



# **PCS Technology Limited**

**36th  
Annual Report  
2016-17**



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)	Managing Director & CEO
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

### CHIEF FINANCIAL OFFICER

Mr. M. P. Jain

### COMPANY SECRETARY

Mr. Bhaskar J. Patel

### AUDITORS

#### S. C. Bandi & Co.

Chartered Accountants, Mumbai

### BANKERS

Canara Bank

### 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 Apartments  
(Next To Keys Hotel),  
Marol Maroshi Road,  
Andheri East, Mumbai 400059.  
Tel.: 022 - 62638200  
Fax: 022-2847 5207

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

Day, Date & Time	:	Wednesday, 20th September, 2017, 12.00 noon
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 SIXTH ANNUAL REPORT 2016-2017



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **36th 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, 20<sup>th</sup> September, 2017 at 12:00 noon. 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, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G.K. Patni (DIN - 00014163) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Vinod .K. Mehta & Co., Chartered Accountant (Firm Registration No. 111508W) as Statutory Auditors of the Company and to fix their remuneration.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Vinod K Mehta & Co, Chartered Accountants (Firm Registration No. 111508W) be and are hereby appointed as the Statutory Auditors of the Company, in place of M/s. S. C Bandi & Co., Chartered Accountants, the retiring Statutory Auditors, for a term of five years to hold office from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, 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 Audit Committee."

### SPECIAL BUSINESS:

4. Re-Appointment of Mrs. Vandana Gupta (Din: 07117752) as an Independent Director of the Company

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

**"RESOLVED THAT** pursuant to provisions of Sections 149, 150, 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, Mrs. Vandana Gupta (DIN 07117752), 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 15th March, 2022, not liable to retire by rotation"

### Registered Office:

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

Mumbai, August 10, 2017

### 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. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 14th September, 2017 to Wednesday, 20<sup>th</sup> September, 2017, both days inclusive.

Members are requested to:

- (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their address or their email ID or bank mandate 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 addresses, physical copies of the Annual Report 2016-17 are being sent by the permitted mode.
  - 5) Members may also note that the Notice of the 36th AGM and the Company's Annual Report 2016-17 will be available on the Company's website [www.pcstech.com](http://www.pcstech.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.

By Order of the Board  
For PCS Technology Ltd.

**Bhaskar J Patel**  
Company Secretary

# PCS TECHNOLOGY LIMITED

- 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. Gajendra Kumar Patni (DIN : 00014163) (Item no. 3)**

**Gajendra Kumar Patni**

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

He is a Chemical Engineer 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 computer rental business, which led to the formation of PCS Data Products (PCSDP) in 1981 and PCS Data General (PCSDG) in 1987. Mr. Gajendra Kumar Patni was a Co-founder of Patni Computer Systems Ltd. from which he existed and resigned as Director as well as Promoter in year 2011.

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

Relative

**Listed Companies (other than PCS Technology Limited) in which Mr. Gajendra Kumar Patni holds the directorship and Committees membership:**

**Directorship in Companies:**

Nil

**Chairperson of Board Committees:**

Nil

**Member of Board Committee:**

Nil

**Shareholding in the Company:**

5,79,685 shares

**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 of the 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, 17<sup>th</sup> September, 2017 at 10:00 a.m and ends on at Tuesday, 19<sup>th</sup> September, 2017 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 13<sup>th</sup> September, 2017, 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 on an earlier voting of any company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Bank Details as recorded in your demat account or in the company records for the said demat account or folio

\*Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number as mentioned overleaf..

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or the Company, please enter the number of shares held by you in the Bank details field.

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 PCS Technology Limited 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.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. and Custodians respectively
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts 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.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case of members whose email IDs are not registered with the Company/ Depository participant(s) and who receive Physical Postal Ballot Forms , the following instructions may be noted:  
Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.  
In case you have any queries or issues regarding remote 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).
- (C) 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 cast their vote through remote e- voting shall be able to exercise their voting rights at the AGM. The members who have already cast 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 13<sup>th</sup> September, 2017, 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 13<sup>th</sup> September, 2017.
  - (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.pcstech.com](http://www.pcstech.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.

# PCS TECHNOLOGY LIMITED

## ANNEXURE TO NOTICE

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

#### Item no.3

Pursuant to Section 139 (2) of the Companies Act, 2013 and as per Rule 6 of Companies (Audit and Auditors) Rules, 2014), an audit firm can act as auditors of a listed company for a maximum tenure of two terms of 5 consecutive years.

Since, the present term of M/s. S.C Bandi & Co., Chartered Accountant, who was appointed for a period of three years as Statutory Auditors of the Company is getting expired at 36th Annual general Meeting. The Board of Directors on recommendation of Audit Committee at its meeting held on 10th August, 2017 appointed M/s. Vinod .K. Mehta & Co., Chartered Accountant (Firm Registration no. 111508W) as Statutory Auditors of the Company in place of M/s. S.C Bandi & Co for a term of 5 (Five) years commencing from the conclusion of 36th Annual General Meeting till conclusion of 41st Annual General Meeting, subject to ratification by Members at every Annual General Meeting, if so required under the Companies Act, 2013.

M/s. Vinod .K. Mehta & Co., Chartered Accountants, have consented to the aforesaid appointment as Statutory Auditors of the Company and confirmed that their appointment, if made, would be within the limits and have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the Section 141(3) of the Companies Act, 2013 read with the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the resolution at Item No. 3 for approval of the 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.

#### Item no. 4:

The members of the Company at 34th Annual General Meeting held on 16th September, 2015 had approved the appointment of Mrs. Vandana Gupta as an Independent Director of the Company for a period of 2 years with effect from 16th March, 2015 .

Since, the term of appointment of Mrs. Vandana Gupta as an Independent Director of the Company has expired on 15th March 2017, the Board of Directors at their meeting held on 8th February, 2017 re-appointed Mrs. Vandana Gupta as an Independent Director of the Company for a further period of five years w.e.f. 16th March, 2017 to 15th March, 2022, based on the recommendation of the Nomination and Remuneration Committee, at its said meeting held on 8th February, 2017.

#### Profile of Mrs. Vandana Gupta:

Mrs. Gupta, holds a Bachelor's Degree in Home Science from Lady Irwin College, New Delhi and a Master's Degree in English from Allahabad University and she also runs a support group for cancer patients in Mumbai through V-Care Foundation, a voluntary organization registered as a Charitable Trust in 1994.

The organization provides free service to cancer patients and their families, to help them cope with the crisis of Cancer. The organisation is now associated with voluntary work at the leading hospitals in Mumbai viz Tata Memorial Cancer Hospital & Research Centre, Leelavati Hospital, Ratan Tata Cancer Hospital, Nanavati Hospital, Jaslok Hospital etc.

She was Awarded "Mahila Sadhaki Award" by Guild of Women Achievers in November 1997. She has participated in various International Conferences namely 2nd World Conference for Cancer Organisations held in Atlanta, USA in May 1999, Fifth World Congress of Psycho-Oncology held in Melbourne, Australia in September 2000 and 3rd Patient Seminar of the European Society for Medical Oncology held in Vienna Austria in October 2004.

She was on the Ethics Committee of Tata Memorial Hospital as a member for Five years. She has also been a member of the Palliative Care Team and Hodgkin's Jt.Clinic at Tata Memorial Hospital.

None of the Directors or any other key managerial personnel or any of their relatives, except Mrs. Vandana Gupta, in her 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. 4 for approval of members

**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.**

#### Disclosure of relationships between directors inter-se;

Nil

#### Names of listed entities in which the person also holds the directorship

Nil

#### Member of Board Committees

Nil

#### Shareholding in the Company

Nil

#### Registered Office:

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

Mumbai, August 10, 2017

By Order of the Board  
For PCS Technology Ltd.

Bhaskar J Patel  
Company Secretary

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## DIRECTORS' REPORT

The Members,

### PCS TECHNOLOGY LIMITED

Your Directors of the Company are pleased to present you the 36th Annual Report of the Company along with the statement of Audited Financial Statements for the financial year ended 31st March 2017.

### FINANCIAL RESULTS

Key highlights of standalone Financial Results of the Company for the financial year 2016-17 are tabulated below:

Particulars	(₹ In lakhs)	
	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
Net sales and services	2,585	6,323
Gross Profit	628	814
Depreciation	106	111
Profit for the year from Operations	522	703
Corporate Social Responsibility Expense	10	5
Provision for Taxation (Net)	97	140
Profit for the year / available for Appropriation	415	558
Balance of Profit/(Loss) available in Balance Sheet	2,406	1,983

### OPERATIONS

During the year under review, your Company has achieved Net Sales of Rs. 2585 lakhs as against Rs. 6323 lakhs in the previous year.

In the current year, the Company maintained existing IT and facility management service contracts. However, due to high servicing costs in IT technological changes, the Company did not enter for the new orders. Although this had the impact on the total sales and services during the current financial year, the Company has maintained the Profitability by optimization of existing resources.

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 in the Form MGT 9 of the Companies Act, 2013, an extracts of the Annual Return in prescribed format 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 the financial year ended 31st March 2017.

### 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 between the end of the financial year to which the financial statements relate and the date of this report.

### ANNUAL PERFORMANACE EVALUATIONS

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

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors

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

### DIRECTORS

#### Retirement by Rotation

As per Article 135, of the Articles of Association of the Company, Mr. G. K. Patni (Din- 00014163), 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.

#### Appointment

As the term of tenure of Mrs. Vandana Gupta (Din: 07117752) had expired on 15<sup>th</sup> March, 2017, she has been re- Appointment as an Independent Director of the Company by Board on recommendation of Nomination and Remuneration Committee for further period of 5 (five) years up to 15<sup>th</sup> March, 2022, not liable to retire by rotation.

#### Cessation

Mr. D.B Engineer, (Din no: 00047028) , Director of the Company expired as on 30th May, 2016.

# PCS TECHNOLOGY LIMITED

We condole the untimely demise of Mr. D.B Engineer and took on record the invaluable contributions made by him during his tenure as the Director towards the progress of the 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, four Board Meetings and four 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, the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee 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

In view of Completion of three years Audit period of M/S. S.C Bandi & Co., Chartered Accountants at the 36th Annual General Meeting, your Directors at its Board meeting held on 10th August, 2017 appointed M/s. Vinod K. Mehta & Co., Chartered Accountant (Firm Registration No. 111508W) as Statutory Auditors of the Company for a term of 5 years pursuant to the Amended provisions of the Companies Act, 2013 from the conclusion of 36th Annual General Meeting. Your Directors recommend appointment of M/s. Vinod K. Mehta & Co., Chartered Accountants as Statutory Auditor of the Company at the 36th Annual general Meeting.

## 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 2016-17 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit report for FY 2016-17 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 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, 2017 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 new Companies Act, 2013, the Board of Directors of your Company has set up a CSR Committee comprising 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, Managing Director and CEO 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

CRS 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 activates are annexed herewith in the report and marked as **Annexure 4**.

Initiations taken by Company for CSR :

The Balance amount of Rs. 24,42,271 (Rupees Twenty Four Lakhs Forty Two Thousand Two Hundred and Seventy one only) will be contributed by the Company in the next financial year 2017-18

## 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**.



# THIRTY SIXTH ANNUAL REPORT 2016-2017



## 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 2017 of PCS Technology USA., INC, PCS Positioning Systems (India) Limited and PCS Infotech Limited in Form AOC-1 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 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.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

## 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 Exchange and forms part of this Annual Report.

## 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, August 10, 2017

# PCS TECHNOLOGY LIMITED

Annexure 1

## FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR 31.03.2017

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	Computer Software, 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 : 22822621/2562 22882135/1099, 020-26681619
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Private Limited E- 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tel.: 2847 0652 / 0653, 4043 0200 Fax: 022-2847 5207

#### 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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	-	-	-	-	-	-	-	-	-
(e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-

# THIRTY SIXTH ANNUAL REPORT 2016-2017



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(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	131931	14192	146123	0.70%	158132	-	172324	0.82%	0.12%
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2244829	1475936	3703878	17.68%	2315660	1444717	3760377	17.95%	0.27%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1913030	0	1913030	9.13%	1836391	0	1836391	8.77%	0.36%
(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	33921	1640	35531	0.17%	17331	1640	18971	0.06%	0.11%
OCB	-	100800	100800	0.48%	-	100800	100800	0.48%	-
Clearing Members	3881	-	3881	0.02%	10196	0	10196	0.04%	0.02%
<b>Sub-total (B)(2)</b>	<b>4311135</b>	<b>1592886</b>	<b>5904021</b>	<b>28.18%</b>	<b>4342356</b>	<b>1561665</b>	<b>5904021</b>	<b>28.18%</b>	-
<b>Total Public Shareholding (B)=(B) (1)+(B)(2)</b>	<b>4651444</b>	<b>1599238</b>	<b>6250682</b>	<b>29.83%</b>	<b>4682665</b>	<b>1568017</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>19350255</b>	<b>1600422</b>	<b>20950677</b>	<b>100%</b>	<b>19381476</b>	<b>1569201</b>	<b>20950677</b>	<b>100%</b>	-

## 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 share-holding 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%	-	-

# PCS TECHNOLOGY LIMITED

Sn	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	
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, 2017.

