Authorised:</b>			
2,10,25,000 Equity share of Rs.10 each	<b>210,250,000</b>	210,250,000	210,250,000
39,75,000 Preference Shares of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative)	<b>39,750,000</b>	39,750,000	39,750,000
	<b>250,000,000</b>	250,000,000	250,000,000
<b>Issued, Subscribed and paid up:</b>			
2,09,50,677 (Previous Year - 2,09,50,677) Equity Share of Rs.10 each	<b>209,506,770</b>	209,506,770	209,506,770
	<b>209,506,770</b>	209,506,770	209,506,770

**a) Terms/ Rights attached to Equity Shares:**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Reconciliation of the shares outstanding at the beginning and end of the year 31-03-2018, 31-03-2017, 31-03-2016:**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	20,950,677	209,506,770
Shares outstanding at the end of the year	20,950,677	209,506,770

**d) Details of shareholding more than 5% Equity Shares of total Equity Shares in the company:**

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding	No.of shares	% holding
Mrs. Rajnikanta Patni	2,391,081	11.41	2,391,081	11.41	2,391,081	11.41
PCS Finance Private Limited	1,901,560	9.08	1,901,560	9.08	1,901,560	9.08
Ashoka Computer Systems Pvt. Ltd.	1,901,560	9.08	1,901,560	9.08	1,901,560	9.08
PCS Cullinet Private Limited	1,901,559	9.08	1,901,559	9.08	1,901,559	9.08
Mrs. Sadhana A. Patni	1,694,936	8.09	1,694,936	8.09	1,694,936	8.09

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>16 OTHER EQUITY</b>			
<b>Retained Earnings</b>			
Opening balance	254,215,019	218,438,486	149,064,487
Add: OCI Reserves	-	-	12,760,024
Add: Profit for the year	28,142,668	42,041,961	56,613,975
Add: Remeasurement gain   (loss) on defined benefit plans	(1,772,641)	(6,265,428)	-
<b>Closing balance</b>	<b>280,585,046</b>	<b>254,215,019</b>	<b>218,438,486</b>
<b>Currency Fluctuation Reserve</b>	<b>(1,127,169)</b>	<b>(1,163,263)</b>	<b>(1,260,129)</b>
<b>Grand Total</b>	<b>279,457,877</b>	<b>253,051,756</b>	<b>217,178,357</b>
<b>17 LONG TERM BORROWINGS</b>			
<b>Unsecured</b>			
<b>Loan from Related Parties</b>			
a) <b>Term Loan</b>	-	16,580,564	14,359,663
b) <b>Preference Shares</b>	36,911,788	36,674,840	32,630,313
<b>Total financial liabilities</b>	<b>36,911,788</b>	<b>53,255,404</b>	<b>46,989,976</b>

**The above Long term borrowings include:**

- a) 39,75,000 (Previous Year - 39,75,000) 9% Preference Share of Rs.10 each (Redeemable, Non-Convertible & Non-Cumulative) carried at amortised cost
- b) **Terms/ Rights attached to Preference Shares:**

The Company has only one class of preference shares having a par value of Rs.10 per share, allotted on 31st January 2013 and redeemable in the 12th and 13th year from the date of allotment or earlier as the Board of Directors may decide. Each holder of preference share is entitled to one vote per share. In the event of liquidation of the company, before any entitlement of assets to holders of equity shares, the holders of preference shares will be entitled to receive remaining assets of the company, after distribution of all other preferential amounts. The distribution will be in proportion to the number of preferential shares held by the shareholders.

- c) **Reconciliation of the shares outstanding at the beginning and end of the year 31-03-2018, 31-03-2017, 31-03-2016:**

Particulars	Preference Shares	
	Number	Amount
Shares outstanding at the beginning of the year	3,975,000	39,750,000
Shares outstanding at the end of the year	3,975,000	39,750,000

- d) **Details of shareholding more than 5% Preference Shares of total Preference Shares in the company:**

Name of Shareholder	As at 31/03/2018		As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding	No.of shares	% holding
Mr. Ashok Kumar Patni	1,965,000	49.43	1,965,000	49.43	1,965,000	49.43
Mr. Gajendra Kumar Patni	1,480,000	37.23	1,480,000	37.23	1,480,000	37.23

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>18 OTHER FINANCIAL LIABILITIES</b>			
Deposits received on rental premises	2,045,127	-	-
	2,045,127	-	-
<b>19 PROVISIONS</b>			
Long-term provision for leave benefits	458,097	1,596,739	4,393,400
	458,097	1,596,739	4,393,400
<b>20 OTHER LIABILITIES</b>			
Deferred Rental Deposits	284,771	-	-
	284,771	-	-

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>21 SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
Cash credit from banks	-	18,139,567	20,504,336
Working capital loan	-	-	11,715,119
	-	18,139,567	32,219,455
Cash credit and Working Capital Demand Loan which was earlier hypothecated on inventories, bookdebts and first charge on the fixed assets has been surrendered in the current year and charge satisfied.			
<b>22 TRADE AND OTHER PAYABLES</b>			
Due to Micro , Small and Medium Enterprises	508,200	508,200	3,621,450
Others	37,307,140	38,546,770	32,033,273
(Refer note 39 for details of dues to MSME)			
	37,815,340	39,054,970	35,654,723
<b>23 CURRENT INCOME TAX LIABILITIES (NET)</b>			
Income tax paid (Net of provisions)	-	-	-
<b>24 PROVISIONS</b>			
Short-term provision for leave benefits	749,656	1,278,903	1,206,700
	749,656	1,278,903	1,206,700
<b>25 OTHER CURRENT LIABILITIES</b>			
Deferred Rental Deposits	170,102	-	-
Statutory dues and taxes payable	557,527	2,960,670	6,368,197
Income received in advance	-	3,244,792	16,913,019
Inter corporate deposits	-	-	-
Trade advances	2,661,158	2,747,317	11,284,952
	3,388,787	8,952,779	34,566,168

(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>26 REVENUE FROM OPERATIONS</b>		
Traded Goods : Computers Peripherals & Softwares	-	1,693,502
Sales of Services: Computers related IT services	102,717,188	256,857,075
<b>Net Sales</b>	102,717,188	258,550,577
<b>27 OTHER INCOME</b>		
<b>i) Interest income from Financial Assets measured at amortised cost</b>		
Interest income from NCD & Bonds	31,186,460	36,314,010
ii) Rent income	3,097,766	-
iii) Other non-operating income	2,325,160	3,162,904
iv) Net gain on disposal of Investments carried at amortised cost	-	243,655
	36,609,386	39,720,569
<b>28 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Inventory at the end of the year	-	-
Inventory at the beginning of the year	-	267,818
(Increase) / Decrease in Inventory	-	267,818
<b>29 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	65,620,631	141,861,210
Contribution to Provident fund etc	5,873,239	16,865,536
Staff Welfare expenses	830,530	3,817,870
	72,324,400	162,544,616

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

TECHNOLOGY

(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>30 FINANCE COST</b>		
Interest expense	237,339	802,761
Dividend on Preference Shares (including DDT)	4,305,796	-
Interest on financial liabilities carried at amortised cost	3,771,051	6,265,428
Other borrowing cost	-	54,343
	<b>8,314,186</b>	<b>7,122,532</b>
<b>31 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation and amortisation expenses	3,971,228	10,574,075
	<b>3,971,228</b>	<b>10,574,075</b>
<b>32 OTHER EXPENSES</b>		
Power & fuel	780,377	2,251,115
Rent	2,050,330	3,386,643
Rates & taxes	577,755	751,344
Insurance	987,637	1,700,807
Advertisement & sales promotion	302,173	553,062
Travelling and conveyance expenses	2,222,837	12,563,312
Consumable, stores and spares	2,308,667	8,120,735
Office maintainence	789,640	1,666,843
Printing & stationery	732,462	2,611,428
Repairs to building	-	-
Communication expenses	430,059	1,569,542
Auditor's remuneration as Auditors	223,600	357,252
for Tax audit	50,000	50,000
for Certificate/ limited review	-	95,000
Legal, professional & consultancy charges	5,209,980	7,247,233
Freight & forwarding	405,428	846,202
Directors sitting fees	461,800	295,900
Bad debts and remissions	1,256,108	5,589,160
Capital work in progress written off	-	-
Subcontracting charges paid	4,526,495	9,289,495
Sales & Work contract tax paid	152,041	58,067
Net Loss disposal of Investments carried at amortised cost	2,113,370	-
Contribution to CSR	1,400,000	1,000,000
Miscellaneous expenses	5,952,497	5,182,935
	<b>32,933,256</b>	<b>65,186,075</b>

### 33. EXCEPTIONAL ITEMS

Particulars	Income   (Expenses)	
	2017-18	2016-17
Net gain on disposal of Property, Plant and Equipment	12,442,103	(217,539)
<b>Total</b>	<b>12,442,103</b>	<b>(217,539)</b>

### 34. Note on Contingent Liability:

In respect of performance bank guarantees furnished by the Group to its customers amounting to Rs.11,28,800 (Previous Year – Rs.37,40,881) the Group has deposited corresponding margin money with the concerned banks. Hence, there is no contingent liabilities on this account.

35. The parent company is entitled to carry forward its business loss and unabsorbed depreciation as per the provisions of the Income-tax Act, 1961 and consequently has a net deferred tax asset as on 31st March 2018. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized.



# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 36. The Group has made Inter Corporate Deposits with following Companies for their Business Purpose

(Amount in Rs.)

SN	Name	Rate	31-Mar-18	31-Mar-17	31-Mar-16
1	Mukand Ltd	14.00%	-	40,000,000	70,000,000
2	Anil Ltd	15.50%	20,000,000	20,000,000	10,000,000
3	The Bombay Dyeing & Mfg. Co. Ltd.	14.50%	-	10,000,000	20,000,000
4	Bhoruka Power Corporation Ltd	16.00%	-	10,000,000	-
5	The Oudh Sugar Mills Limited	12.00%	-	10,000,000	-
6	Leading Hotels Ltd	17.00%	-	5,000,000	-
7	Kirloskar Electric Co Ltd	14.25%	-	2,500,000	-
8	Videocon Industries Ltd	16.50%	-	-	50,000,000
	<b>Total</b>		<b>20,000,000</b>	<b>97,500,000</b>	<b>150,000,000</b>

### 37. a) Status of statutory dues of service tax under disputes on category, where amount were paid under different category:

- The parent company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.50,45,046 as recipient of services for the period Apr2009 - Mar2010.

The parent company has filed appeal before Appellate Tribunal, Mumbai, stating the facts and grounds that The parent company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, The parent company is not liable for further dues.

- The parent company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.29,13,810 as recipient of services for the period Apr2010 - Mar2011.

The parent company has filed appeal before Appellate Tribunal, Mumbai, stating the demand on the facts and grounds that The parent company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, The parent company is not liable for further dues.

- The parent company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.5,96,410 as recipient of services for the period Apr2011 - Mar2012.

The parent company has filed appeal before Appellate Tribunal, Mumbai, stating the facts and grounds that The parent company has paid Service Tax under the head Information Technology Services with effect from the date, the entry became applicable. Hence, The parent company is not liable for further dues.

### b) Status of statutory dues under disputes on which amount has not been paid:

- The Commissioner Of Service Tax, Mumbai has passed an order confirming the demand of Rs.2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec2004 - Mar2009.

The parent company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules. The parent company has filed an appeal before Appellate Tribunal, Mumbai and the Appellate Tribunal has granted the Stay Order on the said matter.

- The parent company has received a demand of Rs.19,12,633 from the Commissioner Of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept2006 - Mar2010.

The parent company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.

- The parent company has received a Show Cause Notice from Director of Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.

The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of The parent company. The parent company has deposited Rs. 50 lakhs as pre-deposit under protest.

