



PCS Technology Limited

**32nd
Annual Report
2012-13**

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PCS
TECHNOLOGY
PCS TECHNOLOGY LIMITED

BOARD OF DIRECTORS

Mr. G. K. Patni	Chairman
Mr. A. K. Patni	Vice Chairman
Mr. H. C. Tandon	Managing Director & CEO
Mr. N. K. Patni	Director
Mr. Apoorva Patni	Director
Mr. Satish Ajmera	Director
Mr. D. B. Engineer	Director
Mr. G. M. Dave	Director
Mr. P. V. Mehta	Director
Mr. K. K. Barjatya	Director

COMPANY SECRETARY

Mr. Bhaskar J. Patel

AUDITORS

S. C. Bandi & Co.

Chartered Accountants, Mumbai

BANKERS

Canara Bank

Indian Bank

Dena Bank

Union Bank of India

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.

E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tel. : 2847 0652 / 4043 0200
Fax : 022-2847 5207

32ND ANNUAL GENERAL MEETING

Day, Date & Time	:	Wednesday, 11 th September, 2013, 10.00 A.M.
Venue	:	Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106

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

PCS TECHNOLOGY LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 32nd ANNUAL GENERAL MEETING of PCS Technology Limited will be held in Meeting Hall of Hotel Aaradhana Garden situated at Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 11th September, 2013, at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Patni who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narendra Kumar Patni who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. B. Engineer who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. RE-APPOINTMENT OF MR. H. C. TANDON, AS MANAGING DIRECTOR & CEO OF THE COMPANY:

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 311 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended upto date, the Company hereby approves the re-appointment of Mr. H. C. Tandon as Managing Director & CEO of the Company for a period of three years with effect from 25th November, 2013 upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting and as further set out in the draft Agreement submitted to this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the said terms and conditions of the said appointment and /or agreement in such manner as may be agreed to between the Board of Directors and Mr. Tandon."

Registered Office:

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

Mumbai, 25th May, 2013

By Order of the Board
For PCS Technology Ltd.

Bhaskar J Patel
Company Secretary

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF OR HERSELF. A 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.
- 2) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 4th day of September, 2013 to Wednesday, 11th day of September, 2013, both days inclusive.
- 3) Members are requested to:
 - (a) intimate to the Company / their Depository Participant ("DP"), changes, if any, in their registered address at an early date and also their email ID.
 - (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.

THIRTY SECOND ANNUAL REPORT 2012-2013



4) Information pursuant to Clause 49 of the Listing Agreement for Appointment / Re-appointment of Directors:

<i>Name of the Director</i>	<i>Date of Birth</i>	<i>Date of Appointment</i>	<i>Directorships in other companies incorporated in India</i>	<i>Chairman/Member of Other Committees of Companies</i>
Mr. A.K. Patni	01.08.1951	22.01.1981	PCS Finance Private Limited PCS Cullinet Private Limited Ashoka Computer Systems Pvt. Ltd PCS Positioning Systems (India) Limited Saulse Energija Limited RPG Farms Limited Patni Healthcare Limited Gemstone Real Estate Private Limited Kalpavruksh Systems Limited PCS Infotech Limited	None
Mr. Narendra Kumar Patni	09.03.1942	29.09.1995	Isolution, INC. Patni Technologies Pvt. Ltd	None
Mr. Dadi B. Engineer	02.05.1933	29.09.1995	Atlas Copco Limited	- Member & Chairman of Shareholders/Investors Grievance Committee -Member of Audit Committee -Member of Remuneration Committee
			Forvol International Services Ltd	
			Fiora Services Limited	
			Foods & Inns Limited	-Member & Chairman of Audit Committee
			Forbes & Company Limited	- Member of Audit Committee
			Welspun India Limited	Member of Audit Committee -Member of Remuneration Committee
			Zauri Industries Limited	-Member & Chairman of Audit Committee -Member of Shareholders/Investors Grievance Committee and Share Transfer Committee
			Nilkamal Limited	-Member of Audit Committee
			Protos Engineering Co. Pvt. Ltd	
			S.P.Sanghi Airconditioning Pvt. Ltd	
			Zoroastrian Investment Corporation Pvt. Ltd	

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Mumbai, 25th May, 2013

By Order of the Board
For PCS Technology Ltd.

Bhaskar J Patel
Company Secretary

PCS TECHNOLOGY LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT WITH RESPECT TO SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The members of the Company at the 29th Annual General Meeting held on 8th September, 2010 had approved the appointment of Mr H. C. Tandon as Managing Director of the Company for a period of 3 years with effect from 25th November, 2010 on remuneration as specified in the AGM notice dated July 31, 2010.

His present term of appointment as a Managing Director & CEO of the Company will expire on November 24, 2013.

The Board of Directors at their meeting held on May 25, 2013 re-appointed Mr. H. C. Tandon as a Managing Director & CEO of the company for a further period of three years w.e.f. 25th November, 2013 up to 24th November 2016. Based on the recommendation of the Remuneration Committee of the Board of Directors, at its said meeting held on May 25, 2013 also approved the remuneration and other terms and conditions of appointment of Mr. H C Tandon as Managing Director of the Company. The said appointment as well as the terms thereof are subject to the approval of the members of the company. The draft of the agreement to be entered into between the company and Mr. H C Tandon was also approved by the Board of Directors at its meeting held on May 25, 2013.

The said draft Agreement, inter-alia, contain the following terms and conditions:

- (a) Rs.1,40,000/- per month (Rupees One lakh forty thousand only) per month with such increments as may be decided by the Board subject to a ceiling of Rs.3,00,000/- per month.
- (b) Perquisites : In addition to the salary, the Managing Director shall be entitled to the following perquisites:

The perquisites are classified into three categories as under:

CATEGORY 'A'

- i) **Housing I** : The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director will be subject to 30% (Thirty percent) of the salary.
- ii) **Housing II** : In the case the accommodation is owned by the Company, ten per cent of the salary of the Managing Director shall be deducted by the Company.
- iii) **Housing III** : In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in Housing I.
- iv) **Leave Travel Concession** : For the Managing Director and his family, once in a year incurred in accordance with the rules specified by the Company.
- v) **Medical/Hospitalization expenses** for self & family subject to ceiling of one month's salary in a year or three months salary over a period of three years
- vi) **Personal Accident Insurance premium** as per the rules of the Company.

CATEGORY 'B'

- i) **Provident Fund** : Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
Contribution to provident fund will not be included in the computation of perquisites.
- ii) **Gratuity** : As per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- iii) **Encashment of Leave** : Encashment of Leave at the end of the tenure of the appointment will not be included in the computation of perquisites.

CATEGORY 'C'

- i. **Car** : Provision of car for use on Company's business is not to be considered as perquisites. Use of car for private purpose shall be billed by the Company to the Managing Director.

- ii. Telephone : Telephone at the residence of Managing Director including Mobile Phone provided to him shall not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.
1. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of salary and perquisites as minimum remuneration to the Managing Director.
 2. The Managing Director shall be entitled to annual privilege leave on full salary for a period of twenty one days and such leave shall be allowed to be accumulated for not more than 63 days
 3. The Managing Director shall be entitled to reimbursement of entertainment expenses incurred by him for the purpose of the business of the Company.
 4. The Managing Director shall exercise and perform such powers and duties as the Board shall from time to time, determine, and subject to any directions and restrictions from time to time, given and imposed by the board and further subject to the superintendence control and direction of the Board.
 5. The Managing Director shall ensure complete secrecy of all confidential information entrusted to him and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Company or its business other than information which is already public.

The Terms and Conditions of the said re-appointment and / or agreement may be altered and varied from time to time by the board of directors as it may, in its discretion deemed fit subject to the provisions of the Companies Act, 1956 (including any statutory modifications(s) or re-enactment thereof).

The Agreement may be terminated earlier by either party giving 3 months notice in writing to the other party, or the company paying 3 months basic salary in lieu thereof.

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

This may be treated as abstract of the draft Agreement to be entered into between the Company and Mr. H. C. Tandon pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolutions for your approval.

Except Mr H. C. Tandon, Managing Director, none of the other Directors of the Company may be considered to be interested or concerned in appointment and increase in this remuneration.

I. General Information as required under Schedule XIII to the Companies Act, 1956

1) Nature of industry : Hardware & software

2) Date or expected date of commencement of commercial production :

The Company is already in the business of Information Technology & Facility Management Services.

3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Not Applicable

4) Financial performance based on given indicators :

For the financial year ended 31st March, 2013, the Company has earned a total income of Rs. 9753 Lacs as against Rs. 13346 lacs for the previous financial year.

For the financial year ended 31st March, 2013, the Company has made a net profit of Rs. 354 lacs as against Rs. 144 lacs in the previous financial year.

5) Export performance and net foreign exchange collaborations

Export during the financial year was Rs. 95.72 lacs compared to exports of Rs. 30.27 lacs during the previous financial year.

The Company has earned foreign exchange worth Rs. 95.72 lacs and spent foreign exchange worth Rs. 66.89 lacs during the current financial year.

PCS TECHNOLOGY LIMITED

6) Foreign investments or collaborators, if any.

The Company has two overseas subsidiaries companies as under :

Name of the subsidiaries	Investment Amount
<i>PCS International Ltd., Mauritius</i>	<i>- 111,000 Equity shares of USD 10 each fully paid up aggregating to US\$1,110,000</i>
<i>PCS Technology USA, Inc</i>	<i>- 2,500 Equity shares of USD 2 each fully paid up aggregating to US\$ 5,000.</i>

II. Information about the appointee

1) Background details

Mr. H. C. Tandon has done his Engineering from Birla Institute of Technology, Pillani. He possesses very long experience in the field of Electronics and is associated with the Company since its inception and look after marketing of Computer Division. He was first inducted on the Board of PCS Data Products Limited as an Executive Director with effect from November 25, 1992 presently known as PCS Technology Limited.

2) Past remuneration

His remuneration has already been approved by the shareholders of the Company as mentioned in the explanatory statement in the accompanying note.

3) Recognition or awards

Mr. H.C. tandon has been consistently ranked amongst the high potential employees throughout his career. Mr. H.C. Tandon has held several senior management position in the Company.

4) Job profile and his suitability

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

He heads the Marketing Division of the Company and done exceptionally well to grow the Company at the present stature.

Mr. H. C. Tandon's contribution to the Company has been immense.

5) Remuneration proposed

As per the explanatory statement provided to agenda No.6 of the accompanying notice.

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

The remuneration recommended to the Managing Director is in line with the industry standard of similar size companies.

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

None.

III. Other information

1) Reasons of loss or inadequate profits :

The Desktop Market continued to face cutthroat competition from branded Indian and MNC Products, the margin of the Company was under pressure and it was unable to deploy its resources for other productive business, therefore the Company has discontinued its computer manufacturing assembly line of activities and started focusing more on IT and Facility Management Services. The Company is currently in the phase of consolidating its presence in the IT, IT infrastructure and Facility Management Services. These lines of activities would bring growth and improved profit margins of the Company.

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

As above

3) *Expected increase in productivity and profits in measurable terms*

It is expected that from the financial year ending 31st March, 2014 and onwards, the Company's top line would increase marginally and the net profit shall improve handsomely.

IV. *Disclosures*

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

Given under explanatory statement in the accompanying notice.

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

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

Disclosed in the Corporate Governance Report and accompanying notice.

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

Relevant information furnished in the Corporate Governance Report.

iii) Service contracts, notice period, severance fees;

The remuneration and appointment is for a period of three years w. e. f. 25th November,, 2013 to 24th November, 2016. The appointment is contractual and can be terminated by either party by giving 3 (three) months notice in advance.

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

- The ESOP Plan2004 of the Company has not been implemented so far.

Registered Office:

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Dist Pune 412 106

Mumbai, 25th May, 2013

*By Order of the Board
For PCS Technology Ltd.*

*Bhaskar J Patel
Company Secretary*

PCS TECHNOLOGY LIMITED

DIRECTORS' REPORT

The Members,

PCS TECHNOLOGY LIMITED

The Directors of your Company are pleased to present the 32nd Annual Report with the statement of audited financial accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

(Rs. In lacs)

Particulars	Financial Year ended 31.03.2013	Financial Year ended 31.03.2012
Net sales and services	9817	13619
Gross Profit	565	622
Depreciation	73	391
Profit for the year from Operations	491	231
Provision for Taxation (Net)	138	73
Profit for the year	354	158
Less: Extraordinary items	-	13
Net Surplus available for Appropriation	354	144
Balance of Profit/(Loss) available in Balance Sheet	598	244

OPERATIONS

In the year under review the Company continued to witness the challenges in the price competition.

During the year under review, your Company has achieved Gross Sales of Rs.9,817 lacs as against Rs.13,619 lacs in the previous year.

As planned in the interest of the Company, the Company has started focusing more on expanding IT & Facility Management Services which is now a major key driver over IT Hardware business operations, for improvement of margins & profitability.

In view of the above restructuring of the business operations, the sales turnover of the Company of the current year will not be comparable with previous year's sales turnover.

SHARE CAPITAL

Pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 21st December 2012 the Company has Re-classified it's Authorised Share Capital comprising 2,10,25,000 Equity shares of Rs.10 each and 39,75,000 Redeemable, Non convertible and Non-Cumulative Preference Shares of Rs.10 each, aggregating Rs.25,00,00,000. At the said AGM, the members had also passed a resolution for issue on private placement basis of 39,75,000; 9% Redeemable, Non convertible and Non-Cumulative Preference Shares of Rs.10 each for cash at a Premium not exceeding Rs.125 per share, together with premium aggregating not exceeding Rs.53,66,25,000 to the Promoters and Promoter companies of the Company.

Accordingly, during the year under review the Company has allotted 39,75,000; 9% Redeemable, Non convertible and Non-Cumulative Preference Shares of Rs.10 each for cash at a Premium of Rs.125 per share (Preference shares) to the Promoters and Promoter companies of the Company. The premium amounting to Rs.49,68,75,000 collected on the issue of said preference shares has been credited to Securities Premium Account.

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 2013.

DIRECTORS

As per Article 135 of the Articles of Association of the Company, Mr. A. K. Patni, Mr. N. K. Patni and Mr. D. B. Engineer, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

A brief note on Directors retiring by rotation and being eligible for re-appointment is furnished in the notice convening the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, 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, 2013 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, 1956 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.

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 Clause 49 of the amended Listing Agreement.

DEPOSITS

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

SUBSIDIARY COMPANY

During the year under review, the Company has incorporated PCS Infotech Limited as its wholly owned subsidiary with a drive for creating a new image in the field of Information Technology and enabled services.