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	7,77,777	3.71%	7,79,200	3.72%
2	MUKESH MOHANLAL KELAWALA HUF	2,55,300	1.22%	2,55,300	1.22%
3	RUPANKI PRASHANT SHAH	2,01,000	0.96%	2,01,000	0.96%
4	GENERAL INSURANCE CORPORATION OF INDIA	1,27,962	0.61%	1,27,962	0.61%
5	CANARA ROBECO MUTUAL FUND A/C GAD	1,26,690	0.60%	1,26,690	0.60%
6	ANJANA SINHA	1,25,071	0.60%	1,25,071	0.60%
7	SURENDRAKUMAR DEVIPRASAD TIBREWALA	67,262	0.32%	1,05,262	0.50%
8	DATA GENERAL CORPORATION, U.S.A.	1,00,800	0.48%	1,00,800	0.48%
9	JIGNESH MADHUKANT MEHTA	69,451	0.33%	69,451	0.33%
10	GAUTAM MANEKLAL MEHTA	50000	0.23%	55,000	0.26%

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 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	-

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## 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	322,19,455	200,00,000	-	522,19,455
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>322,19,455</b>	<b>200,00,000</b>	<b>-</b>	<b>522,19,455</b>
<b>Change in Indebtedness during the financial year</b>					
	* Addition	-	-	-	-
	* Reduction	(140,79,888)	-	-	(140,79,888)
	<b>Net Change</b>	<b>(140,79,888)</b>	<b>-</b>	<b>-</b>	<b>(140,79,888)</b>
<b>Indebtedness at the end 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>	<b>181,39,567</b>	<b>200,00,000</b>	<b>-</b>	<b>381,39,567</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	10,73,790	12,54,296	21,26,486
	(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	-	-	-
	<b>Total (A)</b>	<b>27,53,790</b>	<b>23,70,176</b>	<b>51,23,966</b>
	Ceiling as per the Act	As per the limit prescribed in the Act	As per the limit prescribed in the Act	

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

Particulars of Remuneration	Name of Directors				Total
	Mr. G. M. Dave	Mr. Satish Ajmera	Mr. K. K Barjaty	Mrs. Vandana Gupta	
Independent Directors					
Fee for attending board & committee meetings	1,10,000	40,000/-	1,10,000/-	30,000/-	2,90,000
Commission	-	-	-	-	
Others, please specify	-	-	-	-	
<b>Total (1)</b>	<b>1,10,000</b>	<b>40,000/-</b>	<b>1,10,000/-</b>	<b>30,000/-</b>	<b>2,90,000</b>
Other Non-Executive Directors					
Fee for attending board committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>					
<b>Total Managerial Remuneration</b>	<b>1,10,000</b>	<b>40,000/-</b>	<b>1,10,000/-</b>	<b>30,000/-</b>	<b>2,90,000</b>
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)				

# PCS TECHNOLOGY LIMITED

## 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	12,90,984	15,95,040	28,86,024
	(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	12,90,984	15,95,040	28,86,024

## 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	-	-	-	-	-

Annexure 2

### Composition of the Committee

#### Audit Committee

Name of the Director	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	Managing Director & CEO

#### Stakeholders Relationship Committee

Name of the Director	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 *Appointed w.e.f. 20/07/16	Non-executive/ Independent Director

#### Nomination and Remuneration Committee

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

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

Name of the Director	Status
Mr. G.K Patni	Non-executive/ Promoter Director
Mr. A.K Patni	Non-executive/ Promoter Director
Mr. G. M. Dave	Non-executive/ Independent Director
Mr. H.C.Tandon	Managing Director & CEO

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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,

**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, 2017 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, 2017 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;
  - (c) 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, 2017:
  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.

**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.

# PCS TECHNOLOGY LIMITED

## I further report that-

The Board of Directors of the Company in their meeting held on May 17, 2017, recommended for inclusion of related party transaction in the notes to accounts for the financial year ended March 31, 2017 as per the Accounting Standards AS-18 issued by ICAI.

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) Foreign technical collaborations.

**B. Desai and Associates**  
**Practicing Company Secretary**  
**FCS No: 7899**  
**C P No: 7711**

**Date: May 4, 2017**

**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, Managing Director and CEO of the Company
3	Average Net Profit of the Company for last three financial years.	Rs. 7,75,62,096
4	Prescribed CSR expenditure (two per cent of the amount as in item 3 above)	Rs. 15,51,242
5	Details of CSR spent during the financial year. 1.Total amount to be spent for the F.Y.	Rs. 15,51,242
	2. Amount unspent, if any;	Rs. 8,99,417/- of the F.Y. 2015-16 and Rs. 15,51,242/- of the F. Y. 2016-17 aggregating Rs. 24,42,271/-
	3. manner in which the amount spent during the financial year:	Nil The Company has not spent any amount during the year under review. The Balance amount of Rs. 24,42,271(Rupees Twenty Four Lakhs Forty Two Thousand Two Hundred and Seventy only) will be contributed by the Company in the next financial year 2017-18

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*
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-



## 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 among which two are Executive Directors, Two are Promoters, being Non Executive Directors and other Four members are 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 ended 31st March 2017

4 (Four) Board meeting were held during the financial year ended on 31st March, 2017 on the following dates:

16.05.2016, 20.07.2016, 04.11.2016, 08.02.2017

#### 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 21.09.2016	No. of Equity shares held in the Company **
Mr. G. K. Patni Chairman	Promoter - Non-Executive	3	No	579685
Mr. A. K. Patni Vice Chairman	Promoter - Non-Executive	4	No	575995
Mr. Satish Ajmera	Non – Executive & Independent	1	No	Nil
Mr. G. M. Dave	Non – Executive & Independent	4	No	Nil
Mr. K. K. Barjatya	Non – Executive & Independent	4	No	316
Mrs. Vandana Gupta	Non – Executive & Independent	3	No	Nil
Mr. H. C. Tandon Managing Director & CEO	Executive	4	yes	432
Mr. Yash Bhardwaj Whole Time Director	Executive	4	yes	Nil

\*\* The above shareholding as at 31st March, 2017 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	5	-	-
Mr. Yash Bhardwaj	2	-	-
Mr. Satish Ajmera	3	1	2
Mr. G. M. Dave	5	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, 2017. A declaration to this effect, signed by CEO and MD and CFO is annexed to the Director's Report.

# PCS TECHNOLOGY LIMITED

## 3. AUDIT COMMITTEE

The Audit Committee comprises of :

Mr. Satish Ajmera as Chairman, Independent Director of the Company,

Mr. G.M. Dave, Independent Director of the Company

Mr. K.K. Barjatya, Independent Director and

Mr. H.C Tandon, Managing Director & CEO of the Company

and is in compliance with the Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 ended 31st March, 2017

During the financial year 4 (Four) Audit Committee Meetings were held on 16.05.2016, 20.07.2016, 04.11.2016, 08.02.2017 respectively.

The attendance of the Members at these Meetings during the Financial Year 2016-17 is as follows:

Name of Director	Status	No. of Meetings attended
Mr. Satish Ajmera	Non-executive/ Independent Director	1
Mr. K. K. Barjatya	Non-executive/ Independent Director	4
Mr. G. M. Dave	Non-executive/ Independent Director	4
Mrs. Vandana Gupta	Non-executive/ Independent Director	3
Mr. H.C Tandon	Managing Director & CEO	4

## 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 Managing Director (MD) and one Executive Director -Whole-time Directors (WTD) on the Board.

The appointment and remuneration of the aforesaid MD and WTD have been fixed on the recommendation of the 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 2 (Two) meeting of Remuneration and Compensation Committee dated 16.05.2016 and 08.02.2017 for considering and recommending the Re- appointment of Mr. Harish Chandra Tandon, as Managing Director & CEO of the Company and for recommendation of the Re-appointment of Mrs. Vandana Gupta as an Independent Director of the company respectively.

### 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 / Managing Director, KMP and Senior Managerial Personnel:

- 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.
- 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.
- 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.

## Non-executive (except promoter) and Independent Directors are paid sitting fees for attending each Meeting of the Board and its Committee.

Details of payments made to Non-Executive Directors for the financial year ended 31<sup>st</sup> March, 2017 are as under:

Name of the Director	Sitting fees Paid (Rs)	Commission paid (Rs)
Mr. Satish Ajmera	40,000/-	Nil
Mr. G. M. Dave	1,10,000/-	Nil
Mr. K. K. Barjatya	1,10,000/-	Nil
Mrs. Vandana Gupta	30,000/-	Nil

## 5. Stakeholders Relationship Committee

This committee comprising of 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 (\* appointed wef 20.07.2016 )

Mr. Satish Ajmera

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

During the year under review, the Company held one 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, 36 (Thirty Six) investor complaints/queries were received. There were NIL complaints/queries pending as on March 31, 2017. 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, which ever 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.

## Separate meetings of the Independent Directors

The Independent Directors held a Meeting on 8<sup>th</sup> February, 2017, to review the following matters:

At the Meeting, they –

- reviewed the performance of non-independent directors and the Board as a whole;

# PCS TECHNOLOGY LIMITED

- 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.pctech.com/corporate-governance.htm](http://www.pctech.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.pctech.com](http://www.pctech.com).

The policy includes the following transactions between the Company and the Materiality Threshold as mentioned under :

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.pctech.com](http://www.pctech.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 Ethics Chairman of the Audit Committee of the Company to report any concerns.

## 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
31-03-2014	17.09.2014 at 12:00 noon	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>• Retirement and Appointment of Independent Director of Mr. P. V. Mehta.</li> <li>• Retirement and Appointment of Independent Director of Mr. Satish Ajmera.</li> <li>• Retirement and Appointment of Independent Director of Mr. G. M. Dave.</li> <li>• Appointment of Mr. K.K. Barjatya as Independent Director.</li> <li>• Appointment of Mr. D. B. Engineer as Independent Director.</li> </ul>

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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.	<ul style="list-style-type: none"> <li>To borrow in excess of the aggregate of the paid up capital and free reserves of the Company under section 180(1)(c) of the Companies Act, 2013.</li> <li>To create Mortgages/charges under Section 180(1)(a) of the Companies Act, 2013</li> </ul>
			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>

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 2016-17.

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

## 13. Disclosures

### i) 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.*

### ii) 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.*

### iii) The CEO/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 Exchanges 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.
- ◆ The Company also issues financial results to the print media/ Newspaper

Information about the Company would be available on its website [www.pctestech.com](http://www.pctestech.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 Calendar 2017 – 18	
I	Financial Year : April to March
ii	First Quarterly Results : On or before 14 <sup>th</sup> September, 2017
iii	Half Yearly Results : On or before 14 <sup>th</sup> November, 2017
iv	Third Quarter Results : On or before 14 <sup>th</sup> February, 2018
v	Audited results : On or before 30 <sup>th</sup> May, 2018
<b>Date of Book Closure</b> : 14 <sup>th</sup> September, 2017 to 20 <sup>th</sup> September, 2017 (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 INE 834B01012</b>	

Annual Listing Fees have been paid to Bombay stock Exchange for the financial year 2017-2018.

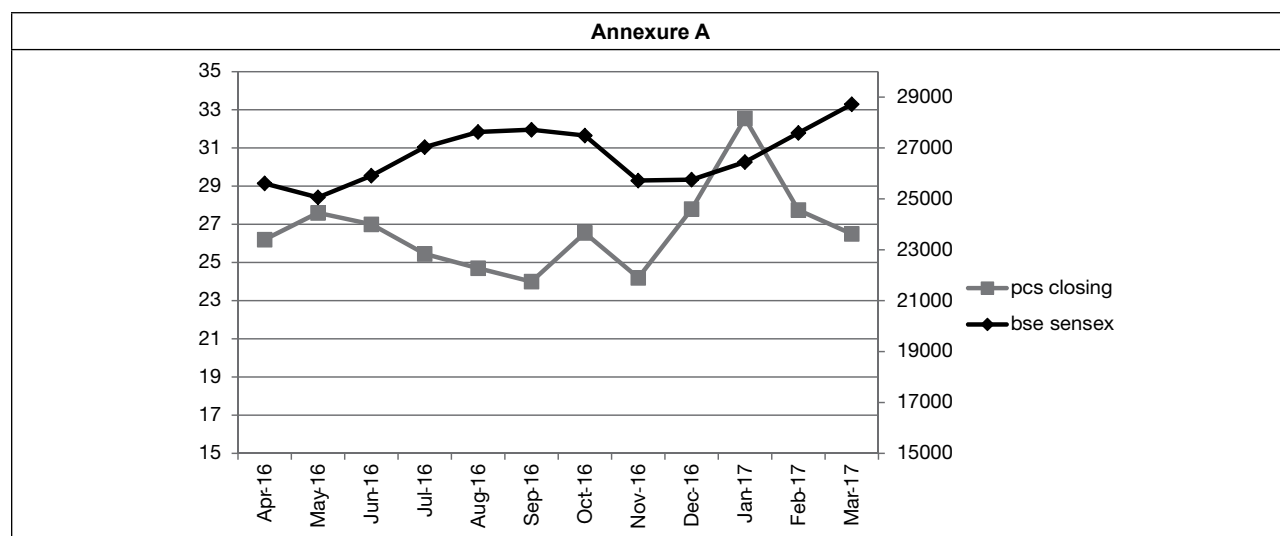
# PCS TECHNOLOGY LIMITED

## Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2016-17 furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2016	April	29.75	22.50	
	May	33.50	23.15	
	June	30.50	23.60	
	July	27.95	25.10	
	August	29.90	23.90	
	September	30.50	23.00	
	October	28.50	23.00	
	November	28.00	21.80	
	December	33.50	23.80	
	2017	January	36.00	27.40
		February	34.70	25.20
		March	31.65	25.20