- The parent company has received a demand order from office of the Commissioner of Central Excise Puducherry for Rs.15,13,920 on account of Excise on computer manufacturing.

The parent company has filed appeal before the Commissioner of Central Excise, Chennai denying the demand on the facts and grounds as per Law.

- Pursuant to Para D5 of Ind AS 101, The parent company has exercised option to consider fair value on the date of transition as deemed cost for buildings. Rest all other assets are accounted as per Ind AS.

### 39. Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Particulars	As at 31-Mar-2018	As at 31-Mar-2017
Principle amount due to suppliers under MSMED Act at the year end	508,200	508,200
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	71,148	53,361
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	-	-
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	71,148	53,361

Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

40. (A) Value of imported and indigenous Computer and Peripherals Accessories consumed and percentage there of: (Amount in Rs.)

Particulars	31-Mar-2018		31-Mar-2017	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	-	0.00%	414,622	100.00%
	-	0.00%	414,622	100.00%

(B) Value of imports on CIF basis in respect of:

Particulars	31-Mar-2018	31-Mar-2017
Raw Material, Store & spares and Computer Peripherals	-	-

(C) Expenditure in foreign currency:

Particulars	31-Mar-2018	31-Mar-2017
Traveling	-	1,881,325

(D) Earning in foreign currency:

Particulars	31-Mar-2018	31-Mar-2017
Export sales and services	-	6,557,402

41. Particulars of Earnings per Shares:

Particulars	31-Mar-2018	31-Mar-2017
a) Net Profit for the year	28,142,668	42,041,961
b) Number of equity shares outstanding at the beginning and at the end of the year	20,950,677	20,950,677
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	1.34	2.01

42 CURRENT AND DEFERRED TAX

The major components of income tax expense for the years ended March 31, 2017 and April 1, 2016 are:

a) Income tax expense

Particulars	2017-18	2016-17
<b>i) Current tax</b>		
Current tax on profits for the year	7,771,000	10,545,000
Adjustments for current tax of prior period	-	-
<b>Total current tax expense</b>	7,771,000	10,545,000
<b>ii) Deferred tax</b>		
(Decrease)   Increase in deferred tax liabilities	-	-
Decrease   (Increase) in deferred tax assets	-	-
Trfd to OCI on actuarial gain or loss	-	-
<b>Total deferred tax expense (benefit)</b>	-	-
<b>Income tax expense</b>	7,771,000	10,545,000

b) The reconciliation between the Statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows

Particulars	2017-18	2016-17
a) Statutory income tax rate	25.00%	30.00%
b) Differences due to:		
i) Expenses not deductible for tax purposes	0.00%	29.60%
ii) Income exempt from income tax	0.00%	0.00%
iii) Income tax incentives	0.00%	0.00%
iv) Others	0.00%	0.00%
<b>Effective income tax rate</b>	<b>25.00%</b>	<b>59.60%</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or other comprehensive income.

d) Current tax liabilities (net)

(Amount in Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Opening balance	-	1,207,087	-
Add: Current tax payable for the year	-	10,300,000	-
Less: Taxes paid	-	(7,075,764)	-
<b>Closing balance</b>	<b>-</b>	<b>4,431,323</b>	<b>-</b>

e) Current tax assets (net)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Opening balance	4,431,323	-	-
Add: Tax paid in advance, net of provisions during the year	9,245,814	-	15,217,087
Less: Current tax payable for the year	(7,600,000)	-	(14,010,000)
<b>Closing balance</b>	<b>6,077,137</b>	<b>-</b>	<b>1,207,087</b>

f) Unrecognised temporary differences

The parent company has not recognised deferred tax liability associated with fair value gains on equity share measured at OCI as based on Management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

### 43 EMPLOYEE BENEFIT OBLIGATIONS

#### Funded Scheme

a) Defined Benefit Plans:

##### Gratuity

The parent company operates a gratuity plan through the 'PCS TECHNOLOGY LIMITED Employees Gratuity Trust'. Every Employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

##### Balance sheet amount (Gratuity)

Particulars	Amount
<b>April 1, 2016</b>	
<b>Liability at the beginning of the year</b>	18,049,171
Current service cost	1,282,976
Interest expense (income)	793,237
<b>Total amount recognised in profit and loss</b>	<b>20,125,384</b>
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income)	(15,278,486)
(Gain )   Loss from change in financial assumptions	6,218,701
Experience (gains) losses	-
<b>Total amount recognised in other comprehensive income</b>	<b>(9,059,785)</b>
Employer contributions	-
Benefit payments	-
<b>March 31, 2017</b>	<b>11,065,599</b>
Current service cost	589,047
Interest expense (income)	422,293
<b>Total amount recognised in profit and loss</b>	<b>1,011,340</b>
Remeasurements	
Return on plan assets, excluding amount included in interest expense (income)	(9,817,650)
(Gain )   Loss from change in financial assumptions	2,914,305
Experience (gains) losses	-
<b>Total amount recognised in other comprehensive income</b>	<b>(6,903,345)</b>
Employer contributions	-
Benefit payments	-
<b>March 31, 2018</b>	<b>5,173,594</b>

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Present value of funded obligations	5,173,594	11,065,599	18,049,171
Fair value of plan assets	7,717,283	14,154,755	20,461,908
<b>Deficit of Gratuity plan</b>	<b>(2,543,689)</b>	<b>(3,089,156)</b>	<b>(2,412,737)</b>

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Discount rate	7.82%	6.86%	7.62%
Attrition rate	1.00%	1.00%	1.00%
Rate of return on plan assets	12.00%	12.00%	12.00%
Salary escalation rate	5.00%	5.00%	5.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

**Major category of plan assets are as follows:**

Particulars	31-Mar-18			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	7,717,283	7,717,283	100%
<b>Others</b>	-	-	-	-
<b>Special deposit scheme</b>	-	-	-	-
	-	<b>7,717,283</b>	<b>7,717,283</b>	<b>100%</b>

Particulars	31-Mar-17			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	14,154,755	14,154,755	100%
<b>Others</b>	-	-	-	-
<b>Special deposit scheme</b>	-	-	-	-
	-	<b>14,154,755</b>	<b>14,154,755</b>	<b>100%</b>

Particulars	01-Apr-16			
	Quoted	Unquoted	Total	in %
<b>Government of India assets</b>				
<b>Debt instruments</b>				
Corporate bonds	-	-	-	-
<b>Investment funds</b>				
Fixed Deposit	-	20,461,908	20,461,908	100%
<b>Others</b>	-	-	-	-
<b>Special deposit scheme</b>	-	-	-	-
	-	<b>20,461,908</b>	<b>20,461,908</b>	<b>100%</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### Risk exposure

Through its defined benefit plans, the parent company is exposed to a number of risks, the most significant of which are detailed below:

#### a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The parent company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Expected contributions to post-employment benefit plans for the year ending March 31, 2018 are Rs. 2.71 cr.

The weighted average duration of the defined benefit obligation is 5 years (2015-16: 5 years). The expected maturity analysis of gratuity is as follows:

Particulars	Total
Defined benefit obligation (gratuity)	
As at March 31, 2017	1,10,65,599
As at March 31, 2016	1,80,49,171

#### b) Defined contribution plans:

Amount of Rs. NIL (March 31, 2017: Rs. 43,00,000) is recognised as expense and included in the Note 29 'Contribution to Provident and other funds'.

#### c) Provident fund:

The parent company makes monthly contribution to approved Provident Fund.

#### d) Compensated absences amount of Rs.2,03,084 (March 31, 2017: Rs.15,33,423) is recognised as expense and included in the Note 29 "Salaries & Wages"

### 44 Fair Value Measurement

Particulars	31-Mar-18			31-Mar-17			01-Apr-16		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments:									
Equity instruments	20,000	-	-	20,000	-	4,000	20,000	-	4,000
Trade receivables	-	-	35,582,627	-	-	46,311,869	-	-	84,841,878
Cash and bank balances	-	-	13,125,329	-	-	75,201,210	-	-	39,665,188
Other receivables	-	-	3,650,804	-	-	6,440,423	-	-	8,187,857
<b>Total Financial assets</b>	<b>20,000</b>	<b>-</b>	<b>52,358,760</b>	<b>20,000</b>	<b>-</b>	<b>127,957,502</b>	<b>20,000</b>	<b>-</b>	<b>132,698,923</b>
<b>Financial liabilities</b>									
Trade payables	-	-	37,815,340	-	-	39,054,970	-	-	35,654,723
Security deposits	-	-	2,045,127	-	-	-	-	-	-
Directors Loan	-	-	-	-	-	16,580,565	-	-	14,359,663
Preference Shares	-	-	36,911,788	-	-	36,674,840	-	-	32,630,313
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>76,772,255</b>	<b>-</b>	<b>-</b>	<b>92,310,375</b>	<b>-</b>	<b>-</b>	<b>82,644,699</b>

### Fair Value Hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### i) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2018

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan		-	-	-	-
Preference Shares		-	-	36,911,788	36,911,788
Security deposits		-	-	2,045,127	2,045,127
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>38,956,915</b>	<b>38,956,915</b>

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### ii) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2017

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan		-	-	16,580,565	16,580,565
Preference Shares		-	-	36,674,840	36,674,840
Security deposits		-	-	-	-
<b>Total financial liabilities</b>		-	-	53,255,405	53,255,405

### iii) Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at April 1, 2016

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>					
Directors Loan		-	-	14,359,663	14,359,663
Preference Shares		-	-	32,630,313	32,630,313
Security deposits		-	-	-	-
<b>Total financial liabilities</b>		-	-	46,989,976	46,989,976

There were no transfers between any levels during the year:

#### Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

#### Level 2:

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

#### Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 1 and 2.

#### c) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

#### d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>						
Loans to subsidiary companies	-	-				
Loans to Employees	123,503	123,503	193,503	193,503	137,196	137,196
<b>Total financial assets</b>	123,503	123,503	193,503	193,503	137,196	137,196
<b>Financial liabilities</b>						
Security deposits	2,500,000	2,045,127	-	-	-	-
Directors Loan	-	-	20,000,000	16,580,565	20,000,000	14,359,663
Preference Shares	39,750,000	36,911,788	39,750,000	36,674,840	39,750,000	32,630,313
<b>Total financial liabilities</b>	42,250,000	38,956,915	59,750,000	53,255,405	59,750,000	46,989,976

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### 45 CAPITAL MANAGEMENT

#### Risk management

The primary objective of the Company's Capital Management is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio, which is total debt divided by total capital plus total debt.

For the purposes of the Company's capital management, the Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes General reserve, Retained earnings, Share capital, Security premium.

Total debt includes current debt plus non-current debt.

Particulars	31-Mar-18	31-Mar-17
Total Debt	36,911,788	71,394,971
Total Equity	488,964,647	462,558,526
Debt-Equity ratio	0.08	0.15

### 46 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

- a) Gross amount required to be spent by the Company during the year is Rs. 24,42,271/- of the F.Y. 2016-17 and Rs. 13,95,416/- of the F. Y. 2017-18
- b) Amount spent during the year on:

(Amount in Rs.)

Particulars	Paid	Yet to be paid in	Total
i) Construction   acquisition of any asset	-	-	-
ii) On purposes other than (i) above	1,000,000	2,837,687	3,837,687

### 47 REGROUPED | RECAST | RECLASSIFIED

Figures of the earlier year have been reclassified to conform to Ind AS presentation requirements

### 48 ROUNDING OFF

Figures less than Rs. 50,000 has been shown at actuals in bracket.

### 49 TRANSITION TO IND AS

These are the First Financial Statements of The Group prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, The Group has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of The Group is set out in the following tables and notes:

### 49 EXEMPTIONS AND EXCEPTIONS AVAILED

In preparing these Ind AS Financial Statements, The Group has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by The Group in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

#### a) Ind AS optional exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

##### i) Deemed cost

Pursuant to Para D5 of Ind AS 101, The Group has exercised option to consider fair value on the date of transition as deemed cost for buildings.