As required under Section 212 of the Companies Act, 1956 the Audited Balance sheet and Profit & Loss Account and the respective reports of the Board of Directors' and Auditors' for the financial year ended 31st March 2013 of PCS International Limited, Mauritius, PCS Technology Inc., USA, PCS Positioning Systems (India) Limited and PCS Infotech Limited are annexed.

CONSOLIDATED FINANCIAL STATEMENT

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

AUDITORS

The Company's auditors, M/s. S. C. Bandi & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment for the ensuing year.

PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

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

The Information required under the above heads in accordance with the provision of section 217(1) (e) of the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in Annexure 'A' to this report.

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, 25th May, 2013

PCS TECHNOLOGY LIMITED

ANNEXURE "A" TO THE DIRECTORS REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988.

(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 Rs.95.72 lacs and has spent foreign exchange worth Rs.66.89 lacs under the following heads.

Particulars:	(₹ In Lacs)
(i) Stores & Spares	26.59
(ii) Capital Goods	-
(iii) Other Expenses	40.30
	<u>66.89</u>

On behalf of the Board of Directors

G.K. Patni
Chairman

Mumbai, 25th May, 2013

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Scenario & Review

The domestic IT sector comprises of Computer hardware – manufacturing and selling, IT services- software development, implementation, IT infrastructure and facility management services. The Company is mainly engaged in the activities of IT infrastructure facility management services. The financial year 2012-13 witnessed challenges. The pricing competition continued with MNC and major players putting pressure on margins.

Performance & Review

IT Services

After careful evaluation and to utilize available resources and expertises to optimal level, the company decided to focus more on IT infrastructure & facility management services and discontinued the manufacturing of computer hardware.

The Company has achieved the Gross Turnover of Rs. 9,832.27 lakhs and net profit of Rs.353.82 lakhs as against previous year's Gross Turnover of Rs. 13,648.96 lakhs and the net profit of Rs.157.75 lakhs. Post this scenario the turnover the current year is not comparable with the sale turnover of previous year.

Operations

In view of restructuring of business, the management has discontinued IT hardware manufacturing activities and diverted its focus more on IT & Facility Management Services, where margin are better.

Other products such as Laboratory and Hospital Management solutions have performed in promoting sales and the Company has established overseas market in Africa, Nigeria and UAE.

Opportunities, Threats & Risks

The Company has been operating in extremely competitive domestic market for Facility Management Service business, which adversely impact the operational margins. The growth prospects of the Facility Management Services have remained subdued as the Company is facing pricing competition.

Future Outlook

The Company is one of the leading managed services provider for IT infrastructures. With the growth in IT Infrastructure and Company's PAN India presence coupled with strong existing client relationship, the Company is well placed and able to meet potential business opportunities. The Company will continue to develop and improve service offerings in IT infrastructure and Facility Management to clients. However, we may face competition from IT and ITES companies operating on large volume services.

The company will continue to give its focus on other products i.e. Laboratory and Hospital Management solutions.

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

Overseas Subsidiaries

PCS International Limited, Mauritius

The Laboratory and Hospital Management Solutions have started looking for new opportunities from medical sector in Middle East, West Asia and African markets.

PCS Technology USA, Inc.

The US subsidiary Company did not avail business during the year due to almost stagnant economic situation.

Indian Subsidiary

PCS Positioning Systems (India) Limited

The plans are under way to revive the business in near future.

PCS Infotech Limited

This is newly setup entity by the Company, the business operations will commence shortly.

Internal Control and Adequacy

The Company has a 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 safeguarded, 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, country's economic development, availability of input and their prices and other incidental factors.

PCS TECHNOLOGY LIMITED

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement 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 Directors (Board)

The Board of Directors has an optimum mix of Executive and Non-Executive Independent Directors. The present strength of Board is 10 (Ten) members comprising one Managing Director. There are Five Non-Executive Independent Directors on the Board, which is in conformity with the amended Clause 49(1)(A) of the Listing Agreement.

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 to 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 2013

6 (Six) Board meeting were held during the financial year ended on 31st March, 2013 on the following dates:

10.05.2012, 03.08.2012, 18.10.2012, 10.11.2012, 25.01.2013, 13.02.2013

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

Name Name of the Director	Category	No. of board meetings attended	Attendance at last AGM held on 21.12.2012	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	6	No	575995
Mr. N. K. Patni	Promoter– Non-Executive & Non - Independent	None	No	94079
Mr. Apoorva Patni	Non – Executive & Non - Independent	None	No	500745
Mr. D. B. Engineer	Non – Executive & Independent	6	No	Nil
Mr. Satish Ajmera	Non – Executive & Independent	4	No	Nil
Mr. P. V. Mehta	Non – Executive & Independent	4	No	Nil
Mr. G. M. Dave	Non – Executive & Independent	5	No	100
Mr. K. K. Barjatya	Non – Executive & Independent	6	No	316
Mr. H. C. Tandon Managing Director & CEO	Executive	6	YES	432

* The above shareholding as at 31st March, 2013 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

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REPORT ON CORPORATE GOVERNANCE (contd.)

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

Name of Director	No. of other public limited Companies in which he is Director *	No. of Board Committees in which he is **	
		Member	Chairman
Mr. G. K. Patni	1	-	-
Mr. A. K. Patni	6	1	-
Mr. D. B. Engineer	8	5	3
Mr. Satish Ajmera	2	2	1
Mr. P. V. Mehta	8	9	-
Mr. G. M. Dave	6	7	1
Mr. K. K. Barjatya	-	-	-
Mr. N. K. Patni	-	-	-
Mr. H. C. Tandon	1	-	-
Mr. Apoorva Patni	5	1	-

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

** Board Committees include Chairmanship/Membership of Audit Committees and Shareholder Grievance Committees of public limited companies whether listed or not.

CODE OF CONDUCT

The Board has laid down a code of conduct for Board members and senior management staff of the Company. The said code of conduct is posted on Company's website. The Board members and senior management staff have affirmed compliance with the said code of conduct.

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Satish Ajmera as Chairman and Mr. G.M. Dave, Mr. K.K.Barjatya and Mr. D.B.Engineer being Independent Directors, is in compliance with the revised clause 49 of the listing agreement.

Audit Committee meetings are attended by General Manager - Finance and Accounts & CFO and Representative of Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

TERMS OF REFERENCE

The Terms of Reference of this Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

MEETINGS AND ATTENDANCE DURING THE FINANCIAL YEAR ENDED 31st MARCH, 2013

During the financial period/year Five Audit Committee Meetings were held on 10.05.2012, 03.08.2012, 18.10.2012, 10.11.2012, 13.02.2013 respectively. The attendance of the Members at these Meetings during the Financial Year 2012-13 is as follows:

Name of Director	Status	No. of Meetings attended
Mr. Satish Ajmera	Non-executive/ Independent Director	4
Mr. K. K. Barjatya	Non-executive/ Independent Director	5
Mr. G. M. Dave	Non-executive Independent Director	4
Mr. D. B. Engineer	Non-executive Independent Director	5

4. REMUNERATION / COMPENSATION COMMITTEE

The Compensation and Remuneration Committee was set up on 28th July, 2007, by merging the Compensation Committee with Remuneration Committee. The main function of the Committee is

- To determine/review the Company's policy on specific remuneration packages for Executive/Managing Director/ Whole-time Directors of the Company and also;
- To review the overall compensation structure and policies of the Company to attract, motivate and retain employees as well as to consider grant of stock options to permanent employees of the Company, its Directors (including Whole-time Directors) of the Company.

It will also administer ESOP Plan 2004. The Re-constituted Compensation and Remuneration committee comprising of three Independent Directors namely Mr. G. M. Dave, Mr. P. V. Mehta and Mr. K. K. Barjatya.

The members in AGM held on 30th September, 2004 have approved ESOP Plan 2004 and has obtained in-principle approval from Bombay Stock Exchange and Pune Stock Exchange. The said ESOP Plan 2004 has not been implemented so far.

The Company has one Managing Director on the Board. His appointment and remuneration has been fixed by the Board in terms of resolution passed by the Members in the Annual General Meeting.

- Details of remuneration paid to Managing Director for the financial year ended March 31, 2013 are as under:

(Amount in ₹)

Name of Director	Status	Salary	Perquisites/ Allowances	PF Contribution	Total Remuneration Paid)
Mr. H. C. Tandon	Managing Director & CEO	24,04,896/-	1,42,380/-	2,01,600/-	27,48,876/-

PCS TECHNOLOGY LIMITED

REPORT ON CORPORATE GOVERNANCE (contd.)

- **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 31st March, 2013 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Satish Ajmera	80,000/-	Nil
Mr. G. M. Dave	90,000/-	Nil
Mr. P. V. Mehta	40,000/-	Nil
Mr. K. K. Barjatya	1,10,000/-	Nil
Mr. D. B. Engineer	1,10,000/-	Nil

5. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists 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 name of the members of the Committee are as under:

Mr. G. K. Patni
Mr. A. K. Patni
Mr. D. B. Engineer
Mr. Satish Ajmera

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

This Committee monitors share transfers, transmissions and other shareholders related activities including redressal of investor grievances.

During the year 18 investor complaints/queries were received. There were **NIL** complaints/queries pending as on March 31, 2013. There were no share transfers pending for more than **30 days** as on the said date.

6. 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
31-3-2010	08.09.2010 at 10.00 a.m.	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 106.	Yes For the appointment of Mr. H.C.tandon as MD & CEO of the Company w.e.f 25/11/2010
31-03-2011	07.09.2011 at 10.00 a.m.	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 106	None

31-03-2012	21.12.2012 at 10.00 a.m.	Meeting hall of Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106	Yes 1. For Alteration of articles of Association 2. For Issue of 9% Redeemable, Non-convertible, Non-cumulative Preference shares of Rs. 10 each for cash at premium not exceeding Rs. 125/- per share, together with premium aggregating not exceeding Rs. 53.66 crore
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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 Court convened Meeting held during the financial year 2012-13.

Meeting of	Date & time of Meeting	Place of Meeting	Resolutions Passed
Equity Shareholders	06.06.2012 at 11.30 AM	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 106.	For approval of scheme of arrangement between the Company and its Shareholders and Creditors.
Secured Creditors	06.06.2012 at 02.00 PM	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 10	For approval of scheme of arrangement between the Company and its Shareholders and Creditors.
Unsecured and Sundry Creditors	06.06.2012 at 03.30 PM	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 106.	For approval of scheme of arrangement between the Company and its Shareholders and Creditors.

7. 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,

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REPORT ON CORPORATE GOVERNANCE (contd.)

Stock Exchanges or any other statutory authorities or any matter related to capital market during the last 3 financial years.

None.

- iii) The Company has complied with all the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The Company is yet to adopt the non-mandatory requirements of the Clause 49 of the Listing Agreement pertaining to Corporate Governance.
- iv) The CEO/CFO certification form part of this Annual Report.

8. 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.
- Information about the Company would be available on its website.

9. GENERAL SHAREHOLDER INFORMATION

Date, time & venue of the Annual General Meeting	Wednesday, September 11 th , 2013 at 10.00 a.m. at Hotel Aaradhana Garden, Gat No. 123, Alandi, Dist. Pune 412 106.
Financial Calendar 2013 – 14	
i Financial Year	: April to March
ii First Quarterly Results	: On or before 14 th August 2013
iii Half Yearly Results	: On or before 14 th November 2013
iv Third Quarter Results	: On or before 14 th February 2014
v Audited results	: On or before 30 th May, 2014
Date of Book Closure	: 04.09.2013 to 11.09.2013 (both days inclusive)
Dividend Payment Date	: Not Applicable
Listing at Stock Exchanges (Stock Code)	a) Pune Stock Exchange Limited (11179) b) The Bombay Stock Exchange Limited, Mumbai (517119)
ISIN Number for NSDL & CDSL INE 834B01012	

Annual Listing Fees have been paid to Bombay stock Exchange and Pune Stock Exchange for the year 2013-2014.

Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2012-13 furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs)	
2012	April	20.35	14.90	
	May	20.65	13.60	
	June	24.25	16.10	
	July	23.00	18.20	
	August	21.95	17.55	
	September	21.75	17.10	
	October	20.25	17.60	
	November	19.00	16.25	
	December	20.45	17.40	
	2013	January	21.00	16.80
		February	18.50	14.50
		March	16.80	12.70

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, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tel: 2847 0652 / 0653, 2857 3034, 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, 2013 is as follows :

No. of equity shares held	No. of Shareholder	%	No. of shares	%
Upto 500	500	97.35	2504780	11.96
501 to 1000	430	01.34	346527	01.65
1001 to 2000	185	00.58	292217	01.39
2001 to 3000	52	00.16	134327	00.64
3001 to 4000	37	00.12	131313	00.63
4001 to 5000	40	00.12	187871	00.90
5001 to 10000	48	00.15	343249	01.64
10001 & above	61	00.19	17010393	81.19
Grand Total	32142	100.00	20950677	100.00
No. of shareholders in Physical Mode	-	-	1624316	07.75
No. of shareholders in Electronic Mode	-	-	19326361	92.25

PCS TECHNOLOGY LIMITED

Shareholding pattern as on March 31, 2013 is as follows :

Category	No. of shareholders	No. of shares	% holding
Indian Promoters	34	14700295	70.17
Banks, FIs and Insurance Companies	12	214378	01.02
UTI and Mutual Funds	7	131583	00.62
FIs, NRIs and OCB	45	133664	00.63
Domestic Companies	212	212099	1.01
Resident Individuals	31828	5557189	26.53
Clearing Member	3	1450	00.02
Trusts	1	19	00
Total	32142	20950677	100.00

Dematerialisation of shares and liquidity : As on 31st March, 2013, 92.25% of the paid-up share capital was held in dematerialised 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

E- 2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072.

Tel.: 2847 0652 / 0653, 2857 3034 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.

To,
The Members of
PCS Technology Limited

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement entered with the stock exchanges, 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, 2013.