Graph of Share Price/ BSE Sensex : see Annexure A



### 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 Apartments (Next To Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai 400059.  
Tel.: 022 - 62638200, Fax : 022-2847 5207

### 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, 2017 is as follows :

No. of equity shares held	No. of shareholders	%	Shares Amount (₹)	%
1 5000	29517	97.33	22904820	10.93
5001 to 10000	396	1.3	3112620	1.48
10001 to 20000	175	0.57	2740050	1.3
20001 to 30000	55	0.18	1417080	0.67
30001 to 40000	33	0.1	1181830	0.56
40001 to 50000	36	0.11	1659930	0.79
50001 to 100000	54	0.17	3768460	1.79
100001 & 9999999999	60	0.19	172721980	82.44
Grand Total	30326	100	209506770	100
No. of shareholders in Physical Mode	-	-	1569201	7.49
No. of shareholders in Electronic Mode	-	-	19381476	92.51

# THIRTY SIXTH ANNUAL REPORT 2016-2017



Shareholding pattern as on March 31, 2017 is as follows :			
Category	No. of shareholders	No. of shares	% holding
Indian Promoters	24	14699995	70.17
Banks, FIs and Insurance Companies	12	214378	01.02
UTI and Mutual Funds	7	131583	00.63
FIIIs, NRIs and OBC	49	120471	00.57
Overseas /Domestic Companies	184	176538	00.84
Resident Individuals	30033	5596768	26.72
Clearing Member	7	10196	0.049
Directors/ Director Relatives	4	748	0.000
Trusts	0	0	00.00
Total	30326	20950677	100.00

Dematerialization of shares and liquidity : As on 31st March, 2017, 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 Apartments (Next To Keys Hotel),  
Marol Maroshi Road, Andheri East, Mumbai 400059.  
Tel. : 022 - 62638200  
Fax : 022-2847 5207

#### 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 MANAGING DIRECTOR (CEO) UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of  
**PCS Technology Limited,**  
Pune

I, H.C Tandon, Managing Director and CEO 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, 2017

For PCS Technology Limited

Place : Mumbai  
Date : May 17, 2017

**H. C. Tandon**  
Managing Director & CEO





# THIRTY SIXTH ANNUAL REPORT 2016-2017



## MANAGEMENT DISCUSSIONS 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.2585.51 lakhs against previous year's Rs.6323.49 lakhs and net profit of Rs. 415.49 lakhs as against previous year's of Rs. 557.77 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 ventures. 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 for 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, 2017 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	17600000	500000	217850
4	Reserves & surplus	-5,15,38,578	30,21,350	-46,85,580
5	Total assets	30,20,014	82,12,182	3,47,04,227
6	Total Liabilities	30,02,014	82,12,182	3,47,04,227
7	Investments	0	0	0
8	Turnover	0	0	0
9	Profit before taxation	-26,539	7,53,893	-43,130
10	Provision for taxation	0	1,91,125	0
11	Profit after taxation	-26,539	5,62,768	-43,130
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>				
<u>Kalpavruksh Systems Limited</u> Rendering sales and services like Facility Management Services etc..	Group Company	April 2014 – Ongoing	Not applicable	23,83,930/-
<u>Patni Healthcare Limited</u> Rendering sales and services like Facility Management Services etc..	Affiliates Company	April 2014 – Ongoing	Not applicable	6,360/-
Taking on Leave and License basis the office premises Situated at 12th Floor, 1201-1205 of Technocity Building, Mahape, Navi Mumbai, owned by Mr.Apoorva Patni, Relative of Director & shareholder of the Company.	Relative of Director & shareholder of the Company	10 months	Rent paid Rs. 25,000/- per month (from 01.04.2016-31.01.2017)	2,50,000/-
Taking on Leave and License basis the residential premises situated in building known as "Trishul Gold Coast", Navi Mumbai, owned by Mr. Ashok Kumar Patni, Director of the Company.	Director of the Company	2 Years	Rent paid Rs. 18,000/- per month	2,16,000/-

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

**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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2016-17(Rs. in Lacs)	% increase in Remuneration in the Financial Year 2016-17	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 Managing Director & CEO	27.53	-	7.22%	The profit before tax decreased by 26% and Profit after tax decreased by 25.62%
4	Mr. Yash Bhardwaj Executive & Whole-Time Director	23.70	-	8.52%	The profit before tax decreased by 26% and Profit after tax decreased by 25.62%
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. 15.95	-	N. A	The profit before tax decreased by 26% and Profit after tax decreased by 25.62%
10	Mr. Bhaskar Patel Company Secretary	Rs. 12.91	-	N. A.	

\* 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. 2,02,649 (Previous year 1,92,758/-)
- iii. In the financial year, there was an increase of 5.1% in the median remuneration of employees
- iv. There were 553 permanent employees on the rolls of the Company as on March 31, 2017
- v. Relationship between average increase in remuneration and company performance: The profit before Tax for the financial year ended March 31, 2017 decreased by 26% whereas the increase in median remuneration was 5.10%.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company.  
There is no increase in remuneration of the Key Managerial Personnel and as the Profit before tax decreased by 26% to Rs. 522 lakhs in 2016-17 (Rs. 703 lakhs in 2015-16).
- vii. a) Variation in the Market Capitalization of the Company: The market capitalization as on March 31, 2017 was Rs. 55.51 crore (Rs. 48.71 crore as on March 31, 2016)  
b) Price Earning ratio of the Company was 13.38 as at March 31, 2017 (Previous Year 8.74 as at March 31, 2016)
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 0.58% whereas there is no increase in the managerial remuneration for the same financial year.
- ix. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the Highest paid Director during the year – Not Applicable
- xi. 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 earned foreign exchange worth 65.57 lakhs and has spent foreign exchange worth Rs. 18.81 lakhs under the following heads.

Particulars:		(₹ in Lacs)
(i)	Stores & Spares	-
(ii)	Capital Goods	-
(iii)	Other Expenses	18.81
	Total	18.81

On behalf of the Board of Directors

Mumbai, May 17, 2017

**G.K. Patni**  
Chairman

## 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, 2017:**

Particulars	Amount (Rs. In millions)
Loans given	Nil
Guarantee given	Nil
Investments Made	27,11,82,940

**B. Loans, Guarantee and Investments made during financial year 2017:**

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,

Mumbai, May 17, 2017

**G. K Patni**  
Chairman

# THIRTY SIXTH ANNUAL REPORT 2016-2017

## INDEPENDENT AUDITORS' REPORT



### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Technology Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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, 2017, 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, hereby give Annexure-"A" for 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:
  - a. 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.
  - b. 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.
  - c. 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.
  - d. 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;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 my separate report in Annexure-"B" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of our information and according to the explanations given to me:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the 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 8<sup>th</sup> November, 2016 to 30<sup>th</sup> 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

Place: Mumbai  
Date : 12<sup>th</sup> May 2017

**S.C. BANDI**  
(Proprietor)  
M. No.16932

# PCS TECHNOLOGY LIMITED

## 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.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on verification have been properly dealt within the books of accounts.
- (iii) The Company has granted interest free unsecured loans to its wholly owned subsidiary in earlier periods.
- (a) The terms and conditions of grant of unsecured loans to parties covered under 189 of the Companies Act are not prejudicial to the Company's interest.
- (b) There is no stipulation as to the time period for payment of the principal amount of unsecured loans granted. Hence, the provisions of sub-clauses (b) and (c) 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, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to 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, 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 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me, 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 at 31<sup>st</sup> March 2017 is as follows:
- 1 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, and now is in process of filing appeal before Appellate Tribunal.
- 2 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.
- 3 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.
- 4 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 Comissioner of Central Excise, Chennai denying the demand on the facts and grounds as per Law.
- (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

Place: Mumbai  
Date : 12<sup>th</sup> May 2017

**S.C. BANDI**  
(Proprietor)  
M. No.16932

## 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 Limited ("the Company") as of 31<sup>st</sup> March 2017 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 2017, 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

Place: Mumbai  
Date: 12<sup>th</sup> May 2017

**S.C. BANDI**  
(Proprietor)  
M. No.16932

# PCS TECHNOLOGY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

	Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Fund</b>			
	Share capital	3	249,256,770	249,256,770
	Reserves and surplus	4	239,772,403	294,086,619
<b>2</b>	<b>Non-Current Liabilities</b>			
	Long term borrowings	5	20,000,000	20,000,000
	Long term provisions	6	1,596,739	4,393,400
<b>3</b>	<b>Current Liabilities</b>			
	Short term borrowings	7	18,139,567	32,219,455
	Trade payables	8	4,286,432	9,846,568
	Other current liabilities	9	8,421,670	34,189,341
	Short term provisions	10	1,278,903	1,206,700
	<b>TOTAL</b>		<b>542,752,484</b>	<b>645,198,853</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	Fixed assets			
	(a) Tangible assets	11	106,551,560	222,509,165
	(b) Intangible assets	11	-	469,812
	Non-current investments	12	5,024,000	5,024,000
	Long term loans and advances	13	56,680,463	85,958,444
	Other non-current assets	14	2,171,463	1,711,967
<b>2</b>	<b>Current assets</b>			
	Current investments	15	168,658,940	60,401,984
	Inventories	16	380,793	2,705,711
	Trade receivables	17	11,400,024	59,027,487
	Cash and bank balances	18	74,193,328	38,813,574
	Short term loans and advances	19	98,694,687	153,979,756
	Other current assets	20	18,997,226	14,596,953
	<b>TOTAL</b>		<b>542,752,484</b>	<b>645,198,853</b>

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

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

**H.C. Tandon**  
(Managing Director & CEO)

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017



# THIRTY SIXTH ANNUAL REPORT 2016-2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017



(Amount in ₹)

Particulars		Note No.	Year ended 31-Mar-2017	Year ended 31-Mar-2016
I.	Revenue from operations (net)	21	258,550,577	632,348,873
II.	Other Income	22	40,368,050	32,243,551
III.	<b>Total Revenue (I+II)</b>		<b>298,918,627</b>	<b>664,592,424</b>
IV.	<b>Expenses:</b>			
	Cost of material consumed		-	-
	Purchases of stock-in-trade		414,622	44,374,222
	Changes in inventories of stock-in-trade	23	267,818	310,898
	Employee benefits expense	24	168,805,745	381,014,390
	Finance costs	25	857,104	4,396,380
	Depreciation and amortisation expense	26	10,574,075	11,142,954
	Other expenses	27	65,739,618	153,052,724
	<b>Total expenses</b>		<b>246,658,982</b>	<b>594,291,568</b>
V.	<b>Profit Before Corporate Social Responsibility and Tax</b>		<b>52,259,645</b>	<b>70,300,856</b>
	Less: Corporate Social Responsibility Expense		1,000,000	500,000
VI.	<b>Profit Before Tax and exceptional items</b>		<b>51,259,645</b>	<b>69,800,856</b>
VII.	<b>Exceptional Item</b>	28	-	-
VIII.	<b>Profit Before Tax (VI - VII)</b>		<b>51,259,645</b>	<b>69,800,856</b>
IX.	<b>Tax expense</b>			
	Current tax		10,300,000	14,010,000
	Deferred tax		-	-
	Taxation pertaining to earlier years		(589,217)	1,997
	<b>Total tax expense</b>		<b>9,710,783</b>	<b>14,011,997</b>
	<b>Profit for the year (VIII-IX)</b>		<b>41,548,862</b>	<b>55,788,859</b>
	Basic and Diluted earnings per equity shares of Rs. 10 each		<b>1.98</b>	<b>2.66</b>

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

**G. K. Patni** (Chairman)      **H.C. Tandon** (Managing Director & CEO)  
**A. K. Patni** (Vice Chairman)      **Yash Bhardwaj** (Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# PCS TECHNOLOGY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	51,259,645	69,800,856
Adjustments for:		
CSR Provision	1,000,000	-
Depreciation	10,574,075	11,142,954
Finance cost	857,104	4,396,380
Sundry balances written off	6,190,827	19,788,943
Fixed assets written off / Loss of Sale of Fixed Assets	1,854,111	289,549
Interest received	(37,764,696)	(25,580,187)
<b>Operating profit before working capital changes</b>	<b>33,971,066</b>	<b>79,838,495</b>
Decrease/ (increase) in trade and others receivables	101,994,291	(42,084,922)
Decrease/ (increase) in inventories	2,324,918	3,945,401
(Decrease)/ increase in trade and other payables	(34,052,265)	(88,440,509)
<b>Cash generated from operations</b>	<b>104,238,010</b>	<b>(46,741,535)</b>
Income tax paid (net of refunds)	11,122,101	(42,978,802)
<b>Net cash flow from/ (used in) operating activities</b>	<b>115,360,111</b>	<b>(89,720,337)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	248,707	4,304,542
Purchase of non-current investments	(108,256,956)	2,781,079
Proceeds from sale of fixed assets	9,900,000	-
Interest received	33,524,380	21,681,081
Movement in Margin money deposits with original maturity of more than 12 months	(459,496)	(584,020)
<b>Net cash from/ (used in) investing activities</b>	<b>(65,043,365)</b>	<b>28,182,682</b>
<b>C. Cash from financing activities</b>		
Repayment of short-term borrowings (net)	(14,079,888)	243,995
Finance cost	(857,104)	(4,396,380)
<b>Net cash from/ (used in) financing activities</b>	<b>(14,936,992)</b>	<b>(4,152,385)</b>
Net increase/ (decrease) in cash and cash equivalents	35,379,754	(65,690,040)
Cash and cash equivalents at beginning of the year	38,813,574	104,503,614
<b>Cash and cash equivalents at end of the year</b>	<b>74,193,328</b>	<b>38,813,574</b>

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

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

**H.C. Tandon**  
(Managing Director & CEO)

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# THIRTY SIXTH ANNUAL REPORT 2016-2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017



### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention, except for certain revalued fixed assets, and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (A) Fixed Assets:

- (i) Fixed Assets other than mentioned in item no.(ii), (iii) and (iv) below, are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use less accumulated depreciation. Preoperative expenses capitalized forms part of the cost of assets.
- (ii) On 1st January 1995, the Company had revalued its immovable property in Kolkata by Rs.12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.12,294,500 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Kolkata by Rs.7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.7,987,166 was transferred to the Revaluation Reserve Account.
- (iv) On 28th December 2011, the Company 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.