The Plant, Equipment and Intangible assets are measured at its carrying value at the transaction date.

##### ii) Investments in subsidiary companies, associate company and joint venture company

Ind AS 101 permits a first-time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at date of transition to Ind AS of The Group, or IGAAP carrying amount at that date. The Group has elected to measure its investment in subsidiary companies, associate company and joint venture company under IGAAP carrying amount as its deemed cost on the transition date.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### b) Ind AS mandatory exceptions

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

#### i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP :

- 1) Preference Share Capital
- 2) Director's Loan

#### ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### 49.2 RECONCILIATION BETWEEN IGAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

#### a) Reconciliation of equity as at March 31, 2017 and April 1, 2016

(Amount in Rs.)

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 01, 2016		
		Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	a	106,551,560	-	106,551,560	222,509,165	(95,863,078)	126,646,087
Capital work-in-progress		-	-	-	-	-	-
Investment properties		-	-	-	-	-	-
Intangible assets		-	-	-	469,812	-	469,812
Financial assets		-	-	-	-	-	-
i) Investments	c	24,000	-	24,000	24,000	-	24,000
ii) Trade receivables		-	-	-	-	-	-
iii) Loans		-	-	-	-	-	-
iv) Other financial assets		-	-	-	-	-	-
Current tax assets (net)		-	-	-	-	-	-
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		57,312,342	-	57,312,342	86,503,900	-	86,503,900
<b>Total non-current assets</b>		<b>163,887,902</b>	<b>-</b>	<b>163,887,902</b>	<b>309,506,877</b>	<b>(95,863,078)</b>	<b>213,643,799</b>
<b>Current assets</b>							
Inventories		380,793	-	380,793	2,705,711	-	2,705,711
Financial assets		-	-	-	-	-	-
i) Investments	c	168,658,940	-	168,658,940	60,401,984	-	60,401,984
ii) Trade receivables		46,311,869	-	46,311,869	84,841,878	-	84,841,878
iii) Unbilled Revenue		10,422,201	-	10,422,201	10,262,244	-	10,262,244
iii) Cash and cash equivalents		75,201,210	-	75,201,210	39,665,188	-	39,665,188
iv) Bank balances other than cash and cash equivalents above		-	-	-	104,106	-	104,106
v) Loans		113,533,550	-	113,533,550	160,695,695	-	160,695,695
vi) Other financial assets		-	-	-	-	-	-
Current tax assets (net)		-	-	-	1,207,087	-	1,207,087
Other current assets		6,440,423	-	6,440,423	8,187,857	-	8,187,857
<b>Total current assets</b>		<b>420,948,986</b>	<b>-</b>	<b>420,948,986</b>	<b>368,071,750</b>	<b>-</b>	<b>368,071,750</b>
Assets held-for-sale / Assets included in disposal group(s) held-for-sale		-	-	-	-	-	-
<b>TOTAL ASSETS</b>		<b>584,836,888</b>	<b>-</b>	<b>584,836,888</b>	<b>677,578,627</b>	<b>(95,863,078)</b>	<b>581,715,549</b>



# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Notes to reconciliation	As at March 31, 2017			As at April 01, 2016		
		Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		249,256,770	(39,750,000)	209,506,770	249,256,770	(39,750,000)	209,506,770
Other equity	e	246,557,160	6,494,596	253,051,756	300,281,411	(83,103,054)	217,178,357
<b>Total equity</b>		<b>495,813,930</b>	<b>(33,255,404)</b>	<b>462,558,526</b>	<b>549,538,181</b>	<b>(122,853,054)</b>	<b>426,685,127</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
i) Borrowings				-			-
ii) Other financial liabilities		20,000,000	33,255,404	53,255,404	20,000,000	26,989,976	46,989,976
Provisions		1,596,739	-	1,596,739	4,393,400	-	4,393,400
Deferred tax liabilities		-	-	-			-
Other liabilities							
<b>Total non-current liabilities</b>		<b>21,596,739</b>	<b>33,255,404</b>	<b>54,852,143</b>	<b>24,393,400</b>	<b>26,989,976</b>	<b>51,383,376</b>
<b>Current liabilities</b>							
Financial liabilities							
i) Borrowings		18,139,567	-	18,139,567	32,219,455	-	32,219,455
ii) Trade payables		39,054,970	-	39,054,970	35,654,723	-	35,654,723
iii) Other financial liabilities		-	-	-	-	-	-
Unearned and deferred revenue							
Current tax liabilities (net)		-	-	-	-	-	-
Provisions		1,278,903	-	1,278,903	1,206,700	-	1,206,700
Other liabilities		8,952,779	-	8,952,779	34,566,168	-	34,566,168
<b>Total current liabilities</b>		<b>67,426,219</b>	<b>-</b>	<b>67,426,219</b>	<b>103,647,046</b>	<b>-</b>	<b>103,647,046</b>
<b>Total liabilities</b>		<b>89,022,958</b>	<b>33,255,404</b>	<b>122,278,362</b>	<b>128,040,446</b>	<b>26,989,976</b>	<b>155,030,422</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>584,836,888</b>	<b>-</b>	<b>584,836,888</b>	<b>677,578,627</b>	<b>(95,863,078)</b>	<b>581,715,549</b>

\* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

b) Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in Rs.)

Particulars	Notes to reconciliation	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from operations		258,550,577	-	258,550,577
Other income		39,720,569	-	39,720,569
<b>Total income</b>		<b>298,271,146</b>	<b>-</b>	<b>298,271,146</b>
<b>Expenses</b>				
Cost of materials consumed		-	-	-
Purchase of stock-in-trade		414,622	-	414,622
Changes in inventories of finished goods, stock-in-trade and work-in-progress		267,818	-	267,818
Excise duty		-	-	-
Employee benefit expenses	d	168,805,745	(6,265,428)	162,540,317
Finance costs		857,104	6,265,428	7,122,532
Depreciation and amortisation expenses		10,574,075	-	10,574,075
Other expenses		65,186,075	-	65,186,075
<b>Total expenses</b>		<b>246,105,439</b>	<b>-</b>	<b>246,105,439</b>
<b>Profit before exceptional items and tax</b>		<b>52,165,707</b>	<b>-</b>	<b>52,165,707</b>
Exceptional items		(217,539)	-	(217,539)
<b>Profit before tax from continuing operations</b>		<b>51,948,168</b>	<b>-</b>	<b>51,948,168</b>

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Particulars	Notes to reconciliation	Regrouped IGAAP*	Adjustments	Ind AS
<b>Tax expense</b>				
Current tax		10,545,000	-	10,545,000
Deferred tax		-	-	-
Earlier years		(643,092)	-	(643,092)
<b>Total tax expense</b>		<b>9,901,908</b>	-	<b>9,901,908</b>
<b>Profit for the Year</b>		<b>42,046,260</b>	-	<b>42,046,260</b>
<b>Other comprehensive income</b>	f, d	-	(4,792,676)	(4,792,676)
<b>Total comprehensive income for the year</b>		<b>42,046,260</b>	<b>(4,792,676)</b>	<b>37,253,584</b>

\* The IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

c) Impact of Ind AS adoption on the Standalone Statements of Cash Flows for the year ended March 31, 2017

The transition from Indian GAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

## 49.3 NOTES TO RECONCILIATION BETWEEN IGAAP AND IND AS

### a) Property, plant and equipment

The Group has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

### b) Deferred tax

Under IGAAP, deferred tax were accounted for using the income statement approach which focuses on differences between taxable profit and accounting profit for the period. Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred taxes on temporary differences which were not required to be recorded under IGAAP.

In addition, the various transitional adjustments have led to deferred tax implications which The Group has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained earnings or Other Comprehensive Income on the date of transition.

### c) Fair valuation of investments

Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value and The Group has elected to classify such investments at FVTPL. This has not affected the Retained earnings.

### d) Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements that is actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 62.66 Lakhs. There is no impact on the total equity as at April 1, 2016.

### e) Retained earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

### f) Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans, effective portion of gain | (loss) on cash flow hedging instruments and fair value gain | (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

## 50. Segment Reporting:

The Company is engaged mainly in Computer peripherals, softwares and related IT services and as such it is the only reportable business segment. The export sales of the company are NIL and hence there is single reportable geographical segment.

## 51.1 Related parties disclosures:

### A Names of the related parties (where control exists) - Subsidiary Companies

1. PCS Technology USA, Inc.
2. PCS Positioning Systems (India) Limited
3. PCS Infotech Limited

### B Other Related parties with whom there are transactions during the year.

#### a) Key Management Personnel

1. Mr. G.K.Patni (Chairman)
2. Mr. A.K.Patni (Vice Chairman)

# PCS TECHNOLOGY LIMITED

3. Mr. H C Tandon (Managing Director & CEO till 31st March 2018) - Presently Designated as "Director"

4. Mr. Yash Bhardwaj (Executive Director - Whole-time)

b) Relatives of key management personnel

1. Mrs. Rajnikanta Patni

(Wife of Mr. G.K. Patni)

2. Mrs. Sadhna Patni

(Wife of Mr. A.K. Patni)

3. Mr. Apoorva Patni

(Son of Mr. A.K.Patni)

4. Mr. Arihant Patni

(Son of Mr. G.K. Patni)

5. Mrs. Ruchi Patni

(Daughter-in-law of Mr. G.K. Patni)

6. Sobhagmal M. Patni HUF

(Mr.G.K.Patni & Mr.A.K.Patni are members of HUF)

c) Affiliates (Enterprises over which Key Management personnel or their relatives have significant influence)

1. Kalpavruksh Systems Private Limited

(Formerly known as Kalpavruksh Systems Limited and before that Vraksh Technologies Limited)

2. Patni Healthcare Private Limited (Formerly known as Patni Healthcare Limited)

**51.2 Transactions carried out with related parties referred above, in ordinary course of business:**

(Amount in Rs.)

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Sales of goods and services	- (-)	- (-)	<b>3,957,779</b> (2,390,290)	<b>3,957,779</b> (2,390,290)
2	Rent paid	- (466,000)	- (-)	- (-)	- (466,000)
4	Loan Taken	- (20,000,000)	- (-)	- (-)	- (20,000,000)
5	Loan Refunded	<b>20,000,000</b> (20,000,000)	- (-)	- (-)	<b>20,000,000</b> (20,000,000)
6	Security Deposit (Rent) received back	<b>54,000</b> (-)	<b>2,100,000</b> (-)	- (-)	<b>2,154,000</b> (-)
7	Remuneration to Directors	<b>8,755,376</b> (5,123,966)	- (-)	- (-)	<b>8,755,376</b> (5,123,966)

**51.3 Significant transactions carried out with related parties referred above, in ordinary course of business:**

(Amount in Rs.)

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	<b>Sales of goods and services</b>			
	Kalpavruksh Systems Pvt. Limited	- (-)	- (-)	<b>3,263,780</b> (2,383,930)
	Patni Healthcare Pvt. Limited	- (-)	- (-)	<b>693,999</b> (6,360)

# THIRTY SEVENTH ANNUAL REPORT 2017-2018



	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
2	<b>Rent paid</b>			
	Mr. A. K. Patni	- (216,000)	- (-)	- (-)
	Mr. Apoorva Patni	- (250,000)	- (-)	- (-)
4	<b>Loan Taken</b>			
	Mr. A. K. Patni	- (20,000,000)	- (-)	- (-)
5	<b>Loan Refunded</b>			
	Mr. A. K. Patni	<b>10,000,000</b> (20,000,000)	- (-)	- (-)
	Mr. G. K. Patni	<b>10,000,000</b> (-)	- (-)	- (-)
6	<b>Security Deposit (Rent) received back</b>			
	Rajnikanta Patni	- (-)	500,000 (-)	- (-)
	Sadhana Patni	- (-)	500,000 (-)	- (-)
	Apoorva Patni	- (-)	600,000 (-)	- (-)
	Arihant Patni	- (-)	500,000 (-)	- (-)
	A.K. Patni	54,000 (-)	- (-)	- (-)
8	<b>Remuneration to Directors</b>			
	H.C.Tandon	<b>6,278,000</b> (2,753,790)	- (-)	- (-)
	Yash Bhardwaj	<b>2,477,376</b> (2,370,176)	- (-)	- (-)

## 51.4 Balance outstanding as at year end:

(Amount in Rs.)