For PCS Technology Limited

H. C. Tandon
Managing Director & CEO

Place : Mumbai

Date : 25th May, 2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PCS TECHNOLOGY LIMITED

I have examined the Compliance of conditions of Corporate Governance by PCS Technology Limited for the financial Year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

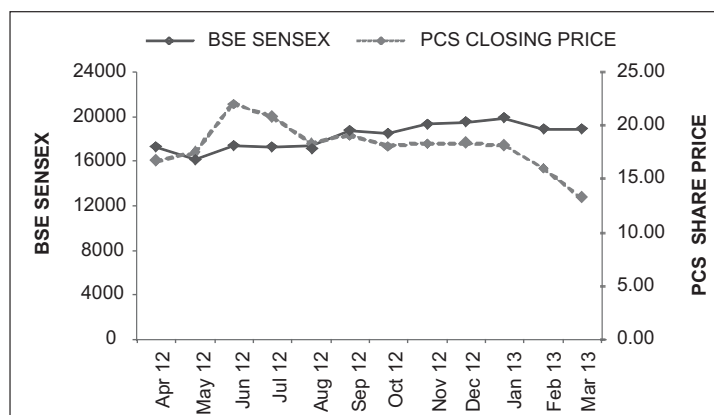
I further state that, such compliance is neither an assurance as to future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. C. BANDI & COMPANY
Chartered Accountants

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

Mumbai
25th May, 2013

ANNEXURE – A



PCS TECHNOLOGY LIMITED

Certification by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on the Financial Statements of the Company

We H. C. Tandon, Managing Director & CEO and M. P. Jain, Chief Financial Officer, of PCS Technology Limited, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2013 and that to the best of our knowledge and belief;
 - i. these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transaction is entered into by the company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee :
 - i. significant changes in internal control during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For PCS Technology Limited

H. C. Tandon
Managing Director & CEO

M. P. Jain
CFO

Place : Mumbai
Date: 25th May 2013

INDEPENDENT AUDITORS' REPORT

To the Members of PCS TECHNOLOGY LIMITED

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Technology Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Mumbai
Date: 25th May 2013

PCS TECHNOLOGY LIMITED

ANNEXURE 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 discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, do not constitute a substantial part of the fixed assets 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 procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable to the Company.
- (b) The Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.70.98 lakhs and the balance at the end of the year is Rs.9.98 lakhs.
- (c) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, not prima facie, prejudicial to the interest of the Company.
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of my audit, no major weakness has been noticed in internal control system.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price.
- (vi) The Company has not accepted any deposits from the public and hence, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In my opinion and according to the information and explanations given to me, there is an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) On the basis of the records, I am of the opinion that prima-facie the cost records and accounts prescribed by the Central Government under Section 209(1)(d) of the Companies Act 1956 have been made and maintained in respect of the Company's product to which the said rule are made applicable. However, I have not carried out any detailed examination of such accounts and records.
- (ix) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2013 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, wealth tax, service tax, custom duty, excise duty and cess, as at 31st March 2013 is as follows:
- 1 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.4,69,24,929 on import of software under category of Intellectual Property Rights for the period Dec 2004 – Mar 2009.

- The Company has obtained filed its reply denying the demand as the Service Tax on this kind of service was not applicable.
- 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 September 2006 - March 2010.
- The Company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.
- 3 The Company has received a demand of Rs.5,04,995 from the Commissioner Of Central Excise (Appeal), Vapi on the ground of irregular availment of Central Excise during the period April 2004 - March 2005.
- The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.
- 4 The Company has received a demand of Rs.44,28,762 from the Commissioner Of Central Excise(Appeal), Vapi on the ground of irregular availment of Central Excise during April 2004 - March 2005.
- The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.
- 5 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 April 2006 - March 2007.
- The Company is in process of filing suitable reply against the Show Cause Notice and the management expects favorable order on merits. The proceedings are pending before Commissioner of Customs, Mumbai.
- 6 The Company has received a demand of Rs.20,20,103 from Commissioner of Customs, Pune demanding differential Custom Duty on import of raw material used in manufacturing of copper clad laminates for the period from 1997 - 2002.
- The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Mumbai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Mumbai.
- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by my audit or in the immediately preceding financial year.
- (xi) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities and hence the clause (xii) of paragraph 4 of the said Order relating to maintenance of documents and records are not applicable.
- (xiii) In my opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of sub-clauses (a) to (d) of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.
- (xiv) In my opinion, the Company is not dealing in shares, securities and debentures and hence, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has raised new term loan during the year and the said term loan was applied for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has made preferential allotment of preference shares to promoters' and promoter group companies covered in the register maintained under section 301 of the Act and in my opinion; the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company has not issued any Debentures during the financial year covered by my audit.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

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

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

Place: Mumbai
Date: 25th May 2013

PCS TECHNOLOGY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Particulars		Note No.	As at 31 st March 2013	As at 31 st March 2012
I. EQUITY AND LIABILITIES				
1 Shareholders' Fund				
	Share capital	3	249,256,770	210,240,188
	Reserves and surplus	4	723,324,079	217,076,460
2 Non-Current Liabilities				
	Long term borrowings	5	107,706,092	627,022,741
	Deferred tax liability (Net)	6	32,934,000	29,956,000
	Long term provisions	7	3,670,583	5,749,761
3 Current Liabilities				
	Short term borrowings	8	143,887,752	215,775,693
	Trade payables	9	128,347,055	205,182,112
	Other current liabilities	10	60,032,398	136,840,053
	Short term provisions	11	1,103,390	1,115,729
	TOTAL		1,450,262,119	1,648,958,737
II. ASSETS				
1 Non-Current Assets				
	Fixed assets			
	(a) Tangible assets	12	267,498,931	372,275,432
	(b) Intangible assets	12	1,379,569	-
	(c) Capital work-in-progress		-	2,188,410
	(d) Intangible assets under development		5,872,303	5,452,302
	Non-current investments	13	65,734,730	65,734,730
	Long term loans and advances	14	103,758,119	134,992,539
	Other non-current assets	15	3,384,152	8,585,078
2 Current assets				
	Inventories	16	82,125,502	87,454,892
	Trade receivables	17	758,832,984	734,046,404
	Cash and bank balances	18	31,279,842	89,741,915
	Short term loans and advances	19	61,611,789	64,679,843
	Other current assets	20	68,784,198	83,807,192
	TOTAL		1,450,262,119	1,648,958,737

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

THIRTY SECOND ANNUAL REPORT 2012-2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013



(Amount in ₹)

Particulars		Note No.	Year Ended 31 st March 2013	Year Ended 31 st March 2012
I.	Income:			
	Revenue from operations (Gross)	21	975,392,387	1,334,632,348
	Less: Excise Duty		-	2,207,324
	Revenue from operations (Net)		975,392,387	1,332,425,024
II.	Other Income	22	7,834,918	32,471,414
III.	Total Revenue (I + II)		983,227,305	1,364,896,438
IV.	Expenses:			
	Cost of material consumed	23	-	9,931,853
	Purchases of stock-in-trade		132,228,809	327,149,001
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	2,436,082	17,754,511
	Employee benefits expense	25	567,841,597	633,466,670
	Other expenses	26	178,373,141	243,438,679
	Total expenses		880,879,629	1,231,740,714
V.	Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)		102,347,676	133,155,724
	Less: Finance costs	27	45,881,354	70,974,072
	Less: Depreciation and amortization expense	28	7,332,288	39,101,028
VI.	Profit before extraordinary items and tax		49,134,034	23,080,624
	Less: Extra-ordinary items (net of taxes)	29	-	(1,333,974)
VII.	Profit before tax		49,134,034	21,746,650
VIII.	Tax expense			
	Current tax		21,600,000	-
	Deferred tax		(5,992,000)	7,306,000
	Taxation pertaining to earlier years		(1,856,212)	-
	Total tax expense		13,751,788	7,306,000
	Profit for the year (VII-VIII)		35,382,246	14,440,650
	Basic and Diluted earnings per equity shares of Rs.10 each			
	1) Before extra ordinary items		1.69	0.75
	2) After extra ordinary items		1.69	0.69

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

PCS TECHNOLOGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in ₹)

Particulars	Year Ended 31 st March 2013	Year Ended 31 st March 2012
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	49,134,034	23,080,624
Adjustments for:		
Depreciation	7,332,288	39,101,028
(Profit)/ Loss from sale of fixed assets	425,997	(23,765,893)
Interest received	(4,734,255)	(2,081,009)
Dividend received	(115,820)	(33,680)
Finance cost	45,881,354	70,974,072
Operating profit before working capital changes	97,923,598	107,275,142
Decrease/ (increase) in trade and others receivables	4,208,936	109,336,643
Decrease/ (increase) in inventories	5,329,390	19,582,560
(Decrease)/ increase in trade and other payables	(155,734,229)	(319,230,585)
Cash generated from operations	(48,272,305)	(83,036,240)
Income tax paid (net of refunds)	(11,276,395)	(65,080,823)
Net cash flow from/ (used in) operating activities	(59,548,700)	(148,117,063)
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(8,510,066)	(36,588,758)
Purchase of non-current investments	-	(10,000)
Proceeds from sale of fixed assets	99,544,075	336,249,623
Interest received	5,196,816	2,195,010
Movement in Margin money deposits with original maturity of more than 12 months	5,200,926	6,983,988
Dividend received	115,820	33,680
Net cash from/ (used in) investing activities	101,547,571	308,863,543
C. Cash from financing activities		
Repayment of long-term borrowings (net)	(519,316,649)	(64,080,595)
Repayment of short-term borrowings (net)	(71,887,941)	(29,587,553)
Issue of shares at premium	536,625,000	-
Finance cost	(45,881,354)	(70,974,072)
Net cash from/ (used in) financing activities	(100,460,944)	(164,642,220)
Net increase/ (decrease) in cash and cash equivalents	(58,462,073)	(3,895,740)
Cash and cash equivalents at beginning of the year	89,741,915	93,637,655
Cash and cash equivalents at end of the year	31,279,842	89,741,915

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

THIRTY SECOND ANNUAL REPORT 2012-2013



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

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, 1956.

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) 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 Rajkot by Rs.819,300 and in Kolkata by Rs.12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.13,113,800 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Rajkot by Rs.1,810,939 and in Kolkata by Rs.7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.9,798,105 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. The difference between depreciation provided on revalued amount and on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

(ii) Assets carried at historical cost

At the rates and in the manner as specified in Schedule XIV of the Companies Act, 1956. 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 or 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 done in terms of the contract. Income from maintenance contracts is recognized on a time proportionate basis.

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(F) Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined using weighted average method. Finished goods and stock in work-in-progress includes proportionate overheads. Finished goods are valued inclusive of duty payable thereon.

(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 comprise current tax and deferred tax charges or release. Deferred tax is recognized on timing difference subject to consideration and prudence, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

(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.

(N) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss.

THIRTY SECOND ANNUAL REPORT 2012-2013



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in ₹)

Particulars	As at	
	31 st March 2013	31 st March 2012
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity share of Rs.10 each	210,250,000	250,000,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	-
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and paid up:		
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 - Nil) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs.10 each	39,750,000	-
Add: Equity shares forfeited	-	733,418
	<u>249,256,770</u>	<u>210,240,188</u>

a) Reclassification of Authorised Share Capital:

During the current year, the Company has reclassified the Authorised Share Capital of Rs.250,000,000 into 2,10,25,000 Equity Shares of Rs.10 each and 3,975,000 Redeemable, Non Convertible and Non-Cumulative Preference Shares of Rs.10 each.

b) Terms/ Rights attached to Equity Shares:

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

c) 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. 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.

d) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2013.

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,950,677	209,506,770	-	-
Shares issued during the year	-	-	3,975,000	39,750,000
Shares brought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,950,677	209,506,770	3,975,000	39,750,000

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

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	No.of shares	% holding	No.of shares	% holding
Mrs. Rajnikanta Patni	2,386,116	11.39	2,386,116	11.39
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	1,652,122	7.89	1,652,122	7.89

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

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	No.of shares	% holding	No.of shares	% holding
Mr. Ashok Kumar Patni	1,965,000	49.43	-	-
Mr. Gajendra Kumar Patni	1,480,000	37.23	-	-

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in ₹)	
	As at 31 st March 2013	As at 31 st March 2012
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	-	7,120,050
Add: Transfer from forfeited partly paidup equity shares	733,418	-
Less: Transfer to Statement of Profit and Loss (see note 29)	-	7,120,050
Closing balance	733,418	-
Securities premium account		
Opening balance	-	196,125,611
Add: on account of issued of Pref shares during Current year issue	496,875,000	-
Less: Transfer to Statement of Profit and Loss (see note 29)	-	196,125,611
Closing balance	496,875,000	-
Revaluation reserve		
Opening balance	192,635,810	388,356,111
Add: Additional revaluation during the year (see note 2(A)(iv))	-	87,705,187
Less: Transfer to Statement of Profit and Loss		
- On account of depreciation	1,815,578	10,241,721
- On account of loss on sale of revalued assets	4,557,467	-
Less: Transfer to General Reserve on sale of revalued fixed assets (see note below)	84,847,728	273,183,767
Closing balance	101,415,037	192,635,810
General Reserve		
Opening balance	-	94,100,534
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	64,477,728	235,375,767
Less: Transfer to Statement of Profit and Loss (see note 29)	-	329,476,301
Closing balance	64,477,728	-
Surplus in Statement of Profit and Loss		
Opening balance	24,440,650	237,888,156
Less: Transfer to Statement of Profit and Loss (see note 29)	-	227,888,156
Add: Profit for the year	35,382,246	14,440,650
Closing balance	59,822,896	24,440,650
Total Reserves and Surplus	723,324,079	217,076,460

Note: Profit on revalued assets, to the extent of revalued portion has been transferred from Revaluation Reserve to General Reserve, net of current and deferred tax charge.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in ₹)	
	As at 31 st March 2013	As at 31 st March 2012
5 LONG TERM BORROWINGS		
Secured		
Term loans:		
a) From banks	1,551,487	1,015,414
b) Other than banks	6,404,605	8,707,327
	<u>7,956,092</u>	<u>9,722,741</u>
Unsecured		
Directors	98,800,000	544,800,000
Inter corporate deposits	950,000	72,500,000
	<u>99,750,000</u>	<u>617,300,000</u>
Total long term borrowings	<u><u>107,706,092</u></u>	<u><u>627,022,741</u></u>
a) Term loans taken from Banks is secured by hypothecation of vehicles. Details as regards interest and repayment are as follows:		
- The loan of Rs.1,700,000 was taken from Axis Bank Limited and carries interest @9% p.a. The loan is repayable in 36 monthly instalments of Rs.53,618 from June 2010.		
- The loan of Rs.520,000 was taken from HDFC Bank Limited and has been repaid during the current year.		
- The new vehicle loan of Rs.1,686,608 was taken from ICICI Bank Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly instalments of Rs.60,730 from January 2013.		
- The new vehicle loan of Rs.771,000 was taken from Volkswagen Finance Private Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly instalments of Rs.24,272 from January 2013.		
b) The Term Loan from HDFC Limited (original loan amount - Rs.1.20 crores) carries interest @ 12 to 15% p.a. and is secured by hypothecation of residential flats at Navi Mumbai. The loan is repayable in 60 monthly instalments of Rs.279,175 from August 2011.		
c) The loan taken from Directors and Inter Corporate Deposits are interest free and are returnable after 31st March, 2015.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	34,483,000	32,201,000
Deferred tax asset: on expenses allowed on payment basis	(1,549,000)	(2,245,000)
Deferred tax liability (Net)	<u>32,934,000</u>	<u>29,956,000</u>
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	3,670,583	5,749,761
	<u>3,670,583</u>	<u>5,749,761</u>