#### (B) Depreciation:

##### (i) Revalued assets

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.

##### (ii) Assets carried at historical cost

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.

#### (C) Impairment of assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### (D) Investments:

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments. Current investments are carried at lower of cost and fair value.

#### (E) Revenue recognition:

Revenue from sale of products is recognized when risk and reward are passed on to the customer which is generally on dispatch of goods. Gross revenues from product sales are inclusive of excise duty but net of sales tax. Income from services is recognized for the work completed in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

#### (F) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined using weighted average method.

#### (G) 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.

#### (H) Employees benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered. Company's contribution towards Provident and Pension funds vis-à-vis defined contribution plan paid/payable during the year are charged to Profit and Loss account. Post employment benefits in the form of Gratuity and Leave encashment are recognized as expense in the Profit and Loss account at present value of the amounts payable determined on the basis of actuarial valuation technique, using the projected unit credit method. Actuarial gains and losses are recognized in the Profit and Loss Account.

#### (I) 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.

#### (J) Finance lease accounting:

Assets given under finance lease are recognized as receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the basis of internal rate of return. The principal amount is reduced from the net investment in the lease, while Finance charges are recognized as revenue.

#### (K) Taxes on income:

Income tax expenses comprises of 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.

#### (L) 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.

#### (M) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumption that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>3 SHARE CAPITAL</b>		
<b>Authorised:</b>		
21,025,000 Equity share of Rs.10 each	210,250,000	210,250,000
3,975,000- 9% Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	39,750,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and paid up:</b>		
20,950,677 (Previous year - 20,950,677) Equity Share of Rs.10 each	209,506,770	209,506,770
3,975,000 (Previous year - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs.10 each	39,750,000	39,750,000
	<b>249,256,770</b>	<b>249,256,770</b>

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

The Company has only one class of preference shares having a par value of Rs.10 per share, 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 31st March 2017.**

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20950677	209,506,770	3975000	39,750,000
Shares outstanding at the end of the year	20950677	209,506,770	3975000	39,750,000

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

Name of shareholder	As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding
Mrs. Rajnikanta Patni	2391081	11.41	2391081	11.41
PCS Finance Private Limited	1901560	9.08	1901560	9.08
Ashoka Computer Systems Private Limited	1901560	9.08	1901560	9.08
PCS Cullinet Private Limited	1901559	9.08	1901559	9.08
Mrs. Sadhana A. Patni	1694936	8.09	1694936	8.09

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

Name of shareholder	As at 31/03/2017		As at 31/03/2016	
	No.of shares	% holding	No.of shares	% holding
Mr. Ashok Kumar Patni	1965000	49.43	1965000	49.43
Mr. Gajendra Kumar Patni	1480000	37.23	1480000	37.23

(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital reserves</b>		
Opening balance	-	733,418
Less: Amount utilised under Scheme (refer note no.28)	-	(733,418)
Closing balance	-	-
<b>Securities premium account</b>		
Opening balance	-	496,875,000
Less: Amount utilised under Scheme (refer note no.28)	-	(496,875,000)
Closing balance	-	-
<b>Revaluation reserve</b>		
Opening balance	95,863,078	95,863,078
Less: Transferred to Fixed Assets (refer note no.35)	(95,863,078)	-
Closing balance	-	95,863,078
<b>General Reserve</b>		
Opening balance	-	64,477,728
Less: Amount utilised under Scheme (refer note no.28)	-	(64,477,728)
Closing balance	-	-
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	198,223,541	154,555,107
Less: Amount utilised under Scheme (refer note no.28)	-	(11,638,481)
Less: Loss of PCS International Limited for FY 2014-15	-	(481,944)
Add: Profit for the year	41,548,862	55,788,859
Closing balance	<b>239,772,403</b>	<b>198,223,541</b>
<b>Total</b>	<b>239,772,403</b>	<b>294,086,619</b>

# THIRTY SIXTH ANNUAL REPORT 2016-2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017



(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>5 LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
From Directors	20,000,000	20,000,000
<b>Total long term borrowings</b>	<b>20,000,000</b>	<b>20,000,000</b>
The loans taken from Directors are interest free and are returnable after 31st March, 2018.		
<b>6 LONG TERM PROVISIONS</b>		
Long-term provision for leave benefits	1,596,739	4,393,400
	<b>1,596,739</b>	<b>4,393,400</b>
<b>7 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>
Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and bookdebts of the Company as well as first charge on the fixed assets of the Company and carries interest @ 12.25%-12.50% p.a.		
<b>8 TRADE PAYABLES</b>		
Trade payables	4,286,432	9,846,568
(Refer note 36 for details of dues to Micro, Small and Medium enterprises)		
	<b>4,286,432</b>	<b>9,846,568</b>
<b>9 OTHER CURRENT LIABILITIES</b>		
Trade advances	2,226,806	10,911,578
Income received in advance	3,244,792	16,913,019
Statutory dues and taxes payable	2,950,072	6,364,744
	<b>8,421,670</b>	<b>34,189,341</b>
<b>10 SHORT TERM PROVISIONS</b>		
Short-term provision for leave benefits	1,278,903	1,206,700
	<b>1,278,903</b>	<b>1,206,700</b>

### 11 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/2016	Additions	Deductions	As at 31/03/2017	As at 01/04/2016	For current period	On Deductions	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
<b>Tangible Assets</b>										
1 Leasehold Land	1,177,904	-	-	1,177,904	568,866	27,492	-	596,358	581,546	609,038
2 Building*	226,296,602	244,900	105,051,373	121,490,129	20,648,654	3,597,432	875,481	23,370,605	98,119,524	205,647,948
3 Plant and Equipment	2,424,172	-	2,424,172	-	895,660	227,281	1,122,941	-	-	1,528,512
4 Furniture and Fixture	6,152,703	-	912,909	5,239,794	2,351,034	645,851	702,974	2,293,911	2,945,883	3,801,669
5 Vehicle	8,513,016	-	-	8,513,016	4,134,832	1,123,510	-	5,258,342	3,254,674	4,378,184
6 Office Equipment	17,794,211	-	283,375	17,510,836	11,250,397	4,797,145	186,639	15,860,903	1,649,933	6,543,814
	<b>262,358,608</b>	<b>244,900</b>	<b>108,671,829</b>	<b>153,931,679</b>	<b>39,849,443</b>	<b>10,418,711</b>	<b>2,888,035</b>	<b>47,380,119</b>	<b>106,551,560</b>	<b>222,509,165</b>
<b>Intangible Assets</b>										
7 Software	977,214	-	977,214	-	507,402	155,364	662,766	-	-	469,812
<b>Total</b>	<b>263,335,822</b>	<b>244,900</b>	<b>109,649,043</b>	<b>153,931,679</b>	<b>40,356,845</b>	<b>10,574,075</b>	<b>3,550,801</b>	<b>47,380,119</b>	<b>106,551,560</b>	<b>222,978,977</b>
Previous Year	272,306,787	750,846	9,721,811	263,335,822	33,371,966	11,142,954	4,158,075	40,356,845	222,978,977	

\*Refer Note No.35

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars			As at 31-Mar-2017	As at 31-Mar-2016
<b>12 NON-CURRENT INVESTMENTS</b>				
(Non-trade, at-cost, un-quoted, unless otherwise stated)				
	Number	Face Value p.u.		
a) <u>Investments in equity instruments</u>				
<u>In subsidiary companies (Unquoted)</u>				
PCS International Limited, Mauritius (refer Note 28)	111,000	USD 10	-	-
PCS Technology Inc., USA	2,500	USD 2	217,850	217,850
PCS Positioning Systems (India) Limited	1,760,000	INR 10	17,510,000	17,510,000
PCS Infotech Limited	500,000	INR 10	5,000,000	5,000,000
			<b>22,727,850</b>	<b>22,727,850</b>
Less: Provision for diminution in value of investments			17,727,850	17,727,850
<b>Net investment in subsidiaries</b>			<b>5,000,000</b>	<b>5,000,000</b>
<u>In Other Companies (Quoted)</u>				
Longview tea Limited	200	10	13,000	13,000
NEPC Micon Limited	400	10	12,000	12,000
Asit C Mehta Financial Services limited	5,000	10	50,000	50,000
Riga Sugar Co Limited	2,200	10	110,000	110,000
Western India Industries Limited	7,500	10	450,000	450,000
			<b>635,000</b>	<b>635,000</b>
Less: Provision for dimunition in value of quoted investments			635,000	635,000
<b>Net quoted investment</b>			-	-
<u>In Others (Unquoted)</u>				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
			<b>10,000</b>	<b>10,000</b>
<b>Total of investments in equity instruments</b>			<b>5,010,000</b>	<b>5,010,000</b>
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			<b>4,000</b>	<b>4,000</b>
c) <u>Investment in Share Certificates</u>				
Membership of Technocity Co-operative Society			10,000	10,000
			<b>10,000</b>	<b>10,000</b>
<b>Net investments</b>			<b>5,024,000</b>	<b>5,024,000</b>
Aggregate amount of quoted Investments (Market value Rs.1,86,522 previous year Rs.1,53,342)			635,000	635,000
Aggregate amount of Unquoted Investments			22,751,850	22,751,850
Aggregate provision for diminution in value of investments			18,362,850	18,362,850
<b>13 LONG TERM LOANS AND ADVANCES</b>				
a) <b>Unsecured, Considered good</b>				
Security Deposits with Excise & Customs Authorities & Others			6,697,910	6,602,123
Rent deposit - Related Parties (refer note no.40)			2,254,000	2,254,000
Income tax paid (Net of provisions)			47,100,984	76,677,753
Advances recoverable in cash or in kind			579,021	378,633
Advances - Related Parties (refer note no.40)			48,548	45,935
			<b>56,680,463</b>	<b>85,958,444</b>
b) <b>Unsecured, Considered doubtful</b>				
Advances - Related Parties (refer note no.40)*			25,000,000	25,000,000
			81,680,463	110,958,444
Less: Provision for doubtful loans and advances (refer note 28)			25,000,000	25,000,000
<b>Total</b>			<b>56,680,463</b>	<b>85,958,444</b>
<b>14 OTHER NON CURRENT ASSETS</b>				
Non Current Bank Balances (refer note no.18)			2,171,463	1,711,967
			<b>2,171,463</b>	<b>1,711,967</b>

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(Amount in ₹)	
	As at 31-Mar-2017	As at 31-Mar-2017
<b>15 CURRENT INVESTMENTS</b>		
<u>Corporate Bonds &amp; Debentures:</u>		
Alliance Infrastructure Projects Private Limited	-	18,507,192
Total Environmnet Living Private Limited	-	41,894,792
IDBI Bank Limited	49,687,000	-
Bajaj Finance Limited	9,930,000	-
DHFL	59,247,000	-
Andhra Bank	29,694,000	-
Future Corporate Resources Limited	20,100,940	-
	<b>168,658,940</b>	<b>60,401,984</b>
<b>16 INVENTORIES</b>		
Stores & Spares	380,793	2,437,893
Stock-in-trade	-	267,818
	<b>380,793</b>	<b>2,705,711</b>
<b>17 TRADE RECEIVABLES</b>		
<b>a) Unsecured, Considered good</b>		
Over six months	2,411,287	8,289,782
Other Debts	8,988,737	50,737,705
	<b>11,400,024</b>	<b>59,027,487</b>
<b>b) Unsecured, Considered doubtful</b>		
Over six months*	17,169,715	17,169,715
Other Debts	-	-
	<b>17,169,715</b>	<b>17,169,715</b>
Total trade receivables	<b>28,569,739</b>	<b>76,197,202</b>
Less: Provision for doubtful trade receivables (refer note 28)	17,169,715	17,169,715
<b>Total</b>	<b>11,400,024</b>	<b>59,027,487</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	282,207	2,369,435
Balances with Banks		
In Current account	73,911,121	36,310,033
Deposits with original maturity of less than 3 months	-	30,000
	<b>74,193,328</b>	<b>38,709,468</b>
<b>Other Bank Balances</b>		
Deposits with Original maturity of more than 3 months but less than 12 months	-	104,106
Deposits with Original maturity of more than 12 months	2,171,463	1,711,967
	<b>2,171,463</b>	<b>1,816,073</b>
<b>Total Cash &amp; Bank Balances</b>	<b>76,364,791</b>	<b>40,525,541</b>
Less: Non-current portion included in Other Non current assets	2,171,463	1,711,967
<b>Total</b>	<b>74,193,328</b>	<b>38,813,574</b>
<b>19 SHORT TERM LOANS AND ADVANCES</b>		
Loans and advances to employees	80,000	-
Advance to Suppliers	-	360,000
Earnest Money Deposit	51,707	1,203,790
Advances recoverable in cash or in kind (short term)	1,062,980	2,415,966
Inter Corporate Deposits	97,500,000	150,000,000
	<b>98,694,687</b>	<b>153,979,756</b>
<b>20 OTHER CURRENT ASSETS</b>		
Revenue Accrued	10,422,201	10,262,244
Interest Accrued	8,575,025	4,334,709
	<b>18,997,226</b>	<b>14,596,953</b>

\* Refer note no.28 of Notes to the Financial Statements for Scheme of Amalgamation and Arrangement.