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Receivable	-	-	-	-
		(-)	(-)	(-)	(-)
2	Loan taken	-	-	-	-
		(20,000,000)	(-)	(-)	(20,000,000)
3	Property deposits	-	<b>100,000</b>		<b>100,000</b>
		(54,000)	(2,200,000)		(2,254,000)

# PCS TECHNOLOGY LIMITED

## 51.5 Significance closing balances outstanding as at year end:

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	<b>Receivable</b>	-	-	-
		(-)	(-)	(-)
2	<b>Loan Taken</b>			
	A.K. Patni	-	-	-
		(10,000,000)	(-)	(-)
	G.K. Patni	-		
		(10,000,000)		
3	<b>Property Deposits</b>			
	Rajnikanta Patni	-	-	-
		(-)	(500,000)	(-)
	Sadhana Patni	-	-	-
		(-)	(500,000)	(-)
	Apoorva Patni	-	-	-
		(-)	(600,000)	(-)
	Arihant Patni	-	-	-
		(-)	(500,000)	(-)
	Sobhagmal Maganmal Patni HUF	-	<b>100,000</b>	-
		(-)	(100,000)	(-)
	A.K. Patni	-	-	-
		(54,000)	(-)	(-)

## 52.1 Disclosure requirement of loans & Advances / Investments as per schedule V of SEBI (LODR) Regulations, 2015

Amount of loans and advances in nature of loans outstanding from subsidiaries:

	(Amount in Rs.)
PCS Positioning Systems (India) Limited	25,000,000
	(25,000,000)

Note: Previous year figures are shown in brackets

## 52.2 Details of Investment by the Loanee in the shares of the company:

None of the Loanee have made investments in the shares of the company.

## 53. Figures for the previous year have been regrouped/ rearranged wherever necessary.

## MANAGEMENT & ADMINISTRATION

**DIRECTORS** : Harish Chandra Tandon, Yash Bhardwaj, Ashok Kumar Patni, Mir Prakash Jain

Registered Office: S. No. 1-A, F-1, Irani Market Compound, Yerawada, Pune - 411 106.

CIN : U72900PN2004PLC019448

## DIRECTORS' REPORT

The Members,

### PCS POSITIONING SYSTEMS (INDIA) LIMITED

Your Directors of the Company are pleased to present you the Fourteenth Annual Report with the statement of Audited financial accounts for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS

(Rs in lakhs)

Particulars	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Sales and other Income	-	-
Expenses	0.24	0.27
Profit/(Loss) before interest, depreciation & taxation	(0.24)	(0.27)
Interest	-	-
Depreciation	-	-
Profit/(Loss) before taxation	(0.24)	(0.27)
Provision for Taxation (Net)	-	-
Net Profit/(Loss) for the year	(0.24)	(0.27)

### OPERATIONS

During the year under review, the management is evaluating various options to restructure the activities in the best interest of the Company.

### EXTRACTS OF ANNUAL RETURN

The details forming part of the extracts of the Annual return in Form MGT-9 is enclosed in Annexure 1

### DIVIDEND

In view of accumulated losses incurred by the Company, your Directors express their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March 2018.

### RESERVES

Since the Company do not recommend any dividend, it is not required to transfer any amount to the General Reserve of the Company for the year under review.

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

No, material changes & Commitments have occurred between the end of Financial year of the Company to which the Financial statement relates and the date of this report which affects the financial position of the Company.

### SUBSIDIARY COMPANY

As on March 31, 2018, the Company does not have any subsidiary

### CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility

### DECLARATION BY INDEPENDENT DIRECTORS

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained

## DIRECTORS

### Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. A.K Patni and Mr.H.C Tandon, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

### Meetings

During the year under review, four Board Meetings were convened and held as on 15<sup>th</sup> May, 2017, 8<sup>th</sup> August, 2017, 27<sup>th</sup> November, 2017, 9<sup>th</sup> February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Statutory Auditors

The Company's Auditors, Mr. S. C Bandi of M/s. S.C Bandi & Co., Chartered Accountants, Mumbai were appointed by the shareholders at the 11<sup>th</sup> Annual General Meeting Annual to hold office until the conclusion of the 16<sup>th</sup> Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3C) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2018 and of the profit of the company for the said year;
- Proper and sufficient care has been taken 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;
- Annual Accounts have been prepared on a going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

All the Details regarding Loans, Guarantees and Investments as required under provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

All the Related party transactions are presented to the Audit Committee and the Board approval is obtained for the transactions made by the Company.

### DEPOSITS

Your Company has neither invited nor accepted any deposits from the public so far.

### PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Since the Company has not carried out any business activity, it is not required to disclose information under the Section 134 (3) (m) of the Companies Act, 2013.

### ACKNOWLEDGEMENTS

Your Directors express their warm appreciation to all the stakeholder of the Company for their co-operation extended to the Company.

On behalf of the Board of Directors

**A.K Patni**                      **H.C Tandon**  
**Director**                      **Director**  
(DIN: 00014194)              (DIN :00037611)

Place: Mumbai,  
Date: 23<sup>rd</sup> May, 2018

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## PCS POSITIONING SYSTEMS (INDIA) LTD.



Annexure 1

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

CIN	U72900PN2004PLC019448
Registration Date	29/06/2004
Name of the Company	PCS POSITIONING SYSTEMS (INDIA) LIMITED
Category/Sub-category of the Company	Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer software and related Activities	6202	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	10,004	10,004	0.57%	-	10,004	10,004	0.57%	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	17,49,996	17,49,996	99.43%	-	17,49,996	17,49,996	99.43%	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	-	17,60,000	17,60,000	100%	-	17,60,000	17,60,000	100%	-
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>	-	-	-	-	-	-	-	-	-

# PCS POSITIONING SYSTEMS (INDIA) LIMITED



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Any Other	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors / Relatives	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1760000	1760000	100%	-	1760000	1760000	100%	-

## ii. Shareholding of Promoter & Promoter Group

Sn	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	M/s PCS Technology limited	17,49,996	99.43%	-	17,49,996	99.43%	-	-
2	Mr. Arihant G Patni	9990	0.57%	-	9990	0.57%	-	-
3	Mr. Pramod Jain	10	0%	-	10	0%	-	-
4	Mr. D.K Jain	1	0%	-	1	0%	-	-
5	Mr. Yash D.Bhardwaj	1	0%	-	1	0%	-	-
6	Mr. Harish C.Tandon	1	0%	-	1	0%	-	-
7	Mr. Mir Prakash Jain	1	0%	-	1	0%	-	-



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## PCS POSITIONING SYSTEMS (INDIA) LTD.



### iii. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoter's Shareholding pattern.

**Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	N.A.	N.A.	N.A.	N.A.	N.A.

### iv. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Ashokkumar S. Patni	0	0%	0	0%
2	Mr. Harish C. Tandon	1	0%	1	0%
3	Mr. Yash Bhardwaj	1	0%	1	0%
4	Mr. Mir Prakash Jain	1	0%	1	0%

### V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	2,50,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	2,50,00,000	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	2,50,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	2,50,00,000	-	-

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount Rs.
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

**B. Remuneration to other directors (Independent) (Rupees)**

SN.	Particulars of Remuneration	Name of Directors						Total Amount
1	<b>Independent Directors</b>	-	-	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
2	<b>Other Non-Executive Directors</b>	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Name of the KMP		
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

# ANNUAL REPORT 2017-2018

## PCS POSITIONING SYSTEMS (INDIA) LTD.

### **TO THE MEMBERS OF PCS POSITIONING SYSTEMS (INDIA) LIMITED** **Report on the Standalone Financial Statements**

1. I have audited the accompanying standalone financial statements of PCS Positioning Systems (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. My responsibility is to express an opinion on these standalone financial statements based on our audit.

4. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

8. In my opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the Annexure-"A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

#### **10. As required by Section 143 (3) of the Act, I report that:**

1. I have sought and obtained all the information and explanations which to the best of I knowledge and belief were necessary for the purposes of my audit.

2. In my 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.
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in Annexure-"B" and
7. 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 my opinion and to the best of my information and according to the explanations given to me:
  - i. There were no pending litigations on Company's financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the Company.

**For S.C. Bandi & Co.**

Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**

(Proprietor)

M. No.16932

Place: Mumbai

Date : 22 May 2018

#### **ANNEXURE-A TO THE AUDITOR'S REPORT**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The assets have been physically verified by the management during the year and no major discrepancies were noticed on such verification.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 3 of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits, hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to me, there are no cases in which dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at 31st March 2018.
- (viii) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not raised term loan during the year. Hence, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Hence the provisions of the clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to me, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

**For S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 22 May 2018

## ANNEXURE-B TO THE AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of PCS Positioning Systems (India) Limited ("the Company") as of 31st March 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 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.

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedures 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

**For S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 22 May 2018

# ANNUAL REPORT 2017-2018

## PCS POSITIONING SYSTEMS (INDIA) LTD.

### BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs.)				
Particulars	Note	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>I ASSETS</b>				
<b>1 Non-Current Assets</b>				
(a) Other assets	3	441,627	441,627	441,627
<b>Total non-current assets</b>		<b>441,627</b>	<b>441,627</b>	<b>441,627</b>
<b>2 Current assets</b>				
(b) Financial assets				
(i) Trade receivables	4	1,842,687	1,842,687	3,062,965
(ii) Cash and cash equivalents	5	1,178,165	56,694	36,416
(iii) Loans	6	133,503	133,503	133,503
(c) Other assets	7	525,461	545,503	545,503
<b>Total current assets</b>		<b>3,679,816</b>	<b>2,578,387</b>	<b>3,778,387</b>
<b>TOTAL ASSETS</b>		<b>4,121,443</b>	<b>3,020,014</b>	<b>4,220,014</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Share capital	8	17,600,000	17,600,000	17,600,000
(b) Other equity	9	(51,562,569)	(51,538,578)	(51,512,039)
<b>Total Equity</b>		<b>(33,962,569)</b>	<b>(33,938,578)</b>	<b>(33,912,039)</b>
<b>2 Current Liabilities</b>				
(a) Financial liabilities				
(i) Trade and other payables	10	12,710,638	11,585,218	12,758,679
(b) Other liabilities	11	25,373,374	25,373,374	25,373,374
<b>Total current liabilities</b>		<b>38,084,012</b>	<b>36,958,592</b>	<b>38,132,053</b>
		<b>4,121,443</b>	<b>3,020,014</b>	<b>4,220,014</b>

The accompanying notes are an integral part of the financial statements

As per my Report of even date

For **S C BANDI & CO.**  
(Chartered Accountants)