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in ₹)	
	As at 31st March 2013	As at 31st March 2012
8 SHORT TERM BORROWINGS		
Secured		
Term loans	77,734	24,347,744
Cash credit from banks	119,515,476	133,820,879
Working capital loan	24,294,542	57,607,070
	143,887,752	215,775,693
a) Short Term Loan from Indian Bank of Rs.24,347,744 as on 31st March 2012 secured against subservient charge on fixed assets and current assets of the Company has been repaid during the current year.		
b) The loan of Rs.1,700,000 was taken from Axis Bank Limited and carries interest @9% p.a.. The loan is repayable in 36 monthly instalments of Rs.53,618 from June 2010.		
c) 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 @ 14%-15% p.a.		
9 TRADE PAYABLES		
Trade payables	128,347,055	205,182,112
(Refer note 34 for details of dues to Micro, Small and Medium enterprises)		
	128,347,055	205,182,112
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	3,118,055	1,977,895
Trade advances	5,466,553	3,170,293
Income received in advance	36,582,721	98,883
Advance against sale of property	-	110,000,000
Statutory dues and taxes payable	14,865,069	21,332,680
Other payables	-	260,302
	60,032,398	136,840,053
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	1,103,390	1,115,729
	1,103,390	1,115,729

12 FIXED ASSETS

Particulars	(Amount in ₹)											
	Gross Block					Depreciation					Net Block	
	As at 01/04/2012	Additions	Addition on Revaluation	Deduction	As at 31/03/2013	As at 01/04/2012	Depreciation	Deduction	As at 31/03/2013	As at 31/03/2013	As at 01/04/2012	
Tangible Assets												
1 Freehold Land	63,210,000	-	-	63,210,000	-	-	-	-	-	-	63,210,000	
2 Leasehold Land	1,177,904	-	-	-	1,177,904	451,379	31,214	-	482,593	695,311	726,526	
3 Building	270,248,673	1,154,679	-	42,157,000	229,246,352	10,033,663	3,775,331	3,913,237	9,895,757	219,350,595	260,215,010	
4 Plant and Equipment	23,745,820	-	-	7,725,976	16,019,844	11,813,363	715,369	7,231,792	5,296,940	10,722,904	11,932,457	
5 Furniture and Fixture	21,558,664	177,610	-	5,441,517	16,294,757	11,136,865	968,511	5,194,603	6,910,773	9,383,984	10,421,799	
6 Vehicle	10,906,486	3,756,427	-	5,182,642	9,480,271	4,388,660	935,939	2,949,119	2,375,480	7,104,791	6,517,826	
7 Office Equipment	36,122,152	3,772,139	-	3,662,575	36,231,716	16,870,338	2,683,454	3,563,422	15,990,370	20,241,346	19,251,814	
	426,969,699	8,860,855	-	127,379,710	308,450,844	54,694,268	9,109,818	22,852,173	40,951,913	267,498,931	372,275,432	
Intangible Assets												
8 Software	-	1,417,617	-	-	1,417,617	-	38,048	-	38,048	1,379,569	-	
Total	426,969,699	10,278,472	-	127,379,710	309,868,461	54,694,268	9,147,866	22,852,173	40,989,961	268,878,500	372,275,432	
Previous Year	910,181,692	115,307,610	87,705,187	686,224,790	426,969,699	292,735,743	49,342,749	287,384,225	54,694,268	372,275,432	617,445,949	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars			(Amount in ₹)	
			As at 31 st March 2013	As at 31 st March 2012
13 NON-CURRENT INVESTMENTS				
(Non-trade, at-cost, un-quoted, unless otherwise stated)				
	Number	Face Value per unit		
a) Investments in equity instruments				
In subsidiary companies				
PCS International Limited, Mauritius	111,000	USD 10	47,088,450	47,088,450
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	50,000	INR 10	500,000	-
			<u>65,316,300</u>	<u>64,816,300</u>
In Other Companies (Quoted)				
Longview tea Limited	200	10	13,000	13,000
Chennai Petroleum Corpn	1,300	10	104,000	104,000
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
			<u>739,000</u>	<u>739,000</u>
In Other Companies (Unquoted)				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
Kalpavruksh Systems Limited	50,000	10	-	500,000
			<u>10,000</u>	<u>510,000</u>
b) Investment in Government securities				
National Savings Certificate	4	1000	4,000	4,000
c) Investment in Mutual funds (Quoted)				
Master shares of UTI	14,400	10	140,430	140,430
Total investments			<u>66,209,730</u>	<u>66,209,730</u>
Less: Provision for dimunition in value of quoted investments			475,000	475,000
Net investments			<u>65,734,730</u>	<u>65,734,730</u>
Aggregate amount of quoted Investments (Market value Rs.770,342 previous year Rs.738,855)			879,430	879,430
Aggregate amount of Unquoted Investments			65,330,300	65,330,300
Aggregate provision for dimunition in value of investments			475,000	475,000
14 LONG TERM LOANS AND ADVANCES				
Unsecured, Considered good				
Security Deposits			13,895,541	14,664,652
Income tax paid (Net of provisions)			80,084,168	99,951,559
Rent deposit - Related Parties (refer note 40)			4,306,700	4,306,700
Advances recoverable in cash or in kind			5,471,710	16,069,628
			<u>103,758,119</u>	<u>134,992,539</u>
15 OTHER NON CURRENT ASSETS				
Non Current Bank Balances (refer note no 18)			3,384,152	8,585,078
			<u>3,384,152</u>	<u>8,585,078</u>

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	(Amount in ₹)	
	As at 31 st March 2013	As at 31 st March 2012
16 INVENTORIES		
Raw materials, Stores & Spares	76,608,714	79,502,022
Stock-in-trade	5,516,788	7,952,870
	<u>82,125,502</u>	<u>87,454,892</u>
17 TRADE RECEIVABLES		
Unsecured, considered good		
Over six months	447,748,407	453,825,850
Other Debts	311,084,577	278,465,342
Finance lease receivable	-	1,755,212
	<u>758,832,984</u>	<u>734,046,404</u>
18 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	8,240,125	11,354,511
Balances with Banks		
In Current account	12,993,645	69,518,630
Deposits with original maturity of less than 3 months	4,366,147	876,620
	<u>25,599,917</u>	<u>81,749,761</u>
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	5,679,925	7,992,154
Deposits with Original maturity of more than 12 months	3,384,152	8,585,078
	<u>9,064,077</u>	<u>16,577,232</u>
Total Cash & Bank Balances	34,663,994	98,326,993
Less: Non-current portion included in Other Non current assets	3,384,152	8,585,078
	<u>31,279,842</u>	<u>89,741,915</u>
19 SHORT TERM LOANS AND ADVANCES		
Loans and advances to Employees	687,705	975,030
Deposits/ Balance with Excise/ Sales Tax Authorities	12,917,556	12,917,585
Advances to Suppliers	25,686,899	22,304,709
Earnest Money Deposit	19,138,212	17,141,977
Advances recoverable in cash or in kind (short term)	3,181,417	11,340,542
	<u>61,611,789</u>	<u>64,679,843</u>
20 OTHER CURRENT ASSETS		
Revenue Accrued	68,601,964	83,162,397
Interest Accrued	182,234	644,795
	<u>68,784,198</u>	<u>83,807,192</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in ₹)	
	As at 31 st March 2013	As at 31 st March 2012
21 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	173,747,221	425,175,363
Sales of Services		
Computers related IT services	799,379,618	908,380,832
Other operating revenue	2,265,548	1,076,153
Gross Sales	<u>975,392,387</u>	<u>1,334,632,348</u>
Less: Excise duty	-	2,207,324
Net Sales	<u>975,392,387</u>	<u>1,332,425,024</u>
22 OTHER INCOME		
Dividend from long term investments	115,820	33,680
Foreign exchange difference (Net)	878,200	3,185,841
Interest income	4,734,255	2,081,009
Profit on sale of fixed assets	-	23,765,893
Other non-operating income	2,106,643	3,404,991
	<u>7,834,918</u>	<u>32,471,414</u>
23 COST OF MATERIAL CONSUMED		
Raw materials consumed	-	9,931,853
	-	<u>9,931,853</u>
24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	5,516,788	7,952,870
	<u>5,516,788</u>	<u>7,952,870</u>
Inventory at the beginning of the year		
Work in Process - Computers	-	12,605,371
Trading - Computers peripherals & software	7,952,870	13,102,010
	<u>7,952,870</u>	<u>25,707,381</u>
(Increase)/ Decrease in Inventory	<u>2,436,082</u>	<u>17,754,511</u>
25 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	519,105,194	587,101,739
Contribution to Provident fund etc	40,730,832	39,594,351
Staff Welfare expenses	8,005,571	6,770,580
	<u>567,841,597</u>	<u>633,466,670</u>
Refer Note No.30 for disclosures as required by AS -15 "Employee Benefits"		

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(Amount in ₹)	
	As at 31 st March 2013	As at 31 st March 2012
26 OTHER EXPENSES		
Power & Fuel	6,952,478	8,291,344
Rent	6,100,695	8,132,062
Rates & Taxes	583,008	879,276
Insurance	3,143,088	4,159,956
Advertisement & sales promotion	2,238,978	1,745,500
Travelling expenses	37,364,241	52,775,553
Consumable, stores and spares	51,096,778	57,429,343
Office Maintainence	3,505,158	4,818,094
Printing & Stationery	3,349,888	5,230,010
Repairs to Building	968,877	543,662
Communication expenses	5,727,231	7,654,682
Auditor's Remuneration		
- As auditors	417,500	417,500
- For Tax Audit	50,000	50,000
- For Certificate/ Limited Review	151,686	148,905
Legal, Professional & Consultancy charges	8,768,735	10,621,386
Freight & Forwarding	6,806,769	10,074,203
Directors Sitting fees	450,000	400,000
Subcontracting charges paid	26,281,065	42,290,038
Sales & Work contract tax paid	2,425,830	14,171,959
Loss on sale of non-revalued fixed assets	425,997	-
Miscellaneous expenses	11,565,139	13,605,206
	<u>178,373,141</u>	<u>243,438,679</u>
27 FINANCE COST		
Interest Expense	43,165,599	65,110,754
Other Borrowing cost	2,715,755	5,863,318
	<u>45,881,354</u>	<u>70,974,072</u>
28 DEPRECIATION		
Depreciation and amortisation	9,147,866	49,342,749
Less: Transfer from Revaluation Reserve	1,815,578	10,241,721
	<u>7,332,288</u>	<u>39,101,028</u>
29 In the previous year, pursuant to the scheme of arrangement under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956 as approved by Hon'ble High Court Of Judicature at Mumbai vide order dated 28/09/2012, the Company has charged Rs.7899.62 lacs being permanent reduction in the value of fixed and current assets and adjusted against Security Premium Reserves, Capital Reserve, General Reserve and Profit and Loss account.		
Baddebts written off	-	700,121,023
Fixed assets written off	-	89,841,069
	A	<u>789,962,092</u>
Less: <u>Transfer from</u>		
Capital Reserve	-	7,120,050
Securities Premium Account	-	196,125,611
General Reserve	-	329,476,301
Statement of Profit & Loss	-	227,888,156
	B	<u>760,610,118</u>
	A-B	-
		29,351,974
Less: Deferred tax credit	-	28,018,000
Net Amount transferred to Statement of Profit & Loss	-	<u>1,333,974</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

30. Employee Benefits

- a) Contribution to Provident Fund of Rs.20,340,368 (previous year Rs. 21,568,180) 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.

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
1 Change in benefit obligation				
Liability at the beginning of the year	16,949,209	6,865,490	16,732,072	7,436,091
Interest cost	717,303	410,819	1,338,566	594,887
Current service cost	1,771,018	1,435,870	2,452,080	2,362,801
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	15,965,848	3,460,494	-	-
Actuarial (Gain)/ Loss	12,229,160	(477,712)	(3,573,509)	(3,528,289)
Liability at the end of the year	15,700,842	4,773,973	16,949,209	6,865,490
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	17,434,869	-	17,310,055	-
Adjustments to opening balance	9,306,628	-	386	-
Expected Return on Plan assets	2,536,029	-	2,077,253	-
Contributions	4,750,000	3,460,494	-	-
Benefit paid	15,965,848	3,460,494	-	-
Actuarial (Gain)/ Loss on plan assets	(2,234,632)	-	(1,952,825)	-
Fair value of Plan assets at end of year	15,827,046	-	17,434,869	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,771,018	1,435,870	2,452,080	2,362,801
Interest cost	717,303	410,819	1,338,566	594,887
Expected Return on Plan assets	2,536,029	-	2,077,253	-
Actuarial (Gain)/ Loss	14,463,792	(477,712)	(1,620,684)	(3,528,289)
Expenses recognized in the P&L a/c	14,416,084	1,368,977	92,709	(570,601)
4 Actuarial Assumptions				
Discount rate		8.00%		8.00%
Salary escalation rate		5.00%		5.00%
Expected Return on Plan assets		12.00%		12.00%
Retirement age		58 Years		58 Years
Mortality		LIC (1994-96)		LIC (1994-96)

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. Issue of Preference Shares:

Pursuant to resolution passed in the Annual General Meeting of the Share Holders held on 21st December 2012, the Company has allotted 39,75,000; 9% Redeemable, Non-Convertible, Non-cumulative Preference Shares of Rs.10 each for cash at a premium of Rs.125 per share aggregating Rs.53,66,25,000 on private placement basis to the Promoters and Promoter companies of the Company on 31st January, 2013. The premium received on the aforesaid preference shares amounting to Rs.49,68,75,000 has been credited to "Securities Premium" account.

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32. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2013 is Rs.13,69,30,473 (Previous Year – Rs.174,626,913).

33. a) Status of statutory dues under disputes on which amount has been paid:

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 its reply denying 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.

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 its reply denying 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 its reply denying 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.

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

1 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.4,69,24,929 on import of software under category of Intellectual Property Rights for the period Dec2004 – Mar2009.

The Company has obtained the legal opinion and filed its reply denying the demand as the Service Tax on this kind of service was not applicable.

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 demand of Rs.5,04,995 from the Commissioner Of Central Excise (Appeal), Vapi on the ground of irregular avilment of Central Excise during the period Apr2004 - Mar2005.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.

4 The Company has received a demand of Rs.44,28,762 from the Commissioner Of Central Excise(Appeal), Vapi on the ground of irregular avilment of Central Excise during April 2004 - March 2005.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.

5 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 Company is in process of filing suitable reply against the Show Cause Notice and the management expects favorable order. The proceedings are pending before Commissioner of Customs, Mumbai.