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
<b>21 REVENUE FROM OPERATIONS</b>		
Traded goods		
Computers peripherals & softwares	1,693,502	54,776,333
Sales of Services		
Computers related IT services	256,857,075	577,572,540
Net Sales	<b>258,550,577</b>	<b>632,348,873</b>
<b>22 OTHER INCOME</b>		
Foreign exchange difference (Net)	-	159,622
Interest income from NCD & Bonds	35,324,919	23,059,422
Interest income from others	2,196,122	2,520,765
Profit on sale of NCD & Bonds	243,655	-
Balances written back	-	5,964,078
Other non-operating income	2,603,354	539,664
	<b>40,368,050</b>	<b>32,243,551</b>
<b>23 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Inventory at the end of the year		
Trading - Computers peripherals & software	-	267,818
Inventory at the beginning of the year		
Trading - Computers peripherals & software	267,818	578,716
(Increase)/ Decrease in Inventory	<b>267,818</b>	<b>310,898</b>
<b>24 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	148,126,638	337,160,964
Contribution to Provident fund etc	16,865,536	36,576,939
Staff Welfare expenses	3,813,571	7,276,487
	<b>168,805,745</b>	<b>381,014,390</b>
Refer Note No.29 for disclosures as required by AS -15 "Employee Benefits"		
<b>25 FINANCE COST</b>		
Interest expense	802,761	4,201,290
Other borrowing cost	54,343	195,090
	<b>857,104</b>	<b>4,396,380</b>
<b>26 DEPRECIATION</b>		
Depreciation and amortisation	10,574,075	11,142,954
	<b>10,574,075</b>	<b>11,142,954</b>
<b>27 OTHER EXPENSES</b>		
Power & fuel	2,251,115	3,782,289
Rent	3,386,643	6,345,521
Rates & taxes	742,189	414,872
Insurance	1,700,807	2,468,226
Advertisement & sales promotion	553,062	1,458,291
Travelling and conveyance expenses	12,563,312	29,641,720
Consumable, stores and spares	8,120,735	34,765,762
Office maintainence	1,666,843	3,962,260
Printing & stationery	2,611,428	5,026,253
Repairs to building	-	217,000
Communication expenses	1,565,003	3,061,571
Auditor's remuneration		
- As Auditors	340,000	417,500
- For Tax audit	50,000	50,000
- For Certificate/ limited review	95,000	190,000
Legal, professional & consultancy charges	7,028,647	7,300,768
Freight & forwarding	846,202	3,493,755
Directors sitting fees	295,900	400,000
Bad debts and remissions	5,576,306	17,113,546
Capital work in progress written off	-	2,675,397
Subcontracting charges paid	9,289,495	21,854,580
Sales & Work contract tax paid	55,116	880,635
Loss on sale/ disposal of non-revalued fixed assets	1,854,111	289,549
Miscellaneous expenses	5,147,704	7,243,229
	<b>65,739,618</b>	<b>153,052,724</b>



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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 28 Exceptional Item for previous year ending 31st March 2016

The Scheme of Amalgamation and Arrangement (the 'Scheme') under sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, was approved by the Hon'ble High Court of Judicature at Bombay vide order dated 8th May 2015. On filing a copy of Hon'ble High Court Order with the Registrar of Companies, Pune, Maharashtra on 18th June 2015, the Scheme has become effective from the appointed date viz. 1st April 2014. The Scheme included, inter alia, amalgamation of Company's wholly owned overseas subsidiary, PCS International Limited, Mauritius and adjustment of certain assets of the Company, in aggregate not exceeding Rs. 65 crores and consequential withdrawal from amounts standing in the balance in Securities Premium Account, Capital Reserve Account, General Reserve Account and surplus available in the Profit and Loss Account, to be credited to the Profit and Loss of the financial year. Accordingly, the effect of the Scheme has been given as under:

- PCS International Limited, Mauritius was a wholly owned subsidiary of the Company and was engaged in the business of computer hardware, IT and IT enabled services. The amalgamation has been accounted for as per the 'purchase method' as prescribed by Accounting Standard 14: Accounting for Amalgamations. All the assets and liabilities of PCS International Limited, Mauritius have been taken over w.e.f. the appointed date viz. 1st April 2014.
- Exceptional Item: Net effect of the Scheme of Amalgamation and Arrangement had been given in previous financial year ending 31st March 2016

Items of Previous Year ending 31st March 2016	Amount (₹)
<b>A Assets written-off/provided</b>	
Sundry debtors written off	410,931,456
Sundry debtors of erstwhile PCS International Limited, Mauritius written off	27,412,997
Stores and spares written off (net of realizable value)	65,857,741
Advance to creditors written off	15,941,854
Earnest money deposit written off	11,148,390
Security/other deposits/other advances written off	13,608,324
Fixed assets written off	4,666,176
Provision for diminution in value of investments	17,727,850
Provision for doubtful recoverable from subsidiaries	42,169,715
Goodwill on amalgamation written off	29,257,606
	<b>A</b>
	<b>638,722,109</b>
<b>B Withdrawal from reserves</b>	
Securities Premium	496,875,000
Capital reserve	733,418
General reserve	64,472,209
Opening surplus in profit and loss account	11,638,482
	<b>B</b>
	<b>573,719,109</b>
	<b>C=A-B</b>
	<b>65,003,000</b>
<b>Impact of Taxation</b>	
Current tax credit	33,807,000
Deferred tax credit	31,196,000
	<b>E</b>
	<b>65,003,000</b>
<b>Net impact transferred to statement of Profit &amp; Loss (C-E)</b>	<b>-</b>

While giving effect to the Scheme, the deferred tax asset is recognized only to the extent the company has deferred tax liability against which such deferred tax asset can be recognized.

### 29. Employee Benefits:

- Contribution to Provident Fund of Rs.82,93,263 (previous year Rs.1,78,74,459) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss.
- Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
<b>1 Change in benefit obligation</b>				
Liability at the beginning of the year	18,049,171	5,600,033	20,401,273	3,696,330
Interest cost	793,237	264,497	1,282,025	188,519
Current service cost	1,282,976	669,071	1,861,191	1,686,553
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(15,278,486)	(4,257,881)	(8,751,919)	(2,679,677)
Actuarial (Gain)/ Loss	6,218,701	599,922	3,256,601	2,708,308
Liability at the end of the year	<b>11,065,599</b>	<b>2,875,642</b>	<b>18,049,171</b>	<b>5,600,033</b>
<b>2 Change in Fair value of Plan Assets</b>				
Fair value of Plan assets at beginning of year	20,461,908	-	20,405,025	-
Adjustments to opening balance	(79,845)	-	(8,580)	-
Expected Return on Plan assets	1,949,138	-	2,444,458	-
Contributions	7,000,000	4,257,881	8,700,000	2,679,677
Benefit paid	(15,278,486)	(4,257,881)	(8,751,919)	(2,679,677)

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	Actuarial (Gain)/ Loss on plan assets	102,040	-	(2,327,076)	-
	Fair value of Plan assets at end of year	<b>14,154,755</b>	-	<b>20,461,908</b>	-
<b>3</b>	<b>Expenses recognized in Profit &amp; Loss</b>				
	Current service cost	1,282,976	669,071	1,861,191	1,686,553
	Interest cost	793,237	264,497	1,282,025	188,519
	Expected Return on Plan assets	(1,949,138)	-	(2,444,458)	-
	Actuarial (Gain)/ Loss	6,116,661	599,922	5,583,677	2,708,308
	Expenses recognized in the P&L a/c	<b>6,243,736</b>	<b>1,533,490</b>	<b>6,282,435</b>	<b>4,583,380</b>
<b>4</b>	<b>Actuarial Assumptions</b>				
	Discount rate		6.86%		7.62%
	Salary escalation rate		5.00%		5.00%
	Expected Return on Plan assets		12.00%		12.00%
	Retirement age		58 Years		58 Years
	Mortality		IALM (2006-08) Ult.		IALM (2006-08) Ult.

The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### 30. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March, 2017 is Rs.37,40,881 (Previous Year – Rs.99,66,081).

31. 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, 2017. 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.

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

Amount (₹)

SN	Name	Rate	31-Mar-2017	31-Mar-2016
1	Mukand Ltd	14.00%	40,000,000	70,000,000
2	Anil Ltd	15.50%	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>97,500,000</b>	<b>150,000,000</b>

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

1	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.
2	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.
3	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:

1	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.
2	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 Appellate 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.
3	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.
4	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.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 34. Disclosure regarding pursuant to circular no G.S.R.308(E) dated March 30, 2017

Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 is provided in the table below:

	Amount (₹)		
	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	814,500	438,389	1,252,889
(+) Permitted Receipts	Nil	415,000	415,000
(-) Permitted Payments	Nil	578,682	578,682
(-) Amount Deposited in Banks	814,500	Nil	814,500
Closing Cash in hand as on 30.12.2016	Nil	274,707	274,707

The information given in above table relates only for cash balance available as on closing hours of November 08, 2016. The subsequent transactions on account of cash sales, withdrawal from banks, deposits into banks are not considered for the above. The balance amount of "Other notes" as on November 08, 2016 was utilized to meet day to day expenses of the company

35. In terms of the revised Accounting Standard (AS) – 10: Property, Plant and Equipment, the Company has not adopted the revaluation model and accordingly, as per the transition provisions in para 91 of the AS, the amount of Rs.9,58,63,078 outstanding in the revaluation reserve as at 1st April 2016, is adjusted against the carrying amount of the corresponding fixed assets.

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

Particulars	Amount (₹)	
	As at 31-Mar-2017	As at 31-Mar-2016
Principle amount due to suppliers under MSMED Act at the year end	508,200	3,621,450
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	53,361	7,416
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.	53,361	7,416

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

Particulars	31-Mar-2017		31-Mar-2016	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	414,622	100.00%	44,374,222	100.00%
	<b>414,622</b>	<b>100.00%</b>	<b>44,374,222</b>	<b>100.00%</b>

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

Particulars	31-Mar-2017	31-Mar-2016
Raw Material, Store & spares and Computer Peripherals	-	-

### (C) Expenditure in foreign currency:

Particulars	31-Mar-2017	31-Mar-2016
Traveling	1,881,325	5,535,336

### (D) Earning in foreign currency:

Particulars	31-Mar-2017	31-Mar-2016
Export sales and services	6,557,402	20,580,011

### 38. Particulars of Earnings per Shares:

		Amount (₹)	
	Particulars	31-Mar-2017	31-Mar-2016
a)	Net Profit for the year		
	Before extraordinary items (Rs.)	41,548,862	55,788,859
	After extraordinary items (Rs.)	41,548,862	55,788,859
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)	1.98	2.66

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 39. 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 less than 10% of the total turnover and hence there is single reportable geographical segment.

### 40.1 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, India
4. PCS International Limited, Mauritius  
(amalgamated with its parent company PCS Technology Limited w.e.f. 1<sup>st</sup> April, 2014)

#### 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)
4. Mr. Yash Bhardwaj (Whole Time Director)

##### b) Relatives of key managerial 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)
7. Estate of Late Sobhagmal M. Patni
8. Estate of Late Mrs Kanchanbai Patni

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

1. Kalpavruksh Systems Limited -
2. Patni Healthcare Limited

### 40.2 Transactions carried out with related parties referred above, in ordinary course of business:

Amount (₹)

	Description	Subsidiary Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Sales of goods and services	- (2,119,123)	- -	- -	2,390,290 (3,449,378)	2,390,290 (5,568,501)
2	Rent paid	-	466,000 (516,000)	- -	- -	466,000 (516,000)
3	Recovery of expenses received	2,613 (56,891)	- -	- -	- -	2,613 (56,891)
4	Loan Taken	-	20,000,000 -	- -	- -	20,000,000 -
5	Loan Refunded	-	20,000,000 (-)	- -	- -	20,000,000 -
6	Remuneration to Directors	-	5,123,966 (5,560,576)	- -	- -	5,123,966 (5,560,576)
7	Provision for diminution in value of investments	(17,727,850)	-	-	-	(17,727,850)
8	Provision for diminution in receivables	(17,169,715)	-	-	-	(17,169,715)
9	Provision for diminution in advances	(25,000,000)	-	-	-	(25,000,000)

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Amount (₹)