**S C Bandi**  
(Proprietor)

Membership No.16932

Place : Mumbai

Date : 22nd May, 2018

For and on behalf of the Board of Directors

**A.K. Patni** Director

**H. C. Tandon** Director

**Yash Bharadwaj** Director

Place : Mumbai

Date : 23rd May, 2018

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)				
Particulars	Note	Year ended 31-Mar-18	Year ended 31-Mar-17	
I. Revenue from Operations (net)		-	-	
II. Other Income		-	-	
<b>III. Total Revenue (I+II)</b>		<b>-</b>	<b>-</b>	
<b>IV. Expenses</b>				
Other expenses	12	23,991	26,539	
<b>Total expenses</b>		<b>23,991</b>	<b>26,539</b>	
<b>V. Profit Before Tax</b>		<b>(23,991)</b>	<b>(26,539)</b>	
<b>VI. Tax expense</b>		<b>-</b>	<b>-</b>	
<b>VII. Profit for the year (V - VI)</b>		<b>(23,991)</b>	<b>(26,539)</b>	
<b>VIII. OTHER COMPREHENSIVE INCOME / (LOSSES)</b>				
A (i) Items that will be reclassified subsequently to the statement of profit and loss:		-	-	
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-	
B (i) Items that will not be reclassified subsequently to the statement of profit and loss:		-	-	
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-	
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>		<b>-</b>	<b>-</b>	
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>(23,991)</b>	<b>(26,539)</b>	
Earning per equity share of face value of Rs.10 each				
I) For Continuing operation				
Basic (in Rs.)		<b>(0.01)</b>	(0.02)	
Diluted (in Rs.)		<b>(0.01)</b>	(0.02)	
II) For Discontinued Operations				
Basic (in Rs.)				
Diluted (in Rs.)				
II) For Discontinued & Continuing Operations				
Basic (in Rs.)		<b>(0.01)</b>	<b>(0.02)</b>	
Diluted (in Rs.)		<b>(0.01)</b>	<b>(0.02)</b>	

The accompanying notes are an integral part of the financial statements

As per my Report of even date

For **S C BANDI & CO.**  
(Chartered Accountants)

**S C Bandi**  
(Proprietor)

Membership No.16932

Place : Mumbai

Date : 22nd May, 2018

For and on behalf of the Board of Directors

**A.K. Patni** Director

**H. C. Tandon** Director

**Yash Bharadwaj** Director

Place : Mumbai

Date : 23rd May, 2018

## Statement of Changes in Equity for the year ended 31 March, 2018

### A Equity Share Capital

Particulars	Amount
As at April 01, 2016	17,600,000
Changes in Equity share capital during the year	-
<b>As at March 31, 2017</b>	<b>17,600,000</b>
Changes in Equity share capital during the year	-
<b>As at March 31, 2018</b>	<b>17,600,000</b>

### B Other Equity

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
As at April 01, 2016	-	-	-	-	(51,512,039)	-	(51,512,039)
Profit for the year	-	-	-	-	(26,539)	-	(26,539)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(26,539)</b>	-	<b>(26,539)</b>
As at March 31, 2017	-	-	-	-	<b>(51,538,578)</b>	-	<b>(51,538,578)</b>
Profit for the year	-	-	-	-	(23,991)	-	(23,991)
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(23,991)</b>	-	<b>(23,991)</b>
As at March 31, 2018	-	-	-	-	<b>(51,562,569)</b>	-	<b>(51,562,569)</b>

The accompanying notes form an integral part of the Financial Statements

Significant Accounting Policies and Notes to Financial Statements

As per my Report of even date

For **S C BANDI & CO.**  
(Chartered Accountants)

**S C Bandi**  
(Proprietor)  
Membership No.16932

Place : Mumbai  
Date : 22nd May, 2018

For and on behalf of the Board of Directors

**A.K. Patni** Director  
**H. C. Tandon** Director  
**Yash Bharadwaj** Director

Place : Mumbai  
Date : 23rd May, 2018

# ANNUAL REPORT 2017-2018

## PCS POSITIONING SYSTEMS (INDIA) LTD.



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	(Amount in Rs.)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
<b>Cash flow arising from operating activities:</b>		
<b>Net loss before tax</b>	<b>(23,991)</b>	(26,539)
Adjustment for:		
Fixed assets written-off	-	-
Depreciation	-	-
<b>Operating loss before working capital changes</b>	<b>(23,991)</b>	(26,539)
Decrease/ (Increase) in Trade and other Receivables	<b>20,042</b>	1,220,278
(Decrease)/ Increase in Trade and other payables	<b>1,125,420</b>	26,539
<b>Cash generated from operations</b>	<b>1,121,471</b>	1,220,278
Income Tax paid (net of refunds)	-	-
<b>Net cash flow from/used operating activities</b>	<b>1,121,471</b>	1,220,278
<b>Cash flow arising from investing activities</b>	-	-
<b>Cash flow arising from financing activities</b>		
Proceeds from Unsecured Loans taken from holding company	-	(1,200,000)
Repayment of Unsecured Loan taken from Directors	-	-
<b>Net Cash from financing activities</b>	-	(1,200,000)
<b>Net Increase/(Decrease) in Cash/Cash Equivalents</b>	<b>1,121,471</b>	20,278
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>56,694</b>	36,416
<b>Cash and Cash Equivalents at end of the year 31st March,2018</b>	<b>1,178,165</b>	56,694

The accompanying notes are an integral part of the financial statements

As per my Report of even date

For **S C BANDI & CO.**  
(Chartered Accountants)

For and on behalf of the Board of Directors

**S C Bandi**  
(Proprietor)  
Membership No.16932

**A.K. Patni** Director  
**H. C. Tandon** Director  
**Yash Bharadwaj** Director

Place : Mumbai  
Date : 22nd May, 2018

Place : Mumbai  
Date : 23rd May, 2018

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

#### 1 Basis of Preparation

The Company is Incorporated on 29th June 2004 as a wholly owned subsidiary of PCS Technology Limited.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

#### 2 Significant Accounting Policies

##### A Revenue recognition:

Revenue is recognised as per the provisions of the Accounting Standards 9 on "Revenue Recognition" issued by Institute of Chartered Accountants of India and the provisions of The Companies Act, 2013

##### B Taxes on income:

Tax expenses comprise current tax and deferred tax charges or release. Deferred tax is recognized on timing difference subject to consideration and prudence, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

##### C Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

##### D Borrowing cost

Borrowing costs that is not directly attributable to the acquisition, construction or production of a qualifying asset is charged to the statement of profit and loss.

Particulars	(Amount in Rs.)		
	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>3 Other Non- Current Assets</b>			
Income tax paid (net)	<b>318,483</b>	318,483	318,483
FBT paid (net)	<b>123,144</b>	123,144	123,144
	<b>441,627</b>	441,627	441,627
<b>4 TRADE RECEIVABLE</b>			
Unsecured, considered good	<b>1,842,687</b>	1,842,687	3,062,965
	<b>1,842,687</b>	1,842,687	3,062,965
<b>5 CASH AND CASH EQUIVALENT</b>			
<b>Cash and Cash Equivalent</b>			
Balances with Banks - in Current account	<b>1,178,165</b>	56,694	36,416
	<b>1,178,165</b>	56,694	36,416
<b>6 SHORT TERM LOANS AND ADVANCES</b>			
Earnest Money Deposit	<b>20,000</b>	20,000	20,000
Advance recoverable in cash or in kind	<b>113,503</b>	113,503	113,503
	<b>133,503</b>	133,503	133,503

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

(Amount in Rs.)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>7 Other assets</b>			
Deposits	25,000	45,000	45,000
Advances to Suppliers	500,461	500,503	500,503
	<b>525,461</b>	<b>545,503</b>	<b>545,503</b>
<b>8 SHARE CAPITAL</b>			
<b>Authorised</b>			
3,000,000 Equity shares of Rs.10/- each	30,000,000	30,000,000	30,000,000
<b>Issued, Subscribed and Paid up</b>			
1,760,000 Equity shares of Rs.10/- each fully paid up	17,600,000	17,600,000	17,600,000
	<b>17,600,000</b>	<b>17,600,000</b>	<b>17,600,000</b>

- (a) Terms /Rights attached to equity shares  
The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (b) Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31/03/2018		As at 31/03/2017	
	No.of shares	% holding	No.of shares	% holding
PCS Technology Limited	1760000	100	1760000	100

(Amount in Rs.)

Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 1-Apr-16
<b>9 OTHER EQUITY</b>			
<b>Deficit in the statement of profit and loss</b>			
Balance as per last Financial Statement	(51,538,578)	(51,512,039)	(51,021,255)
Loss for the year	(23,991)	(26,539)	(490,784)
	<b>(51,562,569)</b>	<b>(51,538,578)</b>	<b>(51,512,039)</b>
<b>10 TRADE PAYABLE</b>			
Trade Payable (Refer note 14 for details of dues to Micro and small enterprises)	12,710,638	11,585,218	12,758,679
	<b>12,710,638</b>	<b>11,585,218</b>	<b>12,758,679</b>
<b>11 OTHER CURRENT LIABILITIES</b>			
Inter corporate deposits	25,000,000	25,000,000	25,000,000
Trade Advances	373,374	373,374	373,374
	<b>25,373,374</b>	<b>25,373,374</b>	<b>25,373,374</b>

	As at 31-Mar-18	As at 31-Mar-17
<b>12 OTHER EXPENSES</b>		
Rates & Taxes	-	8,413
Legal, Professional & Consultancy charges	-	9,500
Auditor's Remuneration - As auditors	8,850	8,626
Bank Charges	60	-
Debit Credit Balance W/off	15,081	-
	<b>23,991</b>	<b>26,539</b>

- 13** There is no amount due to "Micro or Small Enterprises" under Micro, Small, and Medium Enterprise Act, 2006. Further no interest is paid/payable in the terms of section 16 of the said Act.
- Current liabilities, has been determined to the extent such parties have

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**

been identified on the basis of the information available with the company.

- 14** The Company has brought forward losses and unabsorbed depreciation as per Income Tax Act. However in view of absence of virtual certainty that the brought forward losses and unabsorbed depreciation will be utilized in future, deferred tax asset in respect of these items is not recognized.

**15 Particulars of Earnings per share :**

Particulars	31-Mar-18	31-Mar-17
(a) Net (Loss) for the year (Rs.)	(23,991)	(26,539)
(b) Number of equity shares outstanding at the beginning and at the end of the year	1,760,000	1,760,000
(c) Weighted average number of shares outstanding during the year	1,760,000	1,760,000
(d) Nominal value of the shares (Rs.)	10	10
(e) Basic Earning per share (Rs.)	(0.01)	(0.02)

**16 Related parties disclosures:**

**A) Name of related parties where control exists:**

- a) Holding Company  
1. PCS Technology Limited

**B) Other related parties with whom there are transactions during the year:**

- a) Key Management Personnel  
1. Mr. A.K.Patni (Director)
- b) Affiliates (Enterprises over which key management personnel or relatives has significant influence):  
1. PCS Technology USA, Inc

**17 Balance outstanding as on 31st March, 2018**

Description	Holding Compay	Key Management Personnel	Affiliates	Total
Receivable PCS Technology Inc., USA			129,719 (129,719)	129,719 (129,719)
Payables PCS Technology Limited	11,733,050 (10,592,554)			11,733,050 (10,592,554)
Inter corporate deposits PCS Technology Limited	25,000,000 (25,000,000)			25,000,000 (25,000,000)

Note: Previous year figure are shown in brackets

- 18** Considering revision in useful life of fixed assets as per new Companies Act, 2013, the management decided to write-off the opening written down values of ceased assets in the statement of profit and loss in PREVIOUS financial year.

- 19** Figures for the previous year have been regrouped/ rearranged wherever necessary.

As per my Report of even date

For **S C BANDI & CO.**  
(Chartered Accountants)

For and on behalf of the Board of Directors

**A.K. Patni** Director

**S C Bandi**

**H. C. Tandon** Director

(Proprietor)

**Yash Bharadwaj** Director

Membership No.16932

Place : Mumbai

Place : Mumbai

Date : 22nd May, 2018

Date : 23rd May, 2018



# PCS INFOTECH LIMITED

## MANAGEMENT & ADMINISTRATION

**DIRECTORS** : Gajendra kumar Patni, Ashok Kumar Patni, Yash Bhardwaj, S. Ravikumar

**REGISTERED OFFICE** : S. No. 1-A, F-1, Irani Market Compound, Yerawada, Pune - 411 106.

**CIN** : U72900PN2012PLC145598

## DIRECTORS' REPORT

### The Members,

### PCS INFOTECH LIMITED

Your Directors of the Company are pleased to present the 6th Annual Report with the statement of Audited financial accounts for the financial year ended 31st March 2018.