6 The Company has received a demand of Rs.20,20,103 from Commissioner of Customs, Pune demanding differential Custom Duty on import of raw material used in manufacturing of copper clad laminates for the period from 1997 - 2002.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Mumbai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Mumbai.

34. The management is reviewing its future business plan in view of the new market condition and certain decision taken in past. Consequently post completion of review exercise, the company will decide the road map including treatment of various asset.

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

Particulars	As at 31 st March 2013	As at 31 st March 2012
Principle amount due to suppliers under MSMED Act at the year end	39,999	14,063
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	594	356
Payment made to suppliers (other than interest) beyond the appointed day during the year	14,063	359,241
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	111	4,043
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	705	4,399

36. (A) Value of imported and indigenous Raw Materials, Computer and Peripherals Accessories consumed and percentage there of:

Particulars	31/3/2013		31/3/2012	
	Value	%	Value	%
Imported	2,414,462	1.83	4,975,969	8.06
Indigenous	129,814,347	98.17	369,200,319	91.94
	132,228,809	100.00	374,176,288	100.00

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

Particulars	31/3/2013	31/3/2012
Raw Material, Store & spares and Computer Peripherals	2,658,962	5,420,005

(C) Expenditure in foreign currency:

Particulars	31/3/2013	31/3/2012
Traveling and others	4,030,235	6,259,303

(D) Earning in foreign currency:

Particulars	31/3/2013	31/3/2012
Export sales and services	9,571,868	3,027,663

37. Finance Lease Accounting:

In certain cases, the company has sold its product by way of lease arrangements with the customers. The transaction is treated as finance lease in accordance with Accounting Standard-19 "Leases". The details of lease transactions as on 31st March 2013 are as follows:

	Particulars	31/3/2013	31/3/2012
a)	Gross Investment in lease	-	1,772,696
b)	Present value of minimum lease payment	-	1,755,212
c)	Total gross investment		
	1) Not later than one year	-	1,772,696
	2) Later than one year but not later than five	-	-
	3) Later than five year	-	-
d)	Present value of Minimum lease payment		
	1) Not later than one year	-	1,755,212
	2) Later than one year but not later than five	-	-
	3) Later than five year	-	-
e)	Unearned Finance income	-	17,484

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38. Particulars of Earnings per Shares:

(Amount in ₹)

	Particulars	31/3/2013	31/3/2012
a)	Net Profit for the year		
	Before extraordinary items (Rs.)	35,382,246	15,774,623
	After extraordinary items (Rs.)	35,382,246	14,440,650
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)		
	Before extraordinary items	1.69	0.75
	After extraordinary items	1.69	0.69

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 International Limited, Mauritius
2. PCS Technology USA, Inc.
3. PCS Positioning Systems (India) Limited
4. PCS Infotech Limited

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

- a) Key Management Personnel
 1. Mr. G.K.Patni (Chairman)
 2. Mr. A.K.Patni (Vice Chairman)
 3. Mr. H C Tandon (Managing Director)
- b) Relatives of key management personnel
 1. Mrs. Rajnikanta Patni
(Wife of Mr. G.K. Patni)
 2. Mrs. Sadhna Patni
(Wife of Mr. A.K. Patni)
 3. Mr. Apoorva Patni (Director)
(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. Ashoka Computer Systems Private Limited
 2. PCS Cullinet Private Limited
 3. PCS Finance Private Limited
 4. Kalpavruksh Systems Limited - (Formerly known as Vraksh Technologies Limited)
 5. Saulese Energija Limited
 6. AAP & Associates LLP
 7. Patni Healthcare Limited

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

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Sales of Goods and Services	5,084,759 (2,017,484)	-	-	2,693,977 (367,815)	7,778,736 (2,385,299)
Sale of Fixed Assets	-	-	-	(300,000,000)	(300,000,000)
Rent Paid	-	-	(400,000)	-	(400,000)
Reimbursement of expenses paid	323,992 (750,437)	-	-	-	323,992 (750,437)
Rent Received	-	-	-	(3,300,000)	(3,300,000)
Recovery of expenses received	132,957 (27,575)	-	-	(68,400)	132,957 (95,975)
Investments	500,000	-	-	-	500,000
Loan taken	-	110,000,000 (129,000,000)	-	-	110,000,000 (129,000,000)
Loan Refunded	-	556,000,000 (143,700,000)	-	-	556,000,000 (143,700,000)
Advance received against sale of Property	-	(160,000,000)	-	-	(160,000,000)
Advance refunded against sale of Property	-	110,000,000 (209,000,000)	-	-	110,000,000 (209,000,000)
Remuneration to Directors	-	2,748,876 (2,402,448)	-	-	2,748,876 (2,402,448)

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

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Sales of goods and services				
PCS International Ltd., Mauritius	5,084,759 (2,017,484)	-	-	-
Kalpavruksh Systems Limited	-	-	-	902,592 (367,815)
Patni Healthcare Ltd	-	-	-	1,756,608
Sale of Fixed Assets				
AAP & Associates LLP	-	-	-	(300,000,000)
Rent paid				
Apoorva Patni	-	-	(400,000)	-
Reimbursement of expenses paid				
PCS International Ltd., Mauritius	323,992 (750,437)	-	-	-
Rent Received				
Kalpavruksh Systems Ltd	-	-	-	(3,300,000)
Reimbursement/ Recovery of expenses received				
PCS International Ltd., Mauritius	11,236 (11,030)	-	-	-
PCS Technology USA, Inc	16,854 (16,545)	-	-	-
Kalpavruksh Systems Limited	-	-	-	(68,400)
PCS Infotech Limited	104,867	-	-	-

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(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Investments				
PCS Infotech Limited	500,000	-	-	-
	-	-	-	-
Loan Taken				
A.K.Patni	-	110,000,000	-	-
	-	(129,000,000)	-	-
Loan Refunded				
A.K.Patni	-	356,000,000	-	-
	-	(143,700,000)	-	-
G.K.Patni	-	200,000,000	-	-
	-	-	-	-
Remuneration to Directors				
H.C.Tandon	-	2,748,876	-	-
	-	(2,402,448)	-	-
Advance received against sale of Property				
A K Patni	-	-	-	-
	-	(160,000,000)	-	-
Advance refunded against sale of Property				
A K Patni	-	110,000,000	-	-
	-	(209,000,000)	-	-

40.4 Balance outstanding as on 31st March 2013:

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Receivable	25,850,664 (29,044,437)	-	-	1,709,557	27,560,221 (29,044,437)
Property Deposits	-	-	3,900,000 (3,900,000)	406,700 (406,700)	4,306,700 (4,306,700)
Investments	500,000	-	-	-	500,000
	-	-	-	-	-
Other Loan Taken	-	98,800,000 (544,800,000)	-	950,000 (72,500,000)	99,750,000 (617,300,000)
Advance received against sale of Property	-	-	-	-	-
	-	(110,000,000)	-	-	(110,000,000)

40.5 Details of significance closing balances outstanding as on 31st March 2013:

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Receivable				
PCS Technology USA. INC	5,142,538 (5,009,281)	-	-	-
PCS Positioning Systems (India) Ltd.	11,685,851 (11,685,851)	-	-	-
PCS International Ltd., Mauritius	9,022,275 (12,349,305)	-	-	-
Patni Healthcare Ltd	-	-	-	1,709,557
	-	-	-	-

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(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Property Deposits				
Estate of Kanchanbai Patni	-	-	1,100,000 (1,100,000)	-
Rajnikanta Patni	-	-	600,000 (600,000)	-
Sadhana Patni	-	-	700,000 (700,000)	-
Apoorva Patni	-	-	600,000 (600,000)	-
Arihant Patni	-	-	500,000 (500,000)	-
PCS Finance Pvt. Ltd	-	-	-	205,030 (205,030)
Investments				
PCS International Limited, Mauritius	47,088,450 (47,088,450)	-	-	-
PCS Technology USA, Inc.	217,850 (217,850)	-	-	-
PCS Positioning Systems (India) Limited	17,510,000 (17,510,000)	-	-	-
PCS Infotech Limited	500,000 -	-	-	-
Loan Taken				
A.K.Patni	-	88,800,000 (334,800,000)	-	-
G.K.Patni	-	10,000,000 (210,000,000)	-	-
Ashoka Computer Systems Pvt. Ltd.	-	-	-	200,000 (24,500,000)
PCS Finance Pvt. Ltd.	-	-	-	550,000 (23,500,000)
PCS Cullinet Pvt. Ltd.	-	-	-	200,000 (24,500,000)
Advance received against sale of Property				
A.K.Patni	-	-	-	-
	-	(110,000,000)	-	-

(Note: Previous year figures are shown in brackets)

40 (a) Disclosure required by Clause 32 of the Listing Agreement:

Amount of loans and advances in nature of loans outstanding from subsidiaries - NIL

40 (b) Details of Investment by the Loatee in the shares of the company:

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

41. 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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

PCS TECHNOLOGY LIMITED

Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary companies

(Amount in ₹)

Particulars	PCS International Ltd., Mauritius	PCS Technology USA, Inc.	PCS Positioning Systems (India) Ltd.	PCS Infotech Ltd.
Financial Year ending of the subsidiary	31st March 2013	31st March 2013	31st March 2013	31st March 2013
No. of Equity Shares held by PCS Technology Limited	111,000 Equity Shares of USD 10 each, fully paid-up	2,500 Equity Shares of USD 2 each, fully paid-up	1,760,000 Equity Shares of Rs.10 each, fully paid-up	50,000 Equity Shares of Rs.10 each fully paid-up
Extent of interest of PCS Technology Limited	100%	100%	100%	100%
Net aggregate amount of the profit/ (loss) of subsidiaries so far it concerns the members of PCS Technology Limited as it is not dealt with the Company's Accounts.				
i) For the Current Financial Year ended 31st March 2013	(453,703) INR	(17,107) INR	(338,971) INR	(45,518) INR
ii) For the Previous Financial Year ended since it became a subsidiary	(1,297,743) INR	(191,462) INR	(400,182) INR	Nil
Net aggregate amount of the profit/ (loss) of the subsidiaries so far as dealt with or provision is made for those losses in the accounts of PCS Technology Limited				
i) For the Current Financial Year ended 31st March 2013	Nil	Nil	Nil	Nil
ii) For the Previous Financial Year since it became a subsidiary	Nil	Nil	Nil	Nil

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

MANAGEMENT & ADMINISTRATION

DIRECTORS: H. C. Tandon Yash Bhardwaj A. K. Patni
D. B. Maheshwari M. P. Jain

REGISTERED OFFICE : S. No. 1-A, F-1, Irani Market Compound, Yerawada,
Pune - 411 106.

DIRECTORS' REPORT

To,
The Members,

PCS Positioning Systems (India) Limited

Your Directors have the pleasure in presenting their Ninth Annual Report together with Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

₹ in lacs

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Sales & other Income	-	-
Profit / (Loss) before interest, depreciation & taxation	(0.14)	(0.22)
Interest	-	0.03
Depreciation	3.25	3.76
Profit/(Loss) before Taxation	(3.39)	(4)
Profit/(Loss) after Taxation	(3.39)	(4)
Profit/(Loss) as per last Balance sheet	(466)	(462)
Balance Carried to Balance Sheet	(470)	(466)

OPERATIONS

During the year under review, your Company has not carried out any business activity; however the Company is exploring the possibility for the revival of the existing line of business.

DIVIDEND

Your Directors do not recommend any dividend in view of losses incurred during the year.

DIRECTORS

As per Article 105 of the Articles of Association of the Company, Mr. M.P.Jain and Mr. H.C. Tandon, retire by rotation and being eligible for appointment, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments' and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the loss of the company for the said year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- Annual Accounts have been prepared on a going concern basis.

COMPLIANCE CERTIFICATE

As required by proviso to section 383A of the Companies Act, 1956, your Company has obtained, a Compliance Certificate from Secretary in Whole -Time practice and attached the same herewith.

PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

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

The information required under the above heads in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in Annexure 'A' to this Report.

AUDITORS

The Company auditors, M/S S. C. Bandi & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Director recommends their re-appointment for the ensuing year.

ACKNOWLEDGEMENTS

Your Directors takes this opportunity to place on record their gratitude for the confidence reposed in and co- operation extended to the Company by the Shareholders for their support.

On behalf of the Board of Directors

Place : Mumbai
Date : 22nd May, 2013

H. C. Tandon **A. K. Patni**
Director Director

ANNEXURE "A" TO THE DIRECTORS REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988.

(A) Conservation of Energy

The Company uses only electricity, which is very insignificant in value considering total volume of operation.

(B) Technology Absorption

Not applicable

(C) Foreign Exchange Earnings/ Outgo

Your Company has earned foreign exchange worth Rs. Nil and has spent foreign exchange worth Rs. Nil under the following heads:

Particulars:	(₹ In Lacs)
(i) Raw Material and Components	0
(ii) Capital Goods	0
(iii) Royalty and Other Expenses	0
	<u>0</u>

On behalf of the Board of Directors

Place : Mumbai
Date : 22nd May, 2013

H. C. Tandon **A. K. Patni**
Director Director

PCS POSITIONING SYSTEMS (INDIA) LIMITED

COMPLIANCE CERTIFICATE

U/S 383A of the Company Act, 1956 & Rules 3(2) of the Companies (Compliance Certificate) Rules, 2001

To,

The Members

PCS Positioning Systems (India) Limited

S No 1-A F-1 Iranimarket Compound,
Yerawada, Pune – 411006.

CIN	Authorised Capital	Paid up Capital
U72900PN2004PLC019448	3,00,00,000	1,76,00,000

I have examined the registers, records, books and papers of **PCS Positioning Systems (India) Limited** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **March 31, 2013**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- The Company being a Subsidiary of a Public Company, thus Comment on minimum prescribed paid up Capital and maximum number of members is not required.
- The Board of Directors of the Company duly met **Six (6)** times respectively on **27/04/2012, 26/07/2012, 03/09/2012, 18/10/2012, 29/11/2012 and 02/02/2013** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
- The Company has not closed its Register of Members during the financial year, as it was not required to close the same.
- The Annual General Meeting for the financial year ended on **31/03/2012** was convened and held on **28/09/2012** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- No Extra Ordinary General Meetings was held during the financial year.
- According to the information and explanation given to me, the Company has not advanced any loan to its Directors or persons or firms or Companies referred in the Section 295 of the Act during the financial year under review.
- According to the information and explanation given to me, The Company has not entered into any Contract falling within the purview of Section 297 of the Act during the financial year under review.
- As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
- The Company has made necessary entries in the register maintained u/s 301 of the Act for contracts entered during the year.
- The Company has not issued any duplicate share certificates during the year.
- The Company has not made any allotment of Shares and there were no transmission, however there were some transfers of securities during the year.
 - The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the year.

