

**Report of the Audit Committee of the Board of Directors PCS Technology Limited**

The Board of Directors of the Company in their meeting held on August 14, 2013 had approved the Scheme of Amalgamation and Arrangement ('the Scheme') between PCS Positioning Systems (India) Limited ('The First Transferor Company') and PCS International Limited, Mauritius ('The Second Transferor Company') and PCS Technology Limited ('The Transferee Company') and their respective shareholders pursuant to the provisions of Section 391 to 394 read with section 78 and 100 to 103 of the Companies Act, 1956.

Pursuant to Circular No CIR/CFD/DIL/5/2013 dated February 4, 2013 ('Circular') issued by the Securities and Exchange Board of India ('SEBI') and the Listing Agreement, the Company had filed the said Scheme along with other necessary attachments thereto (as mentioned in the Circular) with BSE Limited ('BSE') and Pune Stock Exchange Limited ('PSE') on September 2, 2013.

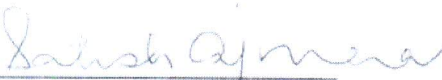
In addition to the above documents, the Company has also been asked to further submit a valuation report from an Independent Chartered Accountant .

In this connection, the Company has obtained a Valuation Report from MZSK & Associates, Chartered Accountants, Mumbai, which was circulated and considered by the Audit Committee of the Company.

**Recommendation of Audit Committee:**

Pursuant to above, the Audit Committee recommends the proposed Draft for favourable consideration by the Stock Exchanges and SEBI.

For and on behalf of Audit Committee of  
**PCS Technology Limited**

  
Chairman of the Audit Committee

September 6, 2013

**CERTIFIED TRUE COPY**  
**For PCS TECHNOLOGY LIMITED**

  
**Company Secretary**