### FINANCIAL RESULTS (Rs in lakhs)

Particulars	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Net Sales and other Income	6.27	9.89
Expenses	0.42	0.24
Profit/ (Loss) before interest , depreciation & taxation	5.85	7.54
Interest	-	-
Depreciation	-	-
Profit /(Loss) before Taxation	05.85	07.54
Provision for Taxation (Net)	03.68	01.91
Net Profit / (loss) for the year	02.17	05.62

### OPERATIONS

During the year, the Company has focused only on selected orders, where cost and margins are fair.

### EXTRACTS OF ANNUAL RETURN

The details forming part of the extracts of the Annual return in Form MGT-9 is enclosed in Annexure I

### DIVIDEND

In order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for the financial year ended 31<sup>st</sup> March 2018.

### RESERVES

Since, the Company do not recommend any dividend, it is not required to transfer any amount to the General Reserve of the Company for the year under review.

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

No, material changes & Commitments have occurred between the end of Financial year of the Company to which the Financial statement relates and the date of this report which affects the financial position of the Company.

### DIRECTORS

#### Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. Ravi Kumar Sankaran and Mr. Ashok Kumar Patni, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

### Meetings

During the year under review, four Board Meetings were convened and held as on 15<sup>th</sup> May, 2017, 8th August, 2017, 27th November, 2017 and 9<sup>th</sup> February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### Statutory Auditors

The Company's Auditors, Mr. S.C Bandi of M/s S.C Bandi & Co., Chartered Accountants, Mumbai were appointed by the shareholders at the 3rd Annual General Meeting held on 10th September, 2015 to hold office until the conclusion of the 8th Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3C) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2018 and of the profit of the company for the said year;
3. Proper and sufficient care has been taken 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. Annual Accounts have been prepared on a going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

All the Details regarding Loans, Guarantees and Investments as required under provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

All the Related party transactions are presented to the Audit Committee and the Board approval is obtained for the transactions made by the Company

### DEPOSITS

Your Company has neither invited nor accepted any deposits from the public so far.

### PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Since the Company has not carried out any business activity, it is not required to disclose information under the Section 134 (3) (m) of the Companies Act, 2013

### ACKNOWLEDGEMENTS

Your Directors express their warm appreciation to all the stakeholder of the Company for their co-operation extended to the Company

On behalf of the Board of Directors

Place: Mumbai,  
Date: 23<sup>rd</sup> May, 2018

A.K.Patni  
Director  
(Din:00014194)

G.K Patni  
Director  
(Din: 00014163)

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

CIN	U72900PN2012PLC145598
Registration Date	05/12/2012
Name of the Company	PCS Infotech Limited
Category/Sub-category of the Company	Computer Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Computer software and related Activities	6202	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	N.A	N.A	N.A	N.A	N.A

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	7	7	-	-	7	7	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	499993	499993	100%	-	499993	499993	100%	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(1)</b>	-	499993	499993	100%	-	499993	499993	100%	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) Individuals (NRIs /Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-

# PCS INFOTECH LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Any Other	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors /Relatives	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	500000	500000	100%	-	500000	500000	100%	-

ii. **Shareholding of Promoter & Promoter Group**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s PCS Technology limited (PTL)	499,993	100%	-	499,993	100%	-	-
2	Mr. A. K. Patni- Nominee of PTL	1	0%	-	1	0%	-	-
3	Mr. Gajendrakumar Patni- Nominee of PTL	1	0%	-	1	0%	-	-
4	Mr. Harish Chandra Tandon- Nominee of PTL	1	0%	-	1	0%	-	-
5	Mr.Yash Bhardwaj- Nominee of PTL	1	0%	-	1	0%	-	-
6	Mr. Ravi Kumar Sankaran- Nominee of PTL	1	0%	-	1	0%	-	-
7	Mr. Mir Prakash Jain- Nominee of PTL	1	0%	-	1	0%	-	-
8	Mr. Dinesh Maheshwari- Nominee of PTL	1	0%	-	1	0%	-	-

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in Promoters holding as on 31<sup>st</sup> March, 2018.

**Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	N.A.	N.A.	N.A.	N.A.	N.A.

iv. **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Gajendrakumar Patni	1	0%	1	0%
2	Mr. Ashokkumar S. Patni	1	0%	1	0%
3	Mr. Yash Bhardwaj	1	0%	1	0%
4	Mr. Ravi kumar Sankaran	1	0%	1	0%

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>				

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount Rs.
		-	-
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

**B. Remuneration to other directors (Independent) (Rupees)**

SN.	Particulars of Remuneration	Name of Directors						Total Amount
1.	<b>Independent Directors</b>	-	-	-	-	-	-	
	Fee for attending board & committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	-	-	-	-	-	-	
2.	<b>Other Non-Executive Directors</b>	-	-	-	-	-	-	
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	
	Total (B)=(1+2)	-	-	-	-	-	-	
	Total Managerial Remuneration	-	-	-	-	-	-	
	Overall Ceiling as per the Act	-	-	-	-	-	-	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rupees)

SN	Particulars of Remuneration	Name of the KMP		
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

### TO THE MEMBERS OF PCS INFOTECH LIMITED

#### Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Infotech Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. My responsibility is to express an opinion on these standalone financial statements based on our audit.
4. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In my opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

#### 10. As required by Section 143 (3) of the Act, I report that:

1. I have sought and obtained all the information and explanations which to the best of I knowledge and belief were necessary for the purposes of my audit.
2. In my 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.

3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in "Annexure-B" and
7. 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 my opinion and to the best of my information and according to the explanations given to me:
- There were no pending litigations on Company's financial position in its financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the Company.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 22 May 2018

### ANNEXURE-A TO THE AUDITOR'S REPORT

- (i) (a) The Company is not holding physical fixed assets during the current period covered under audit. Therefore, the provisions of sub-clauses (a) and (b) of clause (i) of paragraph 3 of the Order are not applicable.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 3 of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits, hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed

# PCS INFOTECH LIMITED

amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to me, there are no cases in which dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at 31<sup>st</sup> March 2018.
- (viii) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not raised term loan during the year. Hence, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Hence the provisions of the clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to me, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 22 May 2018

## ANNEXURE-B TO THE AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of PCS Infotech Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 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.

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedures 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 22 May 2018

# ANNUAL REPORT 2017-2018

## PCS INFOTECH LIMITED



### BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
<b>I ASSETS</b>				
<b>1 Non-Current assets</b>				
a) Other assets	3	-	-	1,416,764
<b>Total Non-Current Assets</b>				1,416,764
<b>2 Current assets</b>				
b) Financial assets				
i) Investments	4	6,016,200	-	-
ii) Trade receivables	5	-	-	220,562
iii) Cash and cash equivalents	6	2,151,436	938,149	896,460
iv) Loans	7	153,904	7,193,315	5,023,693
C) Current tax assets (net)	8	-	-	-
d) Current assets	9	80,718	80,718	61,324
<b>Total Assets</b>		<b>8,402,258</b>	<b>8,212,182</b>	<b>7,618,803</b>
		-	-	-
<b>II EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
(a) Share Capital	10	5,000,000	5,000,000	5,000,000
(b) Other equity	11	3,238,160	3,021,350	2,458,582
<b>2 Non-current liabilities</b>				
Other liabilities	12	133,948	150,608	-
<b>3 Current Liabilities</b>				
(a) Trade and other payables	13	30,150	29,626	156,768
(b) Other liabilities	14	-	10,598	3,453
		<b>8,402,258</b>	<b>8,212,182</b>	<b>7,618,803</b>

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C. Bandi & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**S. C. Bandi**  
(Proprietor)  
M. No. 16932

**A. K. Patni**  
(Director)

**G. K. Patni**  
(Director)

**Y. V. Bhardwaj**  
(Director)

**R. Sankaran**  
(Director)

Place: Mumbai  
Date : 22nd May, 2018

Place: Mumbai  
Date : 23rd May, 2018

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note	Year ended 31-Mar-2018	Period ended 31-Mar-2017
<b>I REVENUE</b>			
Revenue from operations (Net)	15	-	-
II Other Income	16	627,338	989,091
III Total Revenue		627,338	989,091
<b>IV EXPENSES</b>			
Employee benefits expense	17	-	4,299
Other expenses	18	42,267	230,899
Total tax expenses		42,267	235,198
V Profit before tax		585,071	753,893
VI Tax expenses:			
Current tax		171,000	245,000
Short Provision for Income Tax		197,261	(53,875)
Total tax expenses		368,261	191,125
VII Profit for the year (V-VI)		216,810	562,768
VIII OTHER COMPREHENSIVE INCOME / (LOSSES)			
(a) i Items that will be reclassified subsequently to the statement of profit and loss:			
ii Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(b) i Items that will not be reclassified subsequently to the statement of profit and loss:			
ii Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>		-	-
(IX) <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>216,810</b>	<b>562,768</b>
Earning per equity share of face value of Rs. 10 each			
I) For Continuing operation			
Basic (in Rs.)		0.43	1.13
Diluted (in Rs.)		0.43	1.13
II) For Discontinued Operations			
Basic (in Rs.)		-	-
Diluted (in Rs.)		-	-
II) For Discontinued & Continuing Operations			
Basic (in Rs.)		0.43	1.13
Diluted (in Rs.)		0.43	1.13

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C. Bandi & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**S. C. Bandi**  
(Proprietor)  
M. No. 16932

**A. K. Patni**  
(Director)

**G. K. Patni**  
(Director)

**Y. V. Bhardwaj**  
(Director)

**R. Sankaran**  
(Director)

Place: Mumbai  
Date : 22nd May, 2018

Place: Mumbai  
Date : 23rd May, 2018



# PCS INFOTECH LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### A Equity Share Capital

Particulars	Amount in Rupees
<b>As at April 01, 2016</b>	5,000,000
Changes in Equity share capital during the year	-
<b>As at March 31, 2017</b>	<b>5,000,000</b>
Changes in Equity share capital during the year	-
<b>As at March 31, 2018</b>	<b>5,000,000</b>

### B Other Equity

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
<b>As at April 01, 2016</b>	-	-	-	-	2,458,582	-	2,458,582
Profit for the year	-	-	-	-	562,768	-	562,768
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>562,768</b>	-	<b>562,768</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	-	-	-	-	<b>3,021,350</b>	-	<b>3,021,350</b>
Profit for the year	-	-	-	-	216,810	-	216,810
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>216,810</b>	-	<b>216,810</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	-	-	-	-	<b>3,238,160</b>	-	<b>3,238,160</b>

The accompanying notes form an integral part of the Financial Statements  
Significant Accounting Policies and Notes to Financial Statements

As per my report of even date attached

**For S.C. Bandi & Co.**  
Chartered Accountants

**S. C. Bandi**  
(Proprietor)  
M. No. 16932

Place: Mumbai  
Date : 22nd May, 2018

**For and on behalf of the Board of Directors**

**A. K. Patni**  
(Director)

**Y. V. Bhardwaj**  
(Director)

Place: Mumbai  
Date : 23rd May, 2018

**G. K. Patni**  
(Director)

**R. Sankaran**  
(Director)

# ANNUAL REPORT 2017-2018

## PCS INFOTECH LIMITED



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	(Amount in Rs.)	
	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	585,071	753,893
<b>Operating profit before working capital changes</b>	585,071	753,893
Decrease/ (increase) in trade and others receivables	-	(551,690)
(Decrease)/ increase in trade and other payables	(26,734)	30,611
<b>Cash generated from operations</b>	558,337	232,814
Income tax paid (net of refunds)	(368,261)	(191,125)
<b>Net cash flow from/ (used in) operating activities</b>	190,076	41,689
<b>B. Cash flow from investing activities</b>	1,023,211	-
	1,023,211	-
<b>C. Cash from financing activities</b>		
Repayment of long-term borrowings (net)	-	-
Issue of share capital	-	-
Purchase of non-current investments	-	-
<b>Net cash from/ (used in) financing activities</b>	-	-
Net increase/ (decrease) in cash and cash equivalents	1,213,287	41,689
Cash and cash equivalents at beginning of the period	938,149	896,460
<b>Cash and cash equivalents at end of the period</b>	2,151,436	938,149
	-	-

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C. Bandi & Co.** For and on behalf of the Board of Directors  
Chartered Accountants

**S. C. Bandi**  
(Proprietor)  
M. No. 16932

**A. K. Patni**  
(Director)

**G. K. Patni**  
(Director)

**Y. V. Bhardwaj**  
(Director)

**R. Sankaran**  
(Director)

Place: Mumbai  
Date : 22nd May, 2018

Place: Mumbai  
Date : 23rd May, 2018

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 1 Basis of preparation:

The Company is incorporated on 5th December 2012 as a wholly owned subsidiary of PCS Technology Limited.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

#### 2 Significant Accounting Policies:

##### A Revenue recognition:

Revenue is recognised as per the provisions of the Accounting Standards 9 on "Revenue Recognition" issued by Institute of Chartered Accountants of India and the provisions of The Companies Act, 2013

##### B Taxes on income:

Tax expenses comprise current tax and deferred tax charges or release. Deferred tax is recognized on timing difference subject to consideration and prudence, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

##### C Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

##### D. Borrowing Cost

Borrowing costs that is not directly attributable to the acquisition, construction or production of a qualifying asset is charged to the statement of profit and loss.