- The Company was not required to post warrants to any members of the Company as no dividend was declared during the year.
 - There is no unpaid dividend; application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
 - The Company has duly complied with the requirements of section 217 of the Act.
- The Board of Directors of the Company is duly constituted. The Company has not appointed any Director/Managing Director, Whole Time Director during the year under review.
 - The Company has not appointed any managing Director or whole time Director or Manager during the year.
 - The Company has not appointed any sole-selling agents during the year.
 - According to the information and explanation given to me, The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the year.
 - The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 - The Company has not issued Equity Shares and Preference Shares during the year.
 - The Company has not bought back any shares during the year.
 - The Company has not redeemed any shares during the year.
 - There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 - The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of sections 58A during the year.
 - The Company has not borrowed any funds under the provisions of Section 293(1)(d) of the Companies Act, 1956.
 - According to the information and explanation provided to me, the Company has not made loans and investments or given guarantees or provided securities to other bodies corporate during the year under review.
 - The Company has not altered the provisions of the Memorandum of Association with respect to Situation of the Company's registered office from One State to another during the year under review.
 - The Company has not altered the provisions of the Memorandum of Association with respect to the Objects of the Company during the year under review.
 - The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under review.
 - The Company has not altered the provisions of the Memorandum of Association with respect to Authorized Share Capital of the Company during the year under review.
 - The Company has not altered its Articles of Association during the year under review
 - As informed to me, there was no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year for offences under the Act.
 - The Company has not received any money as security from its employees during the year.
 - The Company has deducted Provident Fund and deposited with the bank as applicable during the year.

For Bhavesh Desai & Associates
Company Secretaries

(Bhavesh Desai)
C.P.No.7711

Mumbai
Date: 20th May, 2013

ANNEXURE 'A'

Statutory Registers as maintained by the Company under the Companies Act, 1956.

1. Register of member's u/s 150.
2. Registers & Returns u/s 163.
3. Minutes Book of Board meetings u/s 193.
4. Minutes Book of General Meeting's u/s 193.
5. Books of Accounts u/s 209.
6. Register of Contracts u/s 301.
7. Register of particulars of Directors etc. u/s 303.
8. Register of Directors Shareholding u/s 307.
9. Register of Share Transfers.

For Bhavesh Desai & Associates
Company Secretaries

(Bhavesh Desai)
C.P.No.7711

Mumbai
Date: 20th May, 2013

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government during the financial year ending on **31st March 2013**.

Sr. No	Form No/ Return	Filed under Section	For	Date of filing	Whether filed within Prescribed Time yes/no
1	Form - 66	383A	Filing of compliance certificate	30/10/2012	No
2	XBRL Form - 23 AC & ACA	220	Filing of balance sheet, P & L accounts	19/12/2012	Yes
3	Form - 20B	159	Filing of annual return	27/11/2012	Yes
4	Form -23B	224 (1A)	Information by Auditor to Registrar	06/12/2012	Yes

For Bhavesh Desai & Associates
Company Secretaries

(Bhavesh Desai)
C.P.No.7711

Mumbai
Date: 20th May, 2013

PCS POSITIONING SYSTEMS (INDIA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

To the Members of PCS Positioning Systems (India) Limited
Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Positioning Systems (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, I report that:
 - I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Mumbai
Date :22nd May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

- (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 discrepancies were noticed on such verification.
 - (c) During the year company has not disposed off any substantial part of its fixed assets.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 4 of the Order are not applicable.

- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable.
 - (b) The Company has taken unsecured interest free loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.250.00 lacs and the balance at the end of the period is Rs.250.00 lacs.
 - (c) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, not prima facie, prejudicial to the interest of the company.
 - (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and advance taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order is not applicable.
- (vii) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
- (ix) (a) According to the information and explanations given to me and on the basis of my examination of the record of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they become payable.
- (x) The Company has accumulated losses and also it has incurred cash losses during the year covered by my audit. The company had incurred cash loss during immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the Company has not defaulted during the year in repayment of dues to any financial institution, banks or debenture holders.
- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, and according to the information and explanations given to me, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub-clause (a) to (d) of clause (xiii) of paragraph 4 of the Order are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities and debentures or other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable.
- (xv) According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any new term loans during the year.
- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the financial year covered by my audit.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

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

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

Place: Mumbai
Date : 22nd May, 2013

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PCS POSITIONING SYSTEMS (INDIA) LTD.



BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	17,600,000	17,600,000
Reserves and Surplus	4	(46,973,015)	(46,634,044)
Non-current liabilities			
Long term borrowings	5	25,000,000	25,000,000
Current liabilities			
Trade payables	6	12,663,016	12,654,589
Other current liabilities	7	373,374	373,374
TOTAL		8,663,375	8,993,919
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	3,985,581	4,310,663
Intangible Assets	8	450,747	450,747
Long term Loans and advances	9	441,627	441,627
Current assets			
Trade Receivables	10	3,062,965	3,062,965
Cash and Bank balances	11	43,449	48,911
Short Term loans and advances	12	679,006	679,006
TOTAL		8,663,375	8,993,919

The accompanying notes are an integral part of the financial statements

As per my Report of even date
for **S C BANDI & CO.**
(Chartered Accountants)

S C Bandi
(Proprietor)
Membership No.16932

Place : Mumbai
Date : 22nd May, 2013

For and on behalf of the Board of Directors

A.K.Patni Director
H. C. Tandon Director
D. B. Maheshwari Director
Yash Bharadwaj Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note	Year Ended 31st March 2013 (Amount in ₹)	Year Ended 31st March 2012 (Amount in ₹)
Revenue from Operations (gross)		-	-
Less : Excise duty		-	-
Revenue from Operations (net)		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Other expenses	14	13,889	21,527
Total Expenses		13,889	21,527
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		(13,889)	(21,527)
Finance costs	13	-	2,571
Depreciation & Amortization	8	325,082	376,084
Loss before tax		(338,971)	(400,182)
Tax expense		-	-
Loss for the year		(338,971)	(400,182)
Basic & Diluted earning per share of ₹ 10/- each		(0.19)	(0.23)

The accompanying notes are an integral part of the financial statements

As per my Report of even date
for **S C BANDI & CO.**
(Chartered Accountants)

S C Bandi
(Proprietor)
Membership No.16932

Place : Mumbai
Date : 22nd May, 2013

For and on behalf of the Board of Directors

A.K.Patni Director
H. C. Tandon Director
D. B. Maheshwari Director
Yash Bharadwaj Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	Year Ended 31st March 2013 (Amount in ₹)	Year Ended 31st March 2012 (Amount in ₹)
Cash Flow arising from Operating Activities:		
Net Loss before Tax	(338,971)	(400,182)
Add: Depreciation	325,082	376,084
Interest income	-	-
Loss on sale of Fixed Assets	-	-
Operating Loss before Working Capital changes	(13,889)	(24,098)
Decrease/(Increase) in Trade and other Receivables	-	45,000
(Decrease)/Increase in Trade and other payables	8,427	(22,439)
Cash Generated from Operations	(5,462)	(1,537)
Income Tax paid (net of refunds)	-	-
Net Cash flow from/used Operating Activities...	(5,462)	(1,537)
Cash Flow arising from Investing Activities:		
Proceeds on sale of Fixed Assets	-	-
Interest received	-	-
Net Cash from Investing Activities...	-	-
Cash Flow arising from Financing Activities:		
Net Cash from Financing Activities.	-	-
Net Increase/(Decrease) in Cash/Cash Equivalents ...	(5,462)	(1,537)
Cash and Cash Equivalents at the beginning of the year	48,911	50,448
Cash and Cash Equivalents at end of the year 31st March, 2013	43,449	48,911

As per my Report of even date for **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

S C Bandi
(Proprietor)
Membership No.16932

A.K.Patni Director
H. C. Tandon Director
D. B. Maheshwari Director
Yash Bharadwaj Director

Place : Mumbai
Date : 22nd May, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

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, and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. 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.

2 Significant Accounting Policies

Fixed Assets

Fixed Assets are stated at cost of acquisitions net of modvat/ cenvat credit. All cost relating to acquisition and installation are capitalized. Pre-operative expenses capitalized forms part of the cost of assets.

Depreciation

Depreciation is provided on straight line method, at the rates and in a manner prescribed in Schedule XIV to the Companies Act, 1956.

Revenue Recognition

Sale is recognized when risks and rewards of ownership are passed on to the customers, which is on dispatch of goods. Sales are stated exclusive of excise duty and sales tax including VAT wherever applicable. Service revenues are recognized in accordance with the terms and conditions of the contract.

Foreign Exchange Transaction

Transactions in foreign currencies are converted in rupees using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency at the end of year are converted at the rate prevailing on the date. Exchange rate differences are recognized in the Statement of Profit and Loss.

Borrowing cost

Borrowing costs that is not directly attributable to the acquisition, construction or production of a qualifying asset is charged to the statement of profit and loss.

Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss.

	31.03.2013 (Amount in ₹)	31.03.2012 (Amount in ₹)
3 SHARE CAPITAL		
Authorised		
3,000,000 Equity shares of ₹ 10/- each	30,000,000	30,000,000
Issued, Subscribed and Paid up		
1,760,000 Equity shares of ₹ 10/- each fully paid up	17,600,000	17,600,000
	17,600,000	17,600,000
a) Terms /Rights attached to equity shares		
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
b) Details of shareholders holding more than 5% shares in the company		
	31.03.2013	31.03.2012
	Number %	Number %
PCS Technology Limited	1760000	1760000
	100.00	100.00
4 RESERVES AND SURPLUS		
Deficit in the statement of profit and loss		
Balance as per last Financial Statement	(46,634,044)	(46,233,862)
Loss for the year	(338,971)	(400,182)
Total	(46,973,015)	(46,634,044)
5 LONG TERM BORROWINGS		
Unsecured		
Directors	25,000,000	25,000,000
	25,000,000	25,000,000
The loan taken from Directors is interest-free and are returnable after 31st March 2015		
6 TRADE PAYABLE		
Trade Payable	12,663,016	12,654,589
(Refer note 16 for details of dues to Micro and small enterprises)		
	12,663,016	12,654,589
7 OTHER CURRENT LIABILITIES		
Trade Advances	373,374	373,374
Service Tax Payable	-	-
	373,374	373,374

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PCS POSITIONING SYSTEMS (INDIA) LTD.



8. FIXED ASSETS

(Amount in ₹)

Sr no	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01/04/2012	Additions/ Deductions	As at 31/03/2013	As at 01/04/2012	For the year	As at 31/03/2013	As at 31/03/2013	As at 31/03/2012
	TANGIBLE ASSETS								
1	Plant & Equipments	5,186,612	-	5,186,612	1,577,595	250,531	1,828,126	3,358,486	3,609,017
2	Furniture & Fixtures	1,135,157	-	1,135,157	520,671	71,855	592,526	542,631	614,486
3	Office equipments	1,100,408	-	1,100,408	1,013,248	2,696	1,015,944	84,464	87,160
	INTANGIBLE ASSETS								
4	Software	9,014,964	-	9,014,964	8,564,217	-	8,564,217	450,747	450,747
	TOTAL	16,437,141	-	16,437,141	11,675,731	325,082	12,000,813	4,436,328	4,761,410
	Total Previous year	16,437,141	-	16,437,141	11,299,647	376,084	11,675,731	4,761,410	6,583,666

		(Amount in ₹)	
		31.03.2013	31.03.2012
9	LONG TERM LOANS AND ADVANCES		
	Income tax paid (Net of provisions)	318,483	318,483
	FBT paid (Net of provisions)	123,144	123,144
		<u>441,627</u>	<u>441,627</u>
10	TRADE RECEIVABLE		
	Unsecured, considered good		
	- Over six months	3,062,965	3,062,965
	- Other debts	-	-
		<u>3,062,965</u>	<u>3,062,965</u>
11	CASH AND BANK BALANCES		
	Cash and Cash Equivalent		
	Cash in hand	2,000	2,000
	Balances with Banks		
	In Current account	41,449	46,911
		<u>43,449</u>	<u>48,911</u>
12	SHORT TERM LOANS AND ADVANCES		
	- Advances to Suppliers	500,503	500,503
	- Earnest Money Deposit	20,000	20,000
	- Advance recoverable in cash or in kind	113,503	113,503
	- Deposits	45,000	45,000
		<u>679,006</u>	<u>679,006</u>
13	FINANCE COST		
	Interest expense	-	2,571
		-	<u>2,571</u>
14	OTHER EXPENSES		
	Rates & Taxes	3,110	6,509
	Legal, Professional & Consultancy charges	1,685	5,500
	Auditor's Remuneration - As auditors	8,427	8,273
	Bank Charges	667	1,245
		<u>13,889</u>	<u>21,527</u>
15	There is no amount due to "Micro or Small Enterprises" under Micro, Small, and Medium Enterprise Act, 2006. Further no interest is paid/ payable in the terms of section 16 of the said Act. Current liabilities, has been determined to the extent such parties have been identified on the basis of the information available with the company.		
16	The Company has brought forward losses and unabsorbed depreciation as per Income Tax Act. However in view of absence of virtual certainty that the brought forward losses and unabsorbed depreciation will be utilized in future, deferred tax asset in respect of these items is not recognized.		

17 Particulars of Earnings per share :		(Amount in ₹)	
		31.03.2013	31.03.2012
(a)	Net (Loss) for the year (₹)	(338,971)	(400,182)
(b)	Number of equity shares outstanding at the beginning and at the end of the year	1,760,000	1,760,000
(c)	Weighted average number of shares outstanding during the year	1,760,000	1,760,000
(d)	Nominal value of the shares (₹)	10	10
(e)	Basic Earning per share (₹) (a/c)	(0.19)	(0.23)

18 Related parties disclosures :

A Name of related parties where control exists:

i) **Holding Company**
PCS Technology Limited

B Other related parties with whom there are transactions during the year:

i) **Key Management Personnel**
Mr. A. K. Patni

ii) **Affiliates (Enterprises over which key management personnel or relatives has significant influence) :**
PCS Technology USA, Inc

18.1) Transactions carried out with related parties referred in 1 above, in ordinary course of business. (Amount in ₹)

Description	PCS Technology Ltd	PCS Technology USA, Inc	A.K.Patni	Total
Balance outstanding as on 31/03/2013				
Receivable	-	129,719	-	129,719
	-	(129,719)	-	(129,719)
Payables	11,685,851	-	-	11,685,851
	(11,685,851)	-	-	(11,685,851)
Other Loan Taken	-	-	25,000,000	25,000,000
	-	-	(25,000,000)	(25,000,000)

[Note: Previous year figure are shown in brackets.]