	Description	Subsidiaries Companies	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates
1	<b>Sales of goods and services</b>				
	PCS Infotech Limited	-	-	-	-
		(2,119,123)	-	-	-
	Kalpavruksh Systems Limited	-	-	-	<b>2,383,930</b>
		-	-	-	(829,274)
	Patni Healthcare Limited	-	-	-	<b>6,360</b>
		-	-	-	(2,620,104)
2	<b>Rent paid</b>				
	Mr. A. K. Patni	-	<b>216,000</b>	-	-
		-	(216,000)	-	-
	Mr. Apoorva Patni	-	<b>250,000</b>	-	-
		-	(300,000)	-	-
3	<b>Recovery of expenses received</b>				
	PCS Infotech Limited	-	-	-	-
		(-)	-	-	-
	PCS Positioning Systems (India) Limited	<b>2,613</b>	-	-	-
		(56,891)	-	-	-
4	<b>Loan Taken</b>				
	Mr. A. K. Patni	-	<b>20,000,000</b>	-	-
		-	(-)	-	-
5	<b>Loan Refunded</b>				
	Mr. A. K. Patni	-	<b>20,000,000</b>	-	-
		-	(-)	-	-
6	<b>Remuneration to Directors</b>				
	H.C.Tandon	-	<b>2,753,790</b>	-	-
		-	(3,124,000)	-	-
	Yash Bhardwaj	-	<b>2,370,176</b>	-	-
		-	(2,436,576)	-	-
7	<b>Provision for diminution in value of investments</b>				
	PCS Positioning Systems (India) Limited	-	-	-	-
		(17,510,000)	-	-	-
	PCS Technology Inc., USA	-	-	-	-
		(217,850)	-	-	-
8	<b>Provision for diminution in receivables</b>				
	PCS Positioning Systems (India) Limited	-	-	-	-
		(11,733,050)	-	-	-
	PCS Technology Inc., USA	-	-	-	-
		(5,436,665)	-	-	-
9	<b>Provision for diminution in advances</b>				
	PCS Positioning Systems (India) Limited	-	-	-	-
		(25,000,000)	-	-	-

# PCS TECHNOLOGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 40.4 Balance outstanding as at year end:

Amount (₹)

Description	Subsidiary Companies	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates	Total
1 Receivable	48,548 (208,177)	- -	- -	- (229,485)	48,548 (437,662)
2 Loan taken	-	20,000,000 (20,000,000)	- -	- -	20,000,000 (20,000,000)
3 Property deposits	-	54,000 (54,000)	2,200,000 (2,200,000)	- -	2,254,000 (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)

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

Amount (₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
1 <b>Receivable</b>				
PCS Positioning Systems (India) Limited	48,548 (45,935)	- -	- -	- -
PCS Infotech Limited	- (162,242)	- -	- -	- -
Patni Healthcare Limited	-	-	-	(200,250)
Kalpavruksh Systems Limited	-	-	-	(29,235)
2 <b>Loan Taken</b>				
A.K. Patni	-	10,000,000 (10,000,000)	- -	- -
G.K. Patni	-	10,000,000 (10,000,000)	- -	- -
3 <b>Property Deposits</b>				
Rajnikanta Patni	-	-	500,000 (500,000)	- -
Sadhana Patni	-	-	500,000 (500,000)	- -
Apoorva Patni	-	-	600,000 (600,000)	- -
Arihant Patni	-	-	500,000 (500,000)	- -
Sobhagmal Maganmal Patni HUF	-	-	100,000 (100,000)	- -
A.K. Patni	-	54,000 (54,000)	- -	- -
4 <b>Provision for diminution in value of investments</b>				
PCS Positioning Systems (India) Limited	17,510,000 (17,510,000)	- -	- -	- -
PCS Technology Inc., USA	217,850 (217,850)	- -	- -	- -
5 <b>Provision for diminution in receivables</b>				
PCS Positioning Systems (India) Limited	11,733,050 (11,733,050)	- -	- -	- -
PCS Technology Inc., USA	5,436,665 (5,436,665)	- -	- -	- -
6 <b>Provision for diminution in advances</b>				
PCS Positioning Systems (India) Limited	25,000,000 (25,000,000)	- -	- -	- -

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

### 41.1 Details of loans and advances in nature of loans outstanding from subsidiaries:

Amount of loans and advances in nature of loans outstanding from subsidiaries:	(Amount in ₹)
PCS Positioning Systems (India) Limited	25,000,000 (25,000,000)

Note: Previous year figures are shown in brackets

### 41.2 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.

### 42. 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

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

**G. K. Patni**  
(Chairman)                      **H.C. Tandon**  
(Managing Director & CEO)

**A. K. Patni**  
(Vice Chairman)                      **Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# PCS TECHNOLOGY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

### TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

#### Report on the Consolidated Financial Statements

1. I have audited the accompanying consolidated financial statements of PCS Technology Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors' are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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.
3. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

4. My responsibility is to express an opinion on these consolidated financial statements based on my audit. While conducting the audit, 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. I believe that the audit evidence obtained by me; is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

#### Opinion

8. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2017, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, I report that provisions of the Order are not applicable to the Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
  - b. In my opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In my opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March, 2017 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 my separate report in "Annexure-A" and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the consolidated financial statements;
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
    - 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 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same are in accordance with books of accounts maintained by the Company.

For **S.C. Bandi & Co.**  
Chartered Accountants  
Firm's Reg. No. 130850W

**S.C. Bandi**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 12<sup>th</sup> May 2017



# THIRTY SIXTH ANNUAL REPORT 2016-2017

## INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)



### ANNEXURE-A 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 Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with my audit of the consolidated 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 2017, 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's Reg. No. 130850W

**S.C. Bandi**  
(Proprietor)  
M. No.16932

Place: Mumbai  
Date : 12<sup>th</sup> May 2017

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in ₹)

Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share capital	3	249,256,770	249,256,770
Reserves and surplus	4	246,557,160	300,281,411
<b>2 Non-Current Liabilities</b>			
Long term borrowings	5	20,000,000	20,000,000
Other non-current liabilities	6	150,608	-
Long term provisions	7	1,596,739	4,393,400
<b>3 Current Liabilities</b>			
Short term borrowings	8	18,139,567	32,219,455
Trade payables	9	37,185,698	34,775,661
Other current liabilities	10	10,674,914	35,445,230
Short term provisions	11	1,278,903	1,206,700
<b>TOTAL</b>		<b>584,840,359</b>	<b>677,578,627</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
Fixed assets			
(a) Tangible assets	12	106,551,560	222,509,165
(b) Intangible assets	12	-	469,812
Non-current investments	13	24,000	24,000
Long term loans and advances	14	57,645,567	88,329,824
Other non-current assets	15	2,171,463	1,711,967
<b>2 Current assets</b>			
Current investments	16	168,658,940	60,401,984
Inventories	17	380,793	2,705,711
Trade receivables	18	46,164,732	84,841,878
Cash and bank balances	19	75,201,210	39,769,294
Short term loans and advances	20	108,851,553	162,218,039
Other current assets	21	19,190,541	14,596,953
<b>TOTAL</b>		<b>584,840,359</b>	<b>677,578,627</b>

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

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

**H.C. Tandon**  
(Managing Director & CEO)

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# THIRTY SIXTH ANNUAL REPORT 2016-2017

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017



(Amount in ₹)

Particulars		Note No.	Year ended 31-Mar-2017	Year ended 31-Mar-2016
I.	Revenue from operations (Net)	22	258,550,577	635,046,366
II.	Other Income	23	41,357,141	32,785,869
III.	<b>Total Revenue (I+II)</b>		<b>299,907,718</b>	<b>667,832,235</b>
IV.	<b>Expenses:</b>			
	Purchases of stock-in-trade		414,622	44,426,999
	Changes in inventories of stock-in-trade	24	267,818	310,898
	Employee benefits expense	25	168,810,044	381,824,538
	Finance costs	26	857,104	4,405,045
	Depreciation and amortisation expense	27	10,574,075	11,142,954
	Other expenses	28	66,040,186	153,930,829
	<b>Total expenses</b>		<b>246,963,849</b>	<b>596,041,263</b>
V.	<b>Profit Before Corporate Social Responsibility and Tax</b>		<b>52,943,869</b>	71,790,972
	Less: Corporate Social Responsibility Expense		1,000,000	500,000
VI.	<b>Profit Before Tax and exceptional items</b>		<b>51,943,869</b>	71,290,972
VII.	<b>Exceptional Item</b>	29	-	-
VIII.	<b>Profit Before Tax (VI - VII)</b>		<b>51,943,869</b>	71,290,972
IX.	<b>Tax expense</b>			
	Current tax on ordinary activities		10,545,000	14,675,000
	Deferred tax on ordinary activities		-	-
	Taxation pertaining to earlier years		(643,092)	1,997
	<b>Total tax expense</b>		<b>9,901,908</b>	14,676,997
	<b>Profit for the year (VIII-IX)</b>		<b>42,041,961</b>	<b>56,613,975</b>
	Basic and Diluted earnings per equity shares of Rs.10 each			
	1) Before extra ordinary items		2.01	2.70
	2) After extra ordinary items		2.01	2.70

The accompanying notes are an integral part of financial statements

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

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

**H.C. Tandon**  
(Managing Director & CEO)

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# PCS TECHNOLOGY LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items	51,943,869	71,290,972
Adjustments for:		
Depreciation	10,574,075	11,142,954
Sundry balances written off	5,589,160	20,012,796
Fixed assets written off	1,854,111	740,296
(Profit)/ Loss from sale of fixed assets	1,854,111	-
Interest received	(3,185,213)	(26,122,505)
Dividend received	-	-
Excess provision written back of last year	-	-
Finance cost	857,104	4,405,045
Currency fluctuation reserve on capitalisation	96,866	(13,137,840)
<b>Operating profit before working capital changes</b>	<b>69,584,083</b>	<b>68,331,718</b>
Decrease/ (increase) in trade and others receivables	(69,024,936)	48,856,068
Decrease/ (increase) in inventories	3,086,504	9,356,823
(Decrease)/ increase in trade and other payables	(62,112,063)	(37,027,326)
<b>Cash generated from operations</b>	<b>(58,466,412)</b>	<b>89,517,283</b>
Income tax paid (net of refunds)	(18,462,516)	(41,926,258)
<b>Net cash flow from/ (used in) operating activities</b>	<b>(76,928,928)</b>	<b>47,591,025</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress and capital advances)	244,900	18,924,673
Purchase of non-current investments	57,756,956	(151,164,772)
Sale of non-current investments	-	-
Proceeds from sale of fixed assets	9,900,000	-
Interest received	(5,147,524)	22,223,399
Movement in Margin money deposits with original maturity of more than 12 months	(459,496)	(584,020)
Dividend received	-	-
<b>Net cash from/ (used in) investing activities</b>	<b>62,294,836</b>	<b>(110,600,720)</b>
<b>C. Cash from financing activities</b>		
Repayment of long-term borrowings (net)	-	-
Repayment of short-term borrowings (net)	50,923,112	243,995
Finance cost	(857,104)	(4,405,045)
<b>Net cash from/ (used in) financing activities</b>	<b>50,066,008</b>	<b>(4,161,050)</b>
Net increase/ (decrease) in cash and cash equivalents	35,431,916	(67,170,745)
Cash and cash equivalents at beginning of the year	39,769,294	106,940,039
Cash and cash equivalents at end of the year	<b>75,201,210</b>	<b>39,769,294</b>

As per my report of even date attached

For **S. C. BANDI & COMPANY**  
Chartered Accountants

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

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

**H.C. Tandon**  
(Managing Director & CEO)

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 1. CONSOLIDATION OF ACCOUNTS

The Consolidated Financial Statement are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statement issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements present the consolidated Accounts of PCS Technology Limited with its following Subsidiaries:

Name of the Subsidiary	Country of Incorporation	Percentage of Holding
PCS Technology USA, Inc.	United States	100%
PCS Positioning System (India) Limited	India	100%
PCS Infotech Limited	India	100%
PCS International Limited, Mauritius	Mauritius	100%
(amalgamated with its parent company PCS Technology Limited in previous year)		

### 2. (A) BASIS OF PREPARATION AND PRICIPLES OF CONSOLIDATION

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 2013. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements.

The Consolidated Financial Statements relate to PCS Technology Limited ('the Company') and its Subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses.
- Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

### (B) SIGNIFICANT ACCOUNTING POLICIES

#### Fixed Assets:

- (i) Fixed Assets other than mentioned in item no.(ii) and (iii) below, are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use less accumulated depreciation. Preoperative expenses capitalized forms part of the cost of assets.
- (ii) On 1st January 1995, the Company had revalued its immovable property in Kolkata by Rs.12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.12,294,500 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Kolkata by Rs.7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.7,987,166 was transferred to the Revaluation Reserve Account.
- (iv) On 28th December 2011, the Company 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.

#### Other Accounting Policies

These are set out in the Notes to Financial Statements under Significant Accounting Policies for financial statements of the Company and its Subsidiary Companies.