Particulars	(Amount in Rs.)		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
<b>3 Other assets</b>			
Income tax paid (Net of provisions)	-	-	1,416,764
	-	-	1,416,764
<b>4 Current Investments</b>			
<b>Unsecured, considered good</b>			
8.75% Axis Bank - Perpetual Bonds (Unquoted) (Book Value 6016200/-)	6,016,200	-	-
	6,016,200	-	-
<b>5 Trade receivables</b>			
Sundry Debtors	-	-	220,562
	-	-	220,562
<b>6 Cash &amp; Cash Equivalents</b>			
Cash in hand	-	-	-
Balances with Banks			
In Current account	2,151,436	938,149	896,460
	2,151,436	938,149	896,460
<b>7 Short Term Loans and Advances</b>			
a) Mukand Limited	-	7,000,000	5,000,000
Other receivables	153,904	193,315	23,693
	153,904	7,193,315	5,023,693

# PCS INFOTECH LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
<b>8 Current tax assets (net)</b>			
Income tax paid (Net of provisions)	-	-	-
	-	-	-
<b>9 Other Current Assets</b>			
Prepaid expenses	-	-	4,299
Security Deposits	80,718	80,718	57,025
	80,718	80,718	61,324

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
<b>10 SHARE CAPITAL</b>			
<b>Authorised</b>			
10,00,000 (Previous Year - 1,00,000) Equity Share of Rs.10 each	10,000,000	10,000,000	10,000,000
<b>Issued, Subscribed and Paid-up</b>			
500,000 (Previous Year - 50,000) Equity Shares of Rs.10 fully paid-up	5,000,000	5,000,000	5,000,000
	5,000,000	5,000,000	5,000,000

### a) Terms/ Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### b) Reconciliation of the shares outstanding at the beginning and end of the year:

Particulars	Number	Amount	Amount
Shares outstanding at the beginning of the year	500,000	5,000,000	50,000,000
Shares issued during the year	-	-	-
Shares outstanding at the end of the year	500,000	5,000,000	50,000,000

### c) Details of shareholding more than 5% shares of total shares in the Company:

Name of shareholder	As at 31/03/2018		As at 31/03/2017	
	No. of shares	% holding	No. of shares	% holding
PCS Technology Limited	499,993	100.00	499,993	100.00

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
<b>11 Other Equity</b>			
Opening balance	3,021,350	2,458,582	1,053,920
Add: Profit for the year	216,810	562,768	1,404,662
Closing balance	3,238,160	3,021,350	2,458,582
<b>12 Other non-current liabilities</b>			
Income tax Provision (Net of taxes paid)	133,948	150,608	-
	133,948	150,608	-
<b>13 Trade Payables</b>			
Trade Payables	30,150	29,626	156,768
	30,150	29,626	156,768
<b>14 Other current liabilities</b>			

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
Statutory dues and taxes payable	-	10,598	3,453
	-	10,598	3,453

(Amount in Rs.)

Particulars	Period ended 31-Mar-2018	Period ended 31-Mar-2017
<b>15 Revenue from Operations</b>		
Sale of Goods	-	-
Sales of Services	-	-
<b>16 Other Income</b>		
Interest Received	625,109	989,091
Misc Income	2,229	-
	627,338	989,091
<b>17 Employee benefit expenses</b>		
Staff Welfare expenses	-	4,299
	-	4,299
<b>18 Other expenses</b>		
Rates & Taxes	7,800	9,155
Audit Fees	8,850	8,626
Bad Debts	-	12,854
Legal & Professional Charges	19,300	175,600
Telephone Expense	2,159	4,539
Sales Tax Paid	-	2,951
Miscellaneous expenses	4,158	17,174
	42,267	230,899

19 There is no amount due to "Micro or Small Enterprises" under Micro, Small, and Medium Enterprise Act, 2006. Further no interest is paid/ payable in the terms of section 16 of the said Act.

### 20 Particulars of Earnings Per Shares:

Particulars	31-Mar-18	31-Mar-17
a) Net Profit for the year		
Before extraordinary items (Rs.)	216,810	562,768
After extraordinary items (Rs.)	216,810	562,768
b) Number of equity shares outstanding at the beginning and at the end of the year	500,000	500,000
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	0.43	1.13

### 21 Related parties disclosures:

#### A Names of the related parties (where control exists)

PCS Technology Limited - Holding Company

B There are no transactions during the current & previous year with any of the related party of the year

As per my report of even date attached

For S.C. Bandi & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

S. C. Bandi  
(Proprietor)  
M. No. 16932

A. K. Patni  
(Director)

G. K. Patni  
(Director)

Y. V. Bhardwaj  
(Director)

R. Sankaran  
(Director)

Place: Mumbai  
Date : 22nd May, 2018

Place: Mumbai  
Date : 23rd May, 2018

# ANNUAL REPORT 2017-2018

PCS TECHNOLOGY USA., INC



## MANAGEMENT & ADMINISTRATION

**DIRECTORS** : Harish Chandra Tandon, Yash Bhardwaj,  
Sunil Doshi  
**REGISTERED OFFICE** : 6705 Shadow Oaks CT, Monmouth Junction,  
NJ 08852-2228, USA

## DIRECTORS' REPORT

The Members,

### PCS TECHNOLOGY USA, INC.

Your Directors have the pleasure in presenting their Thirteenth Annual Report of your company together with Audited Balance Sheet for the Financial Year ended on 31st March 2018.

During the financial year under review, the Company has not involved in any business transaction due to Companies operations were adversely affected in the past. The operations have resulted in a Net loss of Rs.0.70 lakhs.

### EXTRACTS OF ANNUAL RETURN

As the Company is Foreign Subsidiary Company of PCS Technology Limited, The extracts of the Annual return i.e Form MGT-9 is not applicable.

### DIVIDEND

In view of losses incurred by the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2018.

### RESERVES

Since, the Company do not recommend any dividend, it is not required to transfer any amount to the General Reserve of the Company for the year under review.

### MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

No, material changes & Commitments have occurred between the end of Financial year of the Company to which the Financial statement relates and the date of this report which affects the financial position of the Company.

### SUBSIDIARY COMPANY:

As on March 31, 2018, the Company does not have any subsidiary

### CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company was not required to appoint Independent Directors under Section 149(4) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

### DIRECTORS MEETINGS

During the year under review, the meetings were held by the Board of Directors of the Company as and when required.

### STATUTORY AUDITORS

The Company's Auditors, Mr. S. C Bandi of M/s. S.C Bandi & Co., Chartered Accountants, Mumbai who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. He has confirmed his eligibility under Section 141 of the Companies Act, 2013 and the Rules framed

thereunder for reappointment as Statutory Auditors of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3C) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2018 and of the profit of the company for the said year;
3. Proper and sufficient care has been taken 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. Annual Accounts have been prepared on a going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS AND RELATED PARTY TRANSACTIONS

All the details regarding Loans, Guarantees and Investments and Related Party Transactions, as required under the Companies Act, 2013 are given in the notes to the Financial Statements.

### DEPOSITS

Your Company has neither invited nor accepted any deposits from the public so far.

### PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Since, the Company has not carried out any business activity, it is not required to disclose information under the Section 134 (3) (m) of the Companies Act, 2013.

### ACKNOWLEDGEMENTS

Your Directors express their warm appreciation to all the stakeholder of the Company for their co-operation extended to the Company.

On behalf of the Board of Directors

Place: Mumbai,  
Date: 23.05.2018

**Yash Bhardwaj**  
Director

**H.C Tandon**  
Director

# PCS TECHNOLOGY USA., INC

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PCS TECHNOLOGY USA, INC.

### Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Technology USA, Inc. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018 and the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. My responsibility is to express an opinion on these standalone financial statements based on our audit.

4. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

8. In my opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its loss for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

### 10. As required by Section 143 (3) of the Act, I report that:

1. I have sought and obtained all the information and explanations which to the best of I knowledge and belief were necessary for the purposes of my audit.
2. In my 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.
3. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
4. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in "Annexure-B" and
7. 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 my opinion and to the best of my information and according to the explanations given to me:
  - i. There were no pending litigations on Company's financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W  
**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai

Date : 22 May 2018

## ANNEXURE-A TO THE AUDITOR'S REPORT

- (i) The Company do not hold any fixed assets during the current financial year covered under audit. Therefore, the provisions of sub-clauses (a) to (c) of clause (i) of paragraph 3 of the Order are not applicable.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 3 of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits, hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, vaue added tax, cess and any other statutory dues with the appropriate authorities.

# ANNUAL REPORT 2017-2018

PCS TECHNOLOGY USA., INC



According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to me, there are no cases in which dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at 31<sup>st</sup> March 2018.
- (viii) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not raised term loan during the year. Hence, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Hence the provisions of the clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to me, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai

Date : 22 May 2018

## ANNEXURE-B TO THE AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of PCS Technology USA, Inc. ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 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.