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

As per my Report of even date
for **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

S C Bandi
(Proprietor)
Membership No. 16932

A.K.Patni Director
H. C. Tandon Director
D. B. Maheshwari Director
Yash Bharadwaj Director

Place : Mumbai
Date : 22nd May, 2013

PCS INFOTECH LIMITED

MANAGEMENT & ADMINISTRATION

DIRECTORS:		Appointed on
	Gajendra Kumar Patni	5th December, 2012
	Ashok Kumar Patni	5th December, 2012
	Yash Bharadwaj	5th December, 2012
	D.B.Maheshwari	5th December, 2012
	R.Sankaran	5th December, 2012

DIRECTORS' REPORT

The Members,

PCS INFOTECH LIMITED

The Directors of your Company are pleased to present the 1st Annual Report (commencing from 5th December 2012 – being incorporation date) with the statement of audited financial accounts for the period ended 31st March 2013.

FINANCIAL RESULTS (Amount in Rs.)

Particulars	Period ended 31.03.2013
Net sales and services	-
Gross Profit	(45,518)
Depreciation	-
Profit for the year from Operations	(45,518)
Provision for Taxation (Net)	-
Profit for the year	(45,518)
Less: Extraordinary items	-
Net Surplus available for Appropriation	(45,518)
Balance of Profit/(Loss) available in Balance Sheet	(45,518)

OPERATIONS

The business operations of the Company have not yet started till the end of this year.

Interactions with customers are in progress and some orders are in pipeline and expected shortly.

SHARE CAPITAL

The first 50,000 equity shares of Rs.10 each amounting to Rs.500,000 have been allotted to the parent Company.

DIVIDEND

As the business operations are yet to commence, the Directors do not recommend dividend for this period.

DIRECTORS

Mr.G.K.Patni, Mr.A.K.Patni, Mr.Y.V.Bhardwaj, Mr.D.B.Maheshwari and Mr.R.Sankaran have been appointed as first Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, 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, 2013 and of the loss of the company for the said period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

DEPOSITS

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

AUDITORS

M/s. S. C. Bandi & Co. Chartered Accountants, have been appointed as first auditors of the Company. Your Directors recommend their appointment for the ensuing year.

PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

REGISTERED OFFICE: S. No. 1-A, F-1, Irani Market Compound, Yerawada, Pune - 411 106.

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

As the Company has yet not commenced any business operations, hence the information required under the above heads in accordance with the provision of section 217(1) (e) of the companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

ACKNOWLEDGEMENTS

Your directors express their warm appreciation to all the stakeholders of the Company and its Parent Company at various units for their diligence and contribution made towards the incorporation of the Company.

On behalf of the Board of Directors

G. K. Patni **A. K. Patni**
Director Director

Mumbai, 22nd May 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of PCS Infotech Limited

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Infotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Mumbai
Date : 22nd May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

- (i) The Company is not holding physical fixed assets during the current period covered under audit and this is first year of incorporation of the Company. Therefore, the provisions of sub-clauses (a) to (c) of clause (i) of paragraph 4 of the Order are not applicable.
- (ii) The Company do not hold any physical inventories during the current financial period covered under audit and this is first year of incorporation of the Company. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 4 of the Order are not applicable.
- (iii)
 - (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable.
 - (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e) to (g) of clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services.
 - (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (v) The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order is not applicable.
- (vi) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (vii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
 - (a) According to the information and explanations given to me and on the basis of my examination of the record of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.
According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to me, no disputed amounts are payable by the Company in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess during the period covered under audit.
- (viii) The Company has been registered for a period less than five year. Therefore, the provisions of clause (x) of paragraph 4 of the Order are not applicable.
- (ix) In my opinion and according to the information and explanations given to me, the Company is not holding any dues payable to financial institution or bank or debenture-holders during the period covered under audit.
- (x) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) In my opinion, and according to the information and explanations given to me, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub-clause (a) to (d) of clause (xiii) of paragraph 4 of the Order are not applicable.
- (xii) The Company is not dealing or trading in shares, securities and debentures or other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable.
- (xiii) According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xiv) The Company has not taken any term loans during the period covered under audit.
- (xv) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that the no funds raised on short-term basis have been used for long-term investment during the period covered under audit.
- (xvi) During the period covered under audit, the Company has made any preferential allotment of equity shares to promoters' and promoter group companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xvii) The Company has not issued any debentures during the period covered under audit.
- (xviii) The Company has not raised any money through a public issue during the period covered under audit.
- (xix) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

For **S.C. BANDI & CO.**
Chartered Accountants
Firm Reg No 130850W

S.C.BANDI
(Proprietor)
Membership No.16932

Place: Mumbai
Date : 22nd May, 2013

PCS INFOTECH LIMITED

BALANCE SHEET AS AT 31ST MARCH 2013

(Amount in Rs.)

Particulars	Note	As at 31/3/2013
EQUITY AND LIABILITIES		
Shareholders' funds		
Share Capital	3	500,000
Reserves and Surplus	4	(45,518)
		<u>454,482</u>
ASSETS		
Non-current assets		
Long Term Loans and Advances	5	10,025
Other Non-Current Assets	6	24,704
Current assets		
Cash and Bank balances	7	395,049
Other Current Assets	8	24,704
		<u>454,482</u>

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

D. B. Maheshwari
(Director)

G. K. Patni
(Director)

R. Sankaran
(Director)

Y. V. Bhardwaj
(Director)

Place: Mumbai

Date : 22nd May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 05 DECEMBER 2012 TO 31 MARCH 2013

(Amount in Rs.)

Particulars	Note	Current Period
REVENUE		
Revenue from operations (Gross)		-
Less: Excise Duty		-
Revenue from operations (Net)		-
Other Income		-
Total Revenue		-
EXPENSES		
Other expenses	9	45,518
Total Expenses		45,518
Profit before exceptional and extraordinary items and tax		(45,518)
Exceptional items		-
Profit before extraordinary items		(45,518)
Extraordinary items		-
Profit before tax		(45,518)
Tax expenses:		
Current tax		-
Deferred tax		-
Total tax expenses		-
Profit after tax		<u>(45,518)</u>
Earning per equity share:		
Basic		(0.91)
Diluted		(0.91)

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

D. B. Maheshwari
(Director)

G. K. Patni
(Director)

R. Sankaran
(Director)

Y. V. Bhardwaj
(Director)

Place: Mumbai

Date : 22nd May, 2013

**CASH FLOW STATEMENT FOR THE PERIOD ENDED
 31ST MARCH 2013**

Particulars	Period ended 31/3/2013
A. Cash flow from operating activities	
Net profit before tax and extra ordinary items	(45,518)
Decrease/ (increase) in trade and others receivables	(59,433)
Cash generated from operations	(104,951)
Income tax paid (net of refunds)	-
Net cash flow from/ (used in) operating activities	(104,951)
B. Cash flow from investing activities	
	-
C. Cash from financing activities	
Issue of share capital	500,000
Net cash from/ (used in) financing activities	500,000
Net increase/ (decrease) in cash and cash equivalents	395,049
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	395,049

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

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

For and on behalf of the Board of Directors

A. K. Patni
(Director)

D. B. Maheshwari
(Director)

G. K. Patni
(Director)

R. Sankaran
(Director)

Y. V. Bhardwaj
(Director)

Place: Mumbai
Date : 22nd May, 2013

**NOTES TO FINANCIAL STATEMENTS FOR THE
 PERIOD 05 DECEMBER 2012 TO 31 MARCH 2013**

1 Basis of preparation:

The Company is incorporated on 5th December 2012 as a wholly owned subsidiary of PCS Technology Limited.

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention 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, 1956.

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. 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.

2 Significant Accounting Policies:

A Revenue recognition:

Revenue is recognised as per the provisions of the Accounting Standards 9 on "Revenue Recognition" issued by Institute of Chartered Accountants of India and the provisions of The Companies Act, 1956

B Fixed Assets

Fixed assets 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. The provisions of Accounting Standard 10 on "Accounting for Fixed Assets" as issued by Institute of Chartered Accountants of India have been complied with.

C Depreciation:

Depreciation is provided as per the provisions of Accounting Standard 6 on "Depreciation Accounting" as issued by Institute of Chartered Accountants of India and Schedule XIV of The Companies Act, 1956

D Taxes on income:

Tax expenses comprise current tax and deferred tax charges or release. Deferred tax is recognized on timing difference subject to consideration and prudence, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

E 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.

PCS INFOTECH LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD 05 DECEMBER 2012 TO 31 MARCH 2013

Particulars	(Amount in ₹)	
Particulars	As at 31/03/2013	
3 SHARE CAPITAL		
Authorised		
50,000 Equity Share of Rs.10 each	500,000	
Issued, Subscribed and Paid-up		
50,000 Equity Shares of Rs.10 fully paid-up	500,000	
	<u>500,000</u>	
a) Terms/ Rights attached to Equity Shares:		
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
b) Reconciliation of the shares outstanding at the beginning and end of the year		
	(Amount in ₹)	
	Current Period	
Particulars	Number	Amount
Shares outstanding at the beginning of the period	-	-
Shares issued during the period	50,000	500,000
Shares outstanding at the end of the period	50,000	500,000
c) Details of shareholding more than 5% shares of total shares in the Company:		
	(Amount in ₹)	
	Current Period	
Particulars	Number	Amount
	As at 31/03/2013	
	No.of shares	% holding
PCS Technology Limited	50,000	100.00
4 RESERVES AND SURPLUS		
Surplus in the Statement of Profit and Loss		(45,518)
		<u>(45,518)</u>
5 Long Term Loans and Advances		
Security Deposits		10,025
		<u>10,025</u>
6 Other Non-Current Assets		
Unamortized expenses (to write off in next 12 months)		24,704
		<u>24,704</u>
7 CASH AND BALANCE BALANCES		
Cash in hand		-
<u>Balances with banks</u>		
in current accounts		395,049
		<u>395,049</u>
8 Other Current Assets		
Unamortized expenses		24,704
		<u>24,704</u>

Particulars	(Amount in ₹)	
Particulars	Current Period	
9 OTHER EXPENSES		
Registration charges	3,225	
Bank charges	84	
ROC charges	612	
Professional fees	16,000	
Telephone expenses	893	
Preliminary expenses	24,704	
	<u>45,518</u>	
10		
There is no amount due to "Micro or Small Enterprises" under Micro, Small, and Medium Enterprise Act, 2006. Further no interest is paid/ payable in the terms of section 16 of the said Act.		
11 Particulars of Earnings Per Share:	(Amount in ₹)	
	Current Period	
Particulars	Current Period	
a) Net Profit for the year		
Before extraordinary items (Rs.)	(45,518)	
After extraordinary items (Rs.)	(45,518)	
b) Number of equity shares outstanding at the beginning and at the end of the year	50,000	
c) Nominal Value of the share (Rs.)	10.00	
d) Basic and diluted Earning per share (Rs.) (a/b)		
Before extraordinary items	(0.91)	
After extraordinary items	(0.91)	
12 Related parties disclosures:		
A Names of the related parties where control exists - Holding Company		
PCS Technology Limited		
B Transactions carried out with related party, as above in ordinary course of business:	(Amount in ₹)	
	Current Period	
Description	Amount	
Reimbursement of expenses paid	164,867	
Investment	500,000	
Balance outstanding:		
Investment	500,000	
C Deals of significant transactions in above:		
Reimbursement of expenses paid	164,867	
Investment	500,000	
Balance outstanding:		
Investment	500,000	
As per my report of even date attached		
For S.C. Bandi & Co.	For and on behalf of the Board of Directors	
Chartered Accountants		
S. C. Bandi	A. K. Patni	D. B. Maheshwari
(Proprietor)	(Director)	(Director)
M. No. 16932		
	G. K. Patni	R. Sankaran
	(Director)	(Director)
	Y. V. Bhardwaj	
	(Director)	
Place: Mumbai		
Date : 22 nd May, 2013		

MANAGEMENT & ADMINISTRATION

DIRECTORS:	Gajendra Kumar Patni	Appointed on	3rd September 1999
	Ashok Kumar Patni		3rd September 1999
	Amit Kumar Patni		3rd September 1999
	Gyaneshwarnath Gowrea		1st-Jan-2009
	Aveenash Ramtohul		23rd-Dec-2008

DIRECTORS' REPORT

The Members,

PCS International Limited

Your Directors have the pleasure in presenting the Annual Report of your company together with Audited Balance Sheet for the year ended on 31st March 2013.

During the financial year under review, the Company has achieved turnover of Rs.70.99 lacs as against Rs.8.86 lacs in the previous year. The business has resulted in a Net loss of Rs.4.54 lacs.

DIVIDEND

In view of losses, your Directors do not recommend any dividend during the period under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby confirm 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 judgements 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, 2013 and of the loss 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, 1956 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.

PARTICULARS OF EMPLOYEES

The Company had no employee, during the year covered under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

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

During the Financial year under review, the Company has not carried out any manufacturing activities. Hence information required pursuant to section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

AUDITORS

The Company's auditors, M/S S.C.Bandi & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and have offered themselves for re-appointment.