(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>3 SHARE CAPITAL</b>		
<b>Authorised:</b>		
21,025,000 Equity share of Rs.10 each	210,250,000	210,250,000
3,975,000- 9% Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	39,750,000
	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed and paid up:</b>		
20,950,677 (Previous year - 20,950,677) Equity Share of Rs.10 each	209,506,770	209,506,770
3,975,000 (Previous year - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs.10 each	39,750,000	39,750,000
	<b>249,256,770</b>	<b>249,256,770</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) Terms/ Rights attached to Preference Shares:

The Company has only one class of preference shares having a par value of Rs.10 per share, redeemable at par in the 12th and 13th year from the date of allotment or earlier as Board 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.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

c) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2017

(Amount in ₹)

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,950,677	209,506,770	3,975,000	39,750,000
Shares outstanding at the end of the year	<b>20,950,677</b>	<b>209,506,770</b>	<b>3,975,000</b>	<b>39,750,000</b>

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

(Amount in ₹)

Name of shareholder	As at 31/03/2017		As at 31/03/2016	
	No. of shares	% holding	No. of shares	% holding
Mrs. Rajnikanta Patni	2,391,081	11.41	2,391,081	11.41
PCS Finance Private Limited	1,901,560	9.08	1,901,560	9.08
Ashoka Computer Systems Private Limited	1,901,560	9.08	1,901,560	9.08
PCS Cullinet Private Limited	1,901,559	9.08	1,901,559	9.08
Mrs. Sadhana A. Patni	1,694,396	8.09	1,694,396	8.09

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

(Amount in ₹)

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

(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>4 RESERVES AND SURPLUS</b>		
<b>Capital reserves</b>		
Opening balance	-	733,418
Less: Amount utilised under Scheme (See Note No. 29)	-	(733,418)
Closing balance	-	-
<b>Securities premium account</b>		
Opening balance	-	496,875,000
Less: Amount utilised under Scheme (See Note No. 29)	-	(496,875,000)
Closing balance	-	-
<b>Revaluation reserve</b>		
Opening balance	95,863,078	95,863,078
Less: Transferred to Fixed Assets	(95,863,078)	-
Closing balance	-	95,863,078
<b>General Reserve</b>		
Opening balance	59,897,565	64,472,209
Less: Amount utilised under Scheme (See Note No. 29)	-	(4,574,644)
Closing balance	<b>59,897,565</b>	59,897,565
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	145,780,897	31,388,738
Add: Reserves of PCS International Limited, Mauritius	-	69,898,609
Less: Amount utilised under Scheme (See Note No. 29)	-	(11,638,481)
Less: Loss of PCS International Limited, Mauritius for FY 2014-15	-	(481,944)
Add: Profit for the year	42,041,961	56,613,975
Closing balance	<b>187,822,858</b>	145,780,897
<b>Currency Fluctuation Reserve</b>	(1,163,263)	(1,260,129)
<b>Total</b>	<b>246,557,160</b>	300,281,411

**Note:**

The profit on revalued assets, to the extent of revalued portion had been transferred from Revaluation Reserve to General Reserve, net of current and deferred tax charge.

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
<b>5 LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
From Directors	20,000,000	20,000,000
Inter corporate deposits	-	-
<b>Total long term borrowings</b>	<b>20,000,000</b>	<b>20,000,000</b>
The loans taken from Directors are interest free and are returnable after 31st March, 2018.		
<b>6 OTHER NON-CURRENT LIABILITIES</b>		
Income tax paid (Net of provisions)	150,608	-
	<b>150,608</b>	-
<b>7 LONG TERM PROVISIONS</b>		
Long-term provision for leave benefits	1,596,739	4,393,400
	<b>1,596,739</b>	<b>4,393,400</b>
<b>8 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>
a) Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and bookdebts of the Company as well as first charge on the fixed assets of the Company and carries interest.		
<b>9 TRADE PAYABLES</b>		
Trade payables (Refer note no. 36 for details of dues to Micro, Small and Medium enterprises)	37,185,698	34,775,661
	<b>37,185,698</b>	<b>34,775,661</b>
<b>10 OTHER CURRENT LIABILITIES</b>		
Trade advances	2,600,180	11,284,952
Income received in advance	3,244,792	16,913,019
Statutory dues and taxes payable	2,960,670	6,368,197
Other payables	1,869,272	879,062
	<b>10,674,914</b>	<b>35,445,230</b>
<b>11 SHORT TERM PROVISIONS</b>		
Short-term provision for leave benefits	1,278,903	1,206,700
	<b>1,278,903</b>	<b>1,206,700</b>

## 12 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/2016	Additions	Deductions	As at 31/03/2017	As at 01/04/2016	For current period	On Deductions	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
<b>Tangible Assets</b>										
1 Leasehold Land	1,177,904	-	-	<b>1,177,904</b>	568,866	27,492	-	<b>596,358</b>	<b>581,546</b>	609,038
2 Building	226,296,602	244,900	105,051,373	<b>121,490,129</b>	20,648,654	3,597,432	875,481	<b>23,370,605</b>	<b>98,119,524</b>	205,647,948
3 Plant and Equipment	2,424,172	-	2,424,172	-	895,660	227,281	1,122,941	-	-	1,528,512
4 Furniture and Fixture	6,152,703	-	912,909	<b>5,239,794</b>	2,351,034	645,851	702,974	<b>2,293,911</b>	<b>2,945,883</b>	3,801,669
5 Vehicle	8,513,016	-	-	<b>8,513,016</b>	4,134,832	1,123,510	-	<b>5,258,342</b>	<b>3,254,674</b>	4,378,184
6 Office Equipment	17,794,211	-	283,375	<b>17,510,836</b>	11,250,397	4,797,145	186,639	<b>15,860,903</b>	<b>1,649,933</b>	6,543,814
	<b>262,358,608</b>	<b>244,900</b>	<b>108,671,829</b>	<b>153,931,679</b>	<b>39,849,443</b>	<b>10,418,711</b>	<b>2,888,035</b>	<b>47,380,119</b>	<b>106,551,560</b>	222,509,165
<b>Intangible Assets</b>										
7 Software	977,214	-	977,214	-	507,402	155,364	662,766	-	-	469,812
<b>Total</b>	<b>263,335,822</b>	<b>244,900</b>	<b>109,649,043</b>	<b>153,931,679</b>	<b>40,356,845</b>	<b>10,574,075</b>	<b>3,550,801</b>	<b>47,380,119</b>	<b>106,551,560</b>	<b>222,978,977</b>
Previous Year	281,321,751	750,846	18,736,775	263,335,822	41,936,183	11,142,954	12,722,292	40,356,845	222,978,977	

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars			As at 31-Mar-2017	As at 31-Mar-2016
<b>13 NON-CURRENT INVESTMENTS</b>				
(Non-trade, at-cost, un-quoted, unless otherwise stated)				
	Number	Face Value p.u.		
a) <u>Investments in equity instruments</u>				
<u>In Other Companies (Quoted)</u>				
Longview tea Limited	200	10	13,000	13,000
NEPC Micon Limited	400	10	12,000	12,000
Asit C Mehta Financial Services limited	5,000	10	50,000	50,000
Riga Sugar Co Limited	2,200	10	110,000	110,000
Western India Industries Limited	7,500	10	450,000	450,000
			<b>635,000</b>	635,000
Less: Provision for diminution in value of quoted investments			635,000	635,000
<b>Net quoted investment</b>			-	-
<u>In Others (Unquoted)</u>				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
Total of investments in equity instruments			<b>10,000</b>	10,000
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			<b>4,000</b>	4,000
c) <u>Investment in Share Certificates</u>				
Membership of Technocity Co-operative Society			10,000	10,000
			<b>10,000</b>	10,000
<b>Net investments</b>			<b>24,000</b>	<b>24,000</b>
Aggregate amount of quoted Investments (Market value Rs.1,86,522 previous year Rs.1,53,342)			<b>635,000</b>	635,000
Aggregate amount of Unquoted Investments			<b>24,000</b>	24,000
Aggregate provision for diminution in value of investments			<b>635,000</b>	635,000
<b>14 LONG TERM LOANS AND ADVANCES</b>				
a) <b>Unsecured, Considered good</b>				
Security Deposits with Excise & Customs Authorities & Others			6,797,990	6,678,927
Rent deposit - Related Parties (refer note 40)			2,254,000	2,254,000
Income tax paid (Net of provisions)			48,014,556	79,018,264
Advances recoverable in cash or in kind			579,021	378,633
Advances - Related Parties (refer note 40)			-	-
			<b>57,645,567</b>	88,329,824
b) <b>Unsecured, Considered doubtful</b>				
Advances - Related Parties (refer note 40)			-	-
			57,645,567	88,329,824
Less: Provision for doubtful loans and advances (refer note 29)			-	-
			<b>57,645,567</b>	88,329,824
<b>15 OTHER NON CURRENT ASSETS</b>				
Non Current Bank Balances (refer note no 19)			2,171,463	1,711,967
			<b>2,171,463</b>	1,711,967



# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

TECHNOLOGY

(Amount in ₹)

	As at 31-Mar-2017	As at 31-Mar-2016
<b>16 CURRENT INVESTMENTS</b>		
<u>Quoted Corporate Bonds &amp; Debentures:</u>		
Alliance Infrastructure Projects Private Limited	-	18,507,192
Total Environment Living Private Limited	-	41,894,792
IDBI Bank Limited	49,687,000	-
Bajaj Finance Limited	9,930,000	-
DHFL	59,247,000	-
Andhra Bank	29,694,000	-
Future Corporate Resources Limited (NCD)	20,100,940	-
	<b>168,658,940</b>	<b>60,401,984</b>
<b>17 INVENTORIES</b>		
Stores & Spares*	380,793	2,437,893
Stock-in-trade	-	267,818
	<b>380,793</b>	<b>2,705,711</b>
<b>18 TRADE RECEIVABLES</b>		
<b>a) Unsecured, Considered good</b>		
Over six months*	35,975,995	16,713,896
Other Debts	10,188,737	68,127,982
	<b>46,164,732</b>	<b>84,841,878</b>
<b>b) Unsecured, Considered doubtful</b>		
Over six months*	-	-
Other Debts	-	-
	-	-
<b>Total trade receivables</b>	46,164,732	84,841,878
Less: Provision for doubtful trade receivables (refer note 28)	-	-
	<b>46,164,732</b>	<b>84,841,878</b>
<b>19 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand	<b>288,577</b>	2,375,942
Balances with Banks		
In Current account	<b>74,912,633</b>	37,259,246
Deposits with original maturity of less than 3 months	-	30,000
	<b>75,201,210</b>	39,665,188
<b>Other Bank Balances</b>		
Deposits with Original maturity of more than 3 months but less than 12 months	-	104,106
Deposits with Original maturity of more than 12 months	2,171,463	1,711,967
	<b>2,171,463</b>	1,816,073
<b>Total Cash &amp; Bank Balances</b>	77,372,673	41,481,261
<b>Less: Non-current portion included in Other Non current assets</b>	2,171,463	1,711,967
	<b>75,201,210</b>	<b>39,769,294</b>
<b>20 SHORT TERM LOANS AND ADVANCES</b>		
Advance to Suppliers*	580,503	860,503
Earnest Money Deposit	20,000	1,223,790
Advances recoverable in cash or in kind (short term)	210,210	2,602,461
Advances - Related Parties (refer note 40)	3,540,840	2,531,285
Inter Corporate Deposits	104,500,000	155,000,000
	<b>108,851,553</b>	<b>162,218,039</b>
<b>21 OTHER CURRENT ASSETS</b>		
Revenue Accrued	10,422,201	10,262,244
Interest Accrued	8,768,340	4,334,709
	<b>19,190,541</b>	<b>14,596,953</b>

\* Refer note no.29 of Notes to the Financial Statements for Scheme of Amalgamation and Arrangement.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
<b>22 REVENUE FROM OPERATIONS</b>		
Traded goods		
Computers peripherals & softwares	1,693,502	54,870,954
Sales of Services		
Computers related IT services	256,857,075	580,175,412
Net Sales	<b>258,550,577</b>	635,046,366
<b>23 OTHER INCOME</b>		
Foreign exchange difference (Net)	-	159,622
Interest income from NCD & Bonds	35,324,919	23,059,422
Interest income from others	3,185,213	3,063,083
Profit on sale of NCD & Bonds	243,655	-
Balances written back	-	5,964,078
Other non-operating income	2,603,354	539,664
	<b>41,357,141</b>	32,785,869
<b>24 CHANGES IN INVENTORIES OF STOCK IN TRADE</b>		
Inventory at the end of the year		
Trading - Computers peripherals & software	-	267,818
Inventory at the beginning of the year		
Trading - Computers peripherals & software	267,818	578,716
(Increase)/ Decrease in Inventory	<b>267,818</b>	310,898
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	148,126,638	337,942,169
Contribution to Provident fund etc	16,865,536	36,576,939
Staff Welfare expenses	3,817,870	7,305,430
	<b>168,810,044</b>	381,824,538
Refer Note No.30 for disclosures as required by AS -15 "Employee Benefits"		
<b>26 FINANCE COST</b>		
Interest expense	802,761	4,209,955
Other borrowing cost	54,343	195,090
	<b>857,104</b>	4,405,045
<b>27 DEPRECIATION</b>		
Depreciation and amortisation	10,574,075	11,142,954
	<b>10,574,075</b>	11,142,954
<b>28 OTHER EXPENSES</b>		
Power & fuel	2,251,115	3,782,289
Rent	3,386,643	6,345,521
Rates & taxes	759,757	457,315
Insurance	1,700,807	2,468,226
Advertisement & sales promotion	553,062	1,458,291
Travelling and conveyance expenses	12,563,312	29,641,720
Consumable, stores and spares	8,120,735	34,765,762
Office maintainence	1,666,843	3,962,260
Printing & stationery	2,611,428	5,026,253
Repairs to building	-	217,000
Communication expenses	1,569,542	3,109,272

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

TECHNOLOGY

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
Auditor's remuneration		
- As Auditors	357,252	441,099
- For Tax audit	50,000	50,000
- For Certificate/ limited review	95,000	190,000
Legal, professional & consultancy charges	7,247,233	7,465,348
Freight & forwarding	846,202	3,493,800
Directors sitting fees	295,900	399,856
Bad debts and remissions	5,589,160	17,337,399
Capital work in progress written off	-	2,675,397
Subcontracting charges paid	9,289,495	21,765,933
Sales & Work contract tax paid	58,067	880,635
Loss on sale/ disposal of non-revalued fixed assets	1,854,111	740,296
Miscellaneous expenses	5,174,522	7,257,157
	<b>66,040,186</b>	<b>153,930,829</b>