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 procedures 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting 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.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm Reg. No.130850W

**S.C. BANDI**  
(Proprietor)  
M. No.16932

Place: Mumbai

Date: 22 May 2018

# PCS TECHNOLOGY USA., INC

## BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
<b>I ASSETS</b>				
<b>1 Non-Current Assets</b>				
Other assets	4	474,112	471,945	482,120
<b>2 Current assets</b>				
Trade receivables	5	32,015,492	31,869,158	32,405,976
Cash and bank balances	6	-	13,039	22,844
Other assets	7	2,489,238	2,497,222	2,551,064
		<b>34,978,842</b>	<b>34,851,364</b>	<b>35,462,004</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
Share capital	8	217,850	217,850	217,850
Other equity	9	(4,719,805)	(4,685,580)	(4,739,316)
<b>2 Current liabilities</b>				
Financial liabilities				
Trade and other payables	10	39,332,984	39,171,957	39,983,470
Other liabilities	11	147,813	147,137	-
<b>TOTAL</b>		<b>34,978,842</b>	<b>34,851,364</b>	<b>35,462,004</b>

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C.Bandi & Company**  
Chartered Accountants

**For and on behalf of Board of Directors**

**S.C.Bandi**  
(Proprietor)  
Membership No. 16932

**Yash Bharadwaj**  
Director

**H.C.Tandon**  
Director

Place : Mumbai  
Date: 22nd May, 2018

Place : Mumbai  
Date: 23rd May, 2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note	Year ended 31-Mar-18	Year ended 31-Mar-17
I. Revenue from Operations (net)		-	-
II. Other Income		-	-
<b>Total Revenue</b>		-	-
III. Expenses			
Other expenses	12	70,319	43,130
<b>Total expenses</b>		<b>70,319</b>	<b>43,130</b>
IV. Profit before tax		<b>(70,319)</b>	<b>(43,130)</b>
V. Tax expense		-	-
VI. Profit for the year		<b>(70,319)</b>	<b>(43,130)</b>
VII <b>OTHER COMPREHENSIVE INCOME / (LOSSES)</b>			
A (i) Items that will be reclassified subsequently to the statement of profit and loss:		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
B (i) Items that will not be reclassified subsequently to the statement of profit and loss:		-	-
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
VIII <b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)</b>		-	-
IX <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VI+ VII)</b>		<b>(70,319)</b>	<b>(43,130)</b>
<b>Earning per equity share of face value of Rs.10 each</b>			
<b>I) For Continuing operation</b>			
Basic (in Rs.)		<b>(28.13)</b>	(17.25)
Diluted (in Rs.)		<b>(28.13)</b>	(17.25)
<b>II) For Discontinued Operations</b>			
Basic (in Rs.)		-	-
Diluted (in Rs.)		-	-
<b>III) For Discontinued &amp; Continuing Operations</b>			
Basic (in Rs.)		<b>(28.13)</b>	(17.25)
Diluted (in Rs.)		<b>(28.13)</b>	(17.25)

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C.Bandi & Company**  
Chartered Accountants

**For and on behalf of Board of Directors**

**S.C.Bandi**  
(Proprietor)  
Membership No. 16932

**Yash Bharadwaj**  
Director

**H.C.Tandon**  
Director

Place : Mumbai  
Date: 22nd May, 2018

Place : Mumbai  
Date: 23rd May, 2018

# ANNUAL REPORT 2017-2018

PCS TECHNOLOGY USA., INC



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### A Equity Share Capital

Particulars	Amt in Rs.
As at April 01, 2016	217,850
Changes in Equity share capital during the year	-
As at March 31, 2017	217,850
Changes in Equity share capital during the year	-
As at March 31, 2018	217,850

### B Other Equity

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
As at April 01, 2016	-	-	-	-	(3,479,187)	-	(3,479,187)
Profit for the year	-	-	-	-	(43,130)	-	(43,130)
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(43,130)</b>	-	<b>(43,130)</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	<b>(3,522,317)</b>	-	<b>(3,522,317)</b>
Profit for the year	-	-	-	-	(70,319)	-	(70,319)
Other Comprehensive Income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>(70,319)</b>	-	<b>(70,319)</b>
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	<b>(3,592,636)</b>	-	<b>(3,592,636)</b>

As per my report of even date attached

**For S.C.Bandi & Company**      **For and on behalf of Board of Directors**  
Chartered Accountants

**S.C.Bandi**  
(Proprietor)  
Membership No. 16932

**Yash Bharadwaj**  
Director

**H.C.Tandon**  
Director

Place : Mumbai  
Date: 22nd May, 2018

Place : Mumbai  
Date: 23rd May, 2018



# PCS TECHNOLOGY USA., INC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	(70,319)	(43,130)
Bad debts written off	19,256	-
Currency Fluctuation Reserve	36,094	96,866
<b>Operating profit before working capital changes</b>	<b>(14,969)</b>	53,736
Decrease/ (increase) in trade and others receivables	(159,773)	600,835
(Decrease)/ increase in trade and other payables	161,703	(664,376)
<b>Cash generated from operations</b>	<b>(13,039)</b>	(9,805)
Income tax paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities</b>	<b>(13,039)</b>	(9,805)
<b>B. Cash flow from investing activities</b>	-	-
<b>C. Cash from financing activities</b>		
Repayment of long-term borrowings (net)	-	-
Issue of share capital	-	-
Purchase of non-current investments	-	-
<b>Net cash from/ (used in) financing activities</b>	-	-
Net increase/ (decrease) in cash and cash equivalents	(13,039)	(9,805)
Cash and cash equivalents at beginning of the period	13,039	22,844
Cash and cash equivalents at end of the period	-	13,039

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

**For S.C.Bandi & Company**  
Chartered Accountants

**For and on behalf of Board of Directors**

**S.C.Bandi**  
(Proprietor)  
Membership No. 16932

**Yash Bharadwaj**  
Director

**H.C.Tandon**  
Director

Place : Mumbai  
Date: 22nd May, 2018

Place : Mumbai  
Date: 23rd May, 2018

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### 1 BACKGROUND

PCS Technology USA Inc. was incorporated in the State of New Jersey USA on 29<sup>th</sup> November 2004 as a wholly owned subsidiary of PCS Technology Ltd.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

### 2 PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

- These financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards and provisions of the Companies Act, 2013 as applicable to bodies corporate.
- These financial statements have been prepared for the purpose of compliance with the provisions of section 129 of The Companies Act, 2013 by the holding company PCS Technology Limited, India. Accordingly these financial statements will be attached to the financial statements of PCS Technology Limited as prescribed under Section 129 of The Companies Act, 2013. The Balance Sheet and Statement of Profit and Loss of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of Compliance with the requirements of section 129 of The Companies Act 2013, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard-11 on "Accounting for the effects of changes in foreign exchange rates".
- The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.
- The fixed assets are stated at cost less accumulated depreciation. The rate of depreciation is based on the estimated useful lives of the fixed assets. The useful lives of fixed assets are as stated below:

Fixed Assets	Useful lives
Computer & Computer Software	3 years
Office Equipments	5 years

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PCS TECHNOLOGY USA., INC



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

3 Income and expenditure incurred in foreign exchange have been translated at the average conversion rate of the accounting year. Current assets and current liabilities have been translated at the conversion rate as at 31<sup>st</sup> March 2018.

(Amount in Rs.)			
Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-16
<b>4 Other Non- Current Assets</b>			
Taxes paid	474,112	471,945	482,120
	474,112	471,945	482,120
<b>5 TRADE RECEIVABLES</b>			
Unsecured, Considered good	32,015,492	31,869,158	32,405,976
Other Debts	-	-	-
	32,015,492	31,869,158	32,405,976
<b>6 CASH AND BANK BALANCES</b>			
Cash in hand	-	6,370	6,507
Balances with Banks			
In Current account	-	6,669	16,337
	-	13,039	22,844
<b>7 Other Current Assets</b>			
Security Deposits	-	19,362	19,779
Advances to Related Parties	2,489,238	2,477,860	2,531,285
	2,489,238	2,497,222	2,551,064
<b>8 SHARE CAPITAL</b>			
<b>Authorised</b>			
2,500 Equity shares of par value of USD 2 each	217,850	217,850	217,850
<b>Issued Subscribed and Paid up</b>			
2,500 Equity shares of par value of USD 2 each	217,850	217,850	217,850
	217,850	217,850	217,850

**a) Terms /Rights attached to equity shares**

The Company has only one class of equity shares having a par value of USD 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**b) Details of shareholders holding more than 5% shares in the company**

Name of shareholder	As at 31/03/2018		As at 31/03/2017	
	No.of shares	% holding	No.of shares	% holding
PCS Technology Limited	2500	100	2500	100

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-16
<b>9 Other Equity</b>			
<b>Deficit in the Statement of Profit and Loss</b>			
Opening balance	(3,522,317)	(3,479,187)	(3,390,426)
Loss for The Year	(70,319)	(43,130)	(88,761)
Closing balance	(3,592,636)	(3,522,317)	(3,479,187)
<b>Currency Fluctuation Reserve</b>	(1,127,169)	(1,163,263)	(1,260,129)
<b>Total Other Equity</b>	(4,719,805)	(4,685,580)	(4,739,316)
<b>10 TRADE PAYABLES</b>			
Trade Payables	37,455,128	37,302,685	38,073,894
Consultancy Charges Payable	1,877,856	1,869,272	1,909,576
	39,332,984	39,171,957	39,983,470
<b>11 OTHER CURRENT LIABILITIES</b>			
Advance From Customers	147,813	147,137	-
	147,813	147,137	-
<b>12 OTHER EXPENSES</b>			
Auditors Fees	5,900	-	-
Consultancy charges	32,196	33,486	-
Bank Charges	6,632	9,644	-
Debit Credit Balance W/off	19,256	-	-
Misc Exps	6,335	-	-
	70,319	43,130	-

Figures for the previous year have been regrouped/ rearranged wherever necessary.

As per my report of even date attached

**For S.C.Bandi & Company**  
Chartered Accountants

**For and on behalf of Board of Directors**

**S.C.Bandi**  
(Proprietor)  
Membership No. 16932

**Yash Bharadwaj**  
Director

**H.C.Tandon**  
Director

Place : Mumbai  
Date: 22nd May, 2018

Place : Mumbai  
Date: 23rd May, 2018



# PCS Technology Limited

Registered Office : Office no.1, Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi, Dist Pune 412 106.  
CIN - L74200MH1981PLC024279, Tel: 020-26681619, Web:www.pcstech.com Email:investorsgrievances@pcstech.com



## FORM - MGT-11 PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Members(s)	
Registered Address:	
E-Mail Id:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of the shares of the above named Company, hereby appoint:

- (1) Name.....Address.....  
Email ID..... Signature.....Or failing him/ her
- (2) Name.....Address.....  
Email ID..... Signature.....Or failing him/ her
- (3) Name.....Address.....  
Email ID..... Signature.....

as my/our proxy to vote for me/us, on my/our behalf at the Thirty Seventh Annual General Meeting of the members of PCS Technology Limited to be held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, September 26, 2018 at 12.30 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business:

Particulars	I Assent	I Dissent
To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 together with the Reports of the Board of Directors and Auditors thereon.		
To appoint a Director in place of Mr. A.K. Patni (DIN - 00014194) who retires by rotation and being eligible, offers himself for re-appointment		
To ratify the appointment of Auditors of the Company and to fix remuneration and to pass the following resolution as an ordinary resolution thereof.		

### Special Business:

To re-appoint Mr. Gajendra Kumar Patni (Din: 00014163) as Director of the Company		
To re-appoint Mr. Girish Dave (Din : 00036455) as an Independent Director of the Company		
To re-appoint Mr. Kamal Kumar Barjatya (Din: 00107064) as an Independent Director of the Company		
To re-appoint Mr. Satish Ajmera (Din : 00208919), as an Independent Director of the company		
To re-appoint Mr. Yash Bhardwaj (Din 01714824) as an Executive Director (Whole-Time) of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder

Revenue  
stamp of  
Rs.1

Note : The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of the same must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting. The proxy need not be a member of the Company.



# PCS Technology Limited

Registered Office : Office no.1, Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi, Dist Pune 412 106.  
CIN - L74200MH1981PLC024279, Tel: 020-26681619, Web:www.pcstech.com Email:investorsgrievances@pcstech.com

## Attendance Slip

Name of the Shareholder(s) (In Block Letters):													
Registered Folio no./ DP ID no./Client ID No.:													
Numbers of shares held													

I certify that I am a member/proxy/authorized representative for the member of the Company.

I hereby record my presence at the Thirty Seventh Annual General Meeting of the members of PCS Technology Limited held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, 26th September, 2018 at 12.30 p.m.

\_\_\_\_\_  
Name of the member/proxy  
(in BLOCK Letters)

\_\_\_\_\_  
Signature of Member/ Proxy

\*note: please fill in attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM





**BY SPEED POST / REGISTERED POST / COURIER**

To

If undelivered please return to :

**M/s. Bigshare Services Pvt. Ltd.**

**UNIT : PCS Technology Limited**

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road,

Marol, Andheri (East) Mumbai 400059

Tel: 022 62638200

**PCS**  
TECHNOLOGY

**PCS TECHNOLOGY LIMITED**

**Registered Office : Office no.1, Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi,  
Dist Pune 412 106.**