### 29 Exceptional Item for previous year ending 31st March 2016

The Scheme of Amalgamation and Arrangement (the 'Scheme') under sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, was approved by the Hon'ble High Court of Judicature at Bombay vide order dated 8th May 2015. On filing a copy of Hon'ble High Court Order with the Registrar of Companies, Pune, Maharashtra on 18th June 2015, the Scheme has become effective from the appointed date viz. 1st April 2014. The Scheme included, inter alia, amalgamation of Company's wholly owned overseas subsidiary, PCS International Limited, Mauritius and adjustment of certain assets of the Company, in aggregate not exceeding Rs. 65 crores and consequential withdrawal from amounts standing in the balance in Securities Premium Account, Capital Reserve Account, General Reserve Account and surplus available in the Profit and Loss Account, to be credited to the Profit and Loss of the financial year. Accordingly, the effect of the Scheme has been given as under:

- PCS International Limited, Mauritius was a wholly owned subsidiary of the Company and was engaged in the business of computer hardware, IT and IT enabled services. The amalgamation has been accounted for as per the 'purchase method' as prescribed by Accounting Standard 14: Accounting for Amalgamations. All the assets and liabilities of PCS International Limited, Mauritius have been taken over w.e.f. the appointed date viz. 1st April 2014.
- Exceptional Item: Net effect of the Scheme of Amalgamation and Arrangement had been given in previous financial year ending 31st March 2016

Items of Previous Year ending 31st March 2016	Amount (₹)
<b>A Assets written-off/provided</b>	
Sundry debtors written off	410,931,456
Sundry debtors of erstwhile PCS International Limited, Mauritius written off	27,412,997
Stores and spares written off (net of realizable value)	65,857,741
Advance to creditors written off	15,941,854
Earnest money deposit written off	11,148,390
Security/other deposits/other advances written off	13,608,324
Fixed assets written off	4,666,176
Provision for diminution in value of investments	17,727,850
Provision for doubtful recoverable from subsidiaries	42,169,715
Goodwill on amalgamation written off	29,257,606
	<b>A 638,722,109</b>
<b>B Withdrawal from reserves</b>	
Securities Premium	496,875,000
Capital reserve	733,418
General reserve	64,472,209
Opening surplus in profit and loss account	11,638,482
	<b>B 573,719,109</b>
	<b>C=A-B 65,003,000</b>
<b>Impact of Taxation</b>	
Current tax credit	33,807,000
Deferred tax credit	31,196,000
	<b>D 65,003,000</b>
<b>Net impact transferred to statement of Profit &amp; Loss (C-D)</b>	<b>-</b>

While giving effect to the Scheme, the deferred tax asset is recognized only to the extent the company has deferred tax liability against which such deferred tax asset can be recognized.

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 30. Employee Benefits

- a) Contribution to Provident Fund of Rs.82,93,263 (previous year Rs.1,78,74,459) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss.

- b) Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

Amount (₹)

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
<b>1 Change in benefit obligation</b>				
Liability at the beginning of the year	18,049,171	5,600,033	20,401,273	3,696,330
Interest cost	793,237	264,497	1,282,025	188,519
Current service cost	1,282,976	669,071	1,861,191	1,686,553
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(15,278,486)	(4,257,881)	(8,751,919)	(2,679,677)
Actuarial (Gain)/ Loss	6,218,701	599,922	3,256,601	2,708,308
Liability at the end of the year	<b>11,065,599</b>	<b>2,875,642</b>	<b>18,049,171</b>	<b>5,600,033</b>
<b>2 Change in Fair value of Plan Assets</b>				
Fair value of Plan assets at beginning of year	20,461,908	-	20,405,025	-
Adjustments to opening balance	(79,845)	-	(8,580)	-
Expected Return on Plan assets	1,949,138	-	2,444,458	-
Contributions	7,000,000	4,257,881	8,700,000	2,679,677
Benefit paid	(15,278,486)	(4,257,881)	(8,751,919)	(2,679,677)
Actuarial (Gain)/ Loss on plan assets	102,040	-	(2,327,076)	-
Fair value of Plan assets at end of year	<b>14,154,755</b>	-	<b>20,461,908</b>	-
<b>3 Expenses recognized in Profit &amp; Loss</b>				
Current service cost	1,282,976	669,071	1,861,191	1,686,553
Interest cost	793,237	264,497	1,282,025	188,519
Expected Return on Plan assets	(1,949,138)	-	(2,444,458)	-
Actuarial (Gain)/ Loss	6,116,661	599,922	5,583,677	2,708,308
Expenses recognized in the P&L a/c	<b>6,243,736</b>	<b>1,533,490</b>	<b>6,282,435</b>	<b>4,583,380</b>
<b>4 Actuarial Assumptions</b>				
Discount rate		6.86%		7.62%
Salary escalation rate		5.00%		5.00%
Expected Return on Plan assets		12.00%		12.00%
Retirement age		58 Years		58 Years
Mortality		IALM (2006-08) Ult.		IALM (2006-08) Ult.

The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### 31. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2017 is Rs.37,40,881 (Previous Year – Rs.99,66,081).

32. 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 2017. 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.

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

(Amount in ₹)

SN	Name	Rate	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	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>97,500,000</b>	<b>150,000,000</b>

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

1	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.
2	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.
3	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:

1	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.
2	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 Appellate 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.
3	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.
4	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.

### 35. Disclosure regarding pursuant to circular no G.S.R.308(E) dated March 30, 2017

Amount (₹)

Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 is provided in the table below:

	SBN's	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	814,500	438,389	1,252,889
(+) Permitted Receipts	Nil	415,000	415,000
(-) Permitted Payments	Nil	578,682	578,682
(-) Amount Deposited in Banks	814,500	Nil	814,500
Closing Cash in hand as on 30.12.2016	Nil	274,707	274,707

The information given in above table relates only for cash balance available as on closing hours of November 08, 2016. The subsequent transactions on account of cash sales, withdrawal from banks, deposits into banks are not considered for the above. The balance amount of " Other notes " as on November 08, 2016 was utilized to meet day to day expenses of the company

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

Amount (₹)

Particulars	As at 31-Mar-2017	As at 31-Mar-2016
Principle amount due to suppliers under MSMED Act at the year end	508,200	3,621,450
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	53,361	19,070
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.	53,361	19,070

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

Amount (₹)

Particulars	31-Mar-2017		31-Mar-2016	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	414,622	100.00%	44,374,222	100.00%
	414,622	100.00%	44,374,222	100.00%

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Particulars	31-Mar-2017	31-Mar-2016
Raw Material, Store & spares and Computer Peripherals	-	-

**(C) Expenditure in foreign currency:**

Particulars	31-Mar-2017	31-Mar-2016
Traveling	1,881,325	5,535,336

**(D) Earning in foreign currency:**

Particulars	31-Mar-2017	31-Mar-2016
Export sales and services	6,557,402	20,580,011

**38. Particulars of Earnings per Shares:**

Particulars	31-Mar-2017	31-Mar-2016
a) Net Profit for the year		
Before extraordinary items (Rs.)	42,041,961	56,613,975
After extraordinary items (Rs.)	42,041,961	56,613,975
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)	2.01	2.70

**39. 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 less than 10% of the total turnover and hence there is single reportable geographical segment.

**40.1 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, India
4. PCS International Limited, Mauritius  
(amalgamated with its parent company PCS Technology Limited w.e.f. 1<sup>st</sup> April, 2014)

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

- a) Key Managerial Personnel
  1. Mr. G.K.Patni (Chairman)
  2. Mr. A.K.Patni (Vice Chairman)
  3. Mr. H C Tandon (Managing Director & CEO)
  4. Mr. Yash Bhardwaj (Whole Time Director)
- b) Relatives of key managerial 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)
  7. Estate of Late Sobhagmal M. Patni
  8. Estate of Late Mrs Kanchanbai Patni
- c) Affiliates (Enterprises over which Key Managerial personnel or their relatives have significant influence)
  1. Kalpavruksh Systems Limited
  2. Patni Healthcare Limited

# THIRTY SIXTH ANNUAL REPORT 2016-2017



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 40.2 Transactions carried out with related parties referred above, in ordinary course of business:

(Amount in ₹)

	Description	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates	Total
1	Sales of goods and services	-	-	2,390,290 (3,449,378)	2,390,290 (3,449,378)
2	Rent paid	466,000 (516,000)	-	-	466,000 (516,000)
3	Recovery of expenses received	-	-	-	-
4	Loan Taken	20,000,000	-	-	20,000,000
5	Loan Refunded	20,000,000 (-)	-	-	20,000,000 (-)
6	Remuneration to Directors	5,123,966 (5,560,576)	-	-	5,123,966 (5,560,576)
7	Provision for diminution in value of investments	-	-	-	-
8	Provision for diminution in receivables	-	-	-	-
9	Provision for diminution in advances	-	-	-	-

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

(Amount in ₹)

	Description	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates
1	<b>Sales of goods and services</b> PCS Infotech Limited Kalpavruksh Systems Limited Patni Healthcare Limited	-	-	2,383,930 (829,274) 6,360 (2,620,104)
2	<b>Rent paid</b> Mr. A. K. Patni Mr. Apoorva Patni	216,000 (216,000) 250,000 (300,000)	-	- - - -
3	<b>Recovery of expenses received</b> PCS Infotech Limited PCS Positioning Systems (India) Limited	-	-	- -
4	<b>Loan Taken</b> Mr. A. K. Patni	20,000,000 (-)	-	- -
5	<b>Loan Refunded</b> Mr. A. K. Patni	20,000,000 (-)	-	- -
6	<b>Remuneration to Directors</b> H.C.Tandon Yash Bhardwaj	2,753,790 (3,124,000) 2,370,176 (2,436,576)	-	- - - -
7	<b>Provision for diminution in value of investments</b> PCS Positioning Systems (India) Limited PCS Technology Inc., USA	-	-	- -
8	<b>Provision for diminution in receivables</b> PCS Positioning Systems (India) Limited PCS Technology Inc., USA	-	-	- -
9	<b>Provision for diminution in advances</b> PCS Positioning Systems (India) Limited	-	-	-

### 40.4 Balance outstanding as at year end:

(Amount in ₹)

	Description	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates	Total
1	Receivable	-	-	(229,485)	(229,485)
2	Loan taken	20,000,000 (20,000,000)	-	-	20,000,000 (20,000,000)

# PCS TECHNOLOGY LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

3	Property deposits	54,000 (54,000)	2,200,000 (2,200,000)		2,254,000 (2,254,000)
4	Provision for diminution in value of investments	-	-	-	-
5	Provision for diminution in receivables	-	-	-	-
6	Provision for diminution in advances	-	-	-	-

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

(Amount in ₹)

	Description	Key Managerial Personnel	Relative of key Managerial Personnel	Affiliates
1	<b>Receivable</b>			
	PCS Positioning Systems (India) Limited	-	-	-
	PCS Infotech Limited	-	-	-
	Patni Healthcare Limited	-	-	(200,250)
	Kalpavruksh Systems Limited	-	-	(29,235)
2	<b>Loan Taken</b>			
	A.K. Patni	10,000,000 (10,000,000)	-	-
	G.K. Patni	10,000,000 (10,000,000)	-	-
3	<b>Property Deposits</b>			
	Rajnikanta Patni	-	500,000 (500,000)	-
	Sadhana Patni	-	500,000 (500,000)	-
	Apoorva Patni	-	600,000 (600,000)	-
	Arihant Patni	-	500,000 (500,000)	-
	Sobhagmal Maganmal Patni HUF	-	100,000 (100,000)	-
	A.K. Patni	54,000 (54,000)	-	-
4	<b>Provision for diminution in value of investments</b>			
	PCS Positioning Systems (India) Limited	-	-	-
	PCS Technology Inc., USA	-	-	-
5	<b>Provision for diminution in receivables</b>			
	PCS Positioning Systems (India) Limited	-	-	-
	PCS Technology Inc., USA	-	-	-
6	<b>Provision for diminution in advances</b>			
	PCS Positioning Systems (India) Limited	-	-	-

### 41.1 Details of loans and advances in nature of loans outstanding from subsidiaries:

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

(Amount in ₹)

PCS Positioning Systems (India) Limited	25,000,000 (25,000,000)
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Note: Previous year figures are shown in brackets

### 41.2 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.

### 42. 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

**S. C. Bandi**  
Proprietor  
Membership no. 16932

Place : Mumbai  
Date : 14<sup>th</sup> June 2017

For and on behalf of the Board of Directors

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

**H.C. Tandon**  
(Managing Director & CEO)

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

**Yash Bhardwaj**  
(Whole Time Director)

Place : Mumbai  
Date : 17<sup>th</sup> May 2017



# 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 Sixth 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 20, 2017 at 12.00 noon and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Ordinary Business:

	Particulars	I Assent	I Dissent
1	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Mr. Gajendra kumar Patni (Din:00014163) who retires by rotation and being eligible, offers himself for re-appointment.		
3	To appoint M/s. Vinod .K. Mehta & Co., Chartered Accountant (Firm Registration No. 111508W) as statutory Auditors of the Company and to fix their remuneration.		

#### Special Business:

4	Re- Appointment of Mrs. Vandana Gupta (Din: 07117752) as an Independent Director of the Company		
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Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
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 Sixth 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, September 20, 2017 at 12.00 noon

\_\_\_\_\_  
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 Apartments

(Next To Keys Hotel), Marol Maroshi Road,

Andheri East, Mumbai 400059.

Tel.: 022 - 62638200,

Fax : 022-2847 5207

**PCS**  
TECHNOLOGY

**PCS TECHNOLOGY LIMITED**

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