By Order of the Board of Directors

A K PATNI **G K PATNI**
 Director Director

Place : Mumbai
 Date: 20th May, 2013

REGISTERED OFFICE: C/o. Multiconsult Limited
 Rogers House, 5 President John Kennedy Street,
 Port Louis,
 MAURITIUS

INDEPENDENT AUDITOR'S REPORT

To the Members of PCS International Limited

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

As stated in note 2(b) of the financial statements, these financial statements have been prepared by the Company for the purpose of attaching to the financial statements of its ultimate holding company, PCS Technology Limited, as prescribed under section 212 of the Indian Companies Act, 1956

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
 (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, the said Order is not applicable in this case.
2. As required by section 227(3) of the Act, we report that:
 - a. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S.C. BANDI & CO.
 (Chartered Accountant)
 Firm Reg. No. 130850W
S.C.BANDI
 (Proprietor)
 Membership No.: 16932

Place : Mumbai
 Date : 20th May, 2013

PCS INTERNATIONAL LIMITED, MAURITIUS

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	4	47,088,450	47,088,450
Reserves and Surplus	5	(29,140,742)	(29,424,286)
Non-current Liabilities			
Long Term Provisions	6	-	13,871
Current liabilities			
Trade payables	7	9,440,676	16,412,828
Other current liabilities	8	308,224	289,707
TOTAL		27,696,608	34,380,570
Assets			
Non-current assets			
Fixed Assets			
(i) Tangible Assets	9	-	628,517
Long term loans and advances	10	-	533,603
Other non-current assets	11	1,176,331	2,291,296
Current assets			
Inventories		-	1,164,459
Trade Receivables	12	25,572,870	24,227,447
Cash and Bank balances	13	842,980	3,148,952
Short-term loans and advances	14	104,427	2,386,296
TOTAL		27,696,608	34,380,570

The accompanying notes are an integral part of the financial statements

As per my report of even date

For S.C.Bandi & Co.
Chartered Accountants

For and on behalf of Board of Directors

S.C.Bandi
(Proprietor)
Membership No. 16932

A K Patni Director
G K Patni Director
Amit Patni Director

Place : Mumbai
Date: 20th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note	Year Ended 31st March 2013 (Amount in ₹)	Year Ended 31st March 2012 (Amount in ₹)
Revenue from Operations (gross)		7,098,706	886,090
Less : Excise duty		-	-
Revenue from Operations (net)	15	7,098,706	886,090
Other Income	16	248,759	18,339
Total Revenue		7,347,465	904,429
Expenses			
Changes in inventories of finished goods, Work in progress and stock in trade	17	1,164,459	(101,304)
Employee benefit expenses	18	-	52,417
Other expenses	19	6,636,709	2,251,059
Total Expenses		7,801,168	2,202,172
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		(453,703)	(1,297,743)
Depreciation		-	-
Loss before tax		(453,703)	(1,297,743)
Tax expense		-	-
Loss for the year		(453,703)	(1,297,743)
Basic and Diluted Earnings per share		(4.09)	(11.69)

The accompanying notes are an integral part of the financial statements

As per my report of even date

For S.C.Bandi & Co.
Chartered Accountants

For and on behalf of Board of Directors

S.C.Bandi
(Proprietor)
Membership No. 16932

A K Patni Director
G K Patni Director
Amit Patni Director

Place : Mumbai
Date: 20th May, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 BACKGROUND

PCS International Limited was incorporated in Port Louis on 3rd September 1999 as a wholly owned subsidiary of PCS Technology Ltd. The Financial statements are for year ended 31st March 2013. PCS International Limited is engaged in the business of providing Consultancy services.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

- These financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards and provisions of the Companies Act, 1956 as applicable to bodies corporate.
- These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of Indian Companies Act, 1956 by the holding company PCS Technology Ltd. Accordingly these financial statements will be attached to the financial statements of PCS Technology Ltd. as prescribed under Section 212 of the Indian Companies Act, 1956. The Balance Sheet and Statement of Profit and Loss of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of Compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates.
- The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements
- The Fixed assets are stated at cost less accumulated depreciation. The rate of depreciation is based on the estimated useful lives of the fixed assets.

- 3 Income and expenditure incurred in foreign exchange have been translated at the average conversion rate of the accounting year. Current assets and current liabilities have been translated at the conversion rate as at 31st March 2013.

(Amount in ₹)

4 SHARE CAPITAL

Authorised

1,11,000 Equity shares of par value of USD 10 each 47,088,450 47,088,450

Issued Subscribed and Paid up

1,11,000 Equity shares of par value of USD 10 each 47,088,450 47,088,450

47,088,450 47,088,450

- a) Terms /Rights attached to equity shares

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

- b) Details of shareholders holding more than 5% shares in the company

	31.03.2013	31.03.2012
	Number %	Number %
PCS Technology Limited	111000	111000
	100.00	100.00

(Amount in ₹)

	2012-2013	2011-2012
5 RESERVES AND SURPLUS		
Deficit in the Statement of Profit and Loss		
Balance As Per Last Financial Statement	(39,661,088)	(38,363,345)
Excess Provision Written off	-	-
Loss For The Year	(453,703)	(1,297,743)
Balance As Per Statement of Profit & Loss	(40,114,791)	(39,661,088)
Currency Fluctuation Reserve	<u>10,974,049</u>	<u>10,236,802</u>
Total Reserves and Surplus	<u>(29,140,742)</u>	<u>(29,424,286)</u>
6 LONG TERM PROVISIONS		
Gratuity Payables	-	13,871
	-	13,871
7 TRADE PAYABLES		
Trade Payables	<u>9,440,676</u>	<u>16,412,828</u>
	<u>9,440,676</u>	<u>16,412,828</u>
8 OTHER CURRENT LIABILITIES		
Trade Advances	157,294	148,027
Other Payables	<u>150,930</u>	<u>141,680</u>
	<u>308,224</u>	<u>289,707</u>
9 FIXED ASSETS		
Gross block	-	6,292,706
Less : Provision for Depreciation	-	5,664,189
Net Block	-	<u>628,517</u>
10 LONG TERM LOANS AND ADVANCES		
Deposits	-	530,737
Advances Recoverable in Cash or Kind	-	2,866
	-	<u>533,603</u>
11 OTHER NON-CURRENT ASSETS		
Non-current Bank Balances	<u>1,176,331</u>	<u>2,291,296</u>
	<u>1,176,331</u>	<u>2,291,296</u>
12 TRADE RECEIVABLES		
Unsecured, Considered good		
Over Six months	25,572,870	24,227,447
Other Debts	-	-
	<u>25,572,870</u>	<u>24,227,447</u>

PCS INTERNATIONAL LIMITED, MAURITIUS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	(Amount in ₹)	
	2012-2013	2011-2012
13 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in hand	-	3,173
Balances with Banks		
In Current account	<u>842,980</u>	3,145,779
Total Cash & Cash Equivalents	<u>842,980</u>	3,148,952
Other Bank Balances		
Deposits with original maturity of more than 12 months	<u>1,176,331</u>	2,291,296
	<u>1,176,331</u>	<u>2,291,296</u>
Total Cash & Bank Balances	<u>2,019,311</u>	5,440,248
Less : Non-current portion included in the other Non-current assets	<u>1,176,331</u>	2,291,296
	<u>842,980</u>	<u>3,148,952</u>
14 SHORT TERM LOANS AND ADVANCES		
Loans & Advances to Employees	-	66,336
Advances to Suppliers	-	1,405,898
Advances Recoverable in Cash or Kind	<u>104,427</u>	914,062
	<u>104,427</u>	<u>2,386,296</u>
15 REVENUE FROM OPERATIONS		
Sales of Services	<u>7,098,706</u>	886,090
Less : Excise duty	-	-
Net Sales	<u>7,098,706</u>	<u>886,090</u>
16 OTHER INCOME		
Foreign Exchange Difference	-	18,339
Miscellaneous Income	<u>248,759</u>	-
	<u>248,759</u>	<u>18,339</u>
17 Changes in inventories		
Opening Stock	<u>1,164,459</u>	1,063,155
Purchases	-	-
Closing Stock	-	(1,164,459)
	<u>1,164,459</u>	<u>(101,304)</u>

	(Amount in ₹)	
	2012-2013	2011-2012
18 EMPLOYEE BENEFIT EXPENSES		
Commission Paid	-	52,417
	-	<u>52,417</u>
19 OTHER EXPENSES		
Rates & Taxes	<u>185,266</u>	182,667
Rent	<u>589,148</u>	678,731
Travelling Expenses	-	157,396
Communication Expenses	<u>219,918</u>	52,321
Subcontracting charges paid	<u>5,196,296</u>	698,224
Legal Professional & Consultancy	<u>141,217</u>	224,302
Audit fees	<u>23,844</u>	109,359
Director Fees	<u>81,471</u>	91,935
Foreign Exchange Difference	<u>6,518</u>	-
Misc. Expenses	<u>193,031</u>	56,124
	<u>6,636,709</u>	<u>2,251,059</u>
20 Particulars of Earnings per share		
a) Net loss for the year	<u>(453,703)</u>	(1,297,743)
b) Number of equity shares at the beginning and at the end of the year	<u>111,000</u>	111,000
c) Basic and Diluted Earning per share	<u>(4.09)</u>	<u>(11.69)</u>

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

As per my report of even date

For S.C.Bandi & Co.
Chartered Accountants

S.C.Bandi
(Proprietor)
Membership No. 16932

Place : Mumbai
Date: 20th May, 2013

For and on behalf of Board of Directors

A K Patni Director
G K Patni Director
Amit Patni Director

ANNUAL REPORT 2012-2013

PCS TECHNOLOGY USA., INC



MANAGEMENT & ADMINISTRATION

		Date of Appointment
DIRECTORS:	H. C. Tandon	27 th November 2004
	Yash Bhardwaj	27 th November 2004
	Sunil Doshi	16 th June 2008

DIRECTORS' REPORT

THE MEMBERS,

PCS TECHNOLOGY USA, INC.

Your Directors have the pleasure in presenting their Ninth Annual Report of your company together with Audited Balance Sheet for the Financial Year ended on 31st March 2013.

During the financial year under review, the company has achieved turnover of Rs.Nil (previous year – Rs.Nil). The business has resulted in a Net loss of Rs.0.17 lacs. The Company is concentrating on exploring new avenues of business to establish the company in coming year.

DIVIDEND

In view of losses, your Directors do not recommend any dividend during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby Confirm 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 judgements 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 2013 and of the loss 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, 1956 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.

PARTICULARS OF EMPLOYEES

The Company had no employees, during the year covered under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

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

During the year under review, the Company has not carried out any manufacturing activities. Hence information required pursuant to section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

AUDITORS

The Company's auditors, M/S S.C. Bandi & Co. Chartered Accountants, retire at the ensuing Annual General Meeting and have offered themselves for re-appointment. The appointment shall be in accordance with the provision of section 224 (1B) of the companies act, 1956.

By Order of the Board of Directors

H. C. Tandon
Director

Y. Bharadwaj
Director

Place : Mumbai
Date : 21st May 2013

REGISTERED OFFICE : 6705 Shadow Oaks CT,
Monmouth Junction,
NJ 08852-2228, USA

AUDITOR'S REPORT TO THE MEMBERS

To the Members of PCS Technology USA, Inc.

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Technology USA, Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. As stated in note 2(b) of the financial statements, these financial statements have been prepared by the Company for the purpose of attaching to the financial statements of its ultimate holding company, PCS Technology Limited, as prescribed under section 212 of the Indian Companies Act, 1956 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the 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: (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, the said Order is not applicable in this case.
2. As required by section 227(3) of the Act, we report that:
 - a. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S.C. BANDI & CO.
(Chartered Accountants)
Firm Reg. No. 130850W

S.C.BANDI
(Proprietor)
Membership No.: 16932

Place : Mumbai
Date : 21st May 2013

PCS TECHNOLOGY USA., INC

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	4	217,850	217,850
Reserves and Surplus	5	(3,768,282)	(3,542,992)
Current liabilities			
Trade payables	6	31,158,474	29,306,678
Other current liabilities	7	1,570,246	1,477,737
TOTAL		29,178,288	27,459,273
Assets			
Non-current assets			
Long term loans and advances	8	412,713	388,398
Current assets			
Trade Receivables	9	26,647,471	25,077,558
Cash and Bank balances	10	36,625	34,467
Short-term loans and advances	11	2,081,479	1,958,850
TOTAL		29,178,288	27,459,273

The accompanying notes are an integral part of the financial statements

As per my Report of even date attached

For S.C.Bandi & Company
Chartered Accountants

For and on behalf of Board of Directors

H.C.Tandon
Director

S.C.Bandi
(Proprietor)
Membership No. 16932

Y.Bharadwaj
Director

Place : Mumbai
Date: 21st May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note	Year Ended 31st March 2013 (Amount in ₹)	Year Ended 31st March 2012 (Amount in ₹)
Revenue from Operations (gross)		-	-
Less : Excise duty		-	-
Revenue from Operations (net)		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Employee benefit expenses		-	-
Other expenses	12	17,107	191,462
Total Expenses		17,107	191,462
Loss before tax		(17,107)	(191,462)
Tax expense		-	-
Taxation pertaining to earlier years		-	-
Profit/(Loss) for the year from continuing operations (A)		(17,107)	(191,462)
Profit/(Loss) discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) for the year from discontinuing operations after tax (B)		-	-
Loss for the year		(17,107)	(191,462)
Basic and Diluted Earnings per share		(6.84)	(76.58)

The accompanying notes are an integral part of the financial statements

As per my Report of even date attached

For S.C.Bandi & Company
Chartered Accountants

For and on behalf of Board of Directors

H.C.Tandon
Director

S.C.Bandi
(Proprietor)
Membership No. 16932

Y.Bharadwaj
Director

Place : Mumbai
Date: 21st May 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1 BACKGROUND

PCS Technology USA Inc. was incorporated in the State of New Jersey USA on 29th November 2004 as a wholly owned subsidiary of PCS Technology Ltd. The Financial statement are for the year from 1st April 2012 to 31st March 2013. PCS Technology USA Inc. is engaged in the business of providing Consultancy services.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

- These financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards and provisions of the Companies Act, 1956 as applicable to bodies corporate.
- These financial statements have been prepared for the purpose of compliance with the provisions of section 212 of Indian Companies Act, 1956 by the holding company PCS Technology Ltd. Accordingly these financial statements will be attached to the financial statements of PCS Technology Ltd. as prescribed under Section 212 of the Indian Companies Act, 1956. The Balance Sheet and Statement of Profit and Loss of the Company have been drawn up in terms of US dollars representing the functional currency of the Company. However, for purposes of Compliance with the requirements of section 212 of the Indian Companies Act 1956, these financial statements have been translated into Indian Rupees in accordance with the methodology prescribed for conversion of financial statements of a non-integral operation in the revised Accounting Standard 11 on Accounting for the effects of changes in foreign exchange rates.
- The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.
- The Fixed assets are stated at cost less accumulated depreciation. The rate of depreciation is based on the estimated useful lives of the fixed assets. The useful lives of fixed assets are as stated below::

Fixed Assets	Useful lives
Computer & Computer Software	3 years
Office Equipments	5 years

- Income and expenditure incurred in foreign exchange have been translated at the average conversion rate of the accounting year. Current assets and current liabilities have been translated at the conversion rate as at 31st March 2013.

	2012-2013 (Amount in ₹)	2011-2012 (Amount in ₹)
4 SHARE CAPITAL		
Authorised		
2,500 Equity shares of par value of USD 2 each	<u>217,850</u>	<u>217,850</u>
Issued Subscribed and Paid up		
2,500 Equity shares of par value of USD 2 each	<u>217,850</u>	<u>217,850</u>
	<u>217,850</u>	<u>217,850</u>

- Terms /Rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- Details of shareholders holding more than 5% shares in the company

	31.03.2013 Number %	31.03.2012 Number %
PCS Technology Limited	<u>2500</u> <u>100.00</u>	<u>2500</u> <u>100.00</u>

	2012-2013 (Amount in ₹)	2011-2012 (Amount in ₹)
5 RESERVES AND SURPLUS		
Deficit in the Statement of Profit and Loss		
Balance As Per Last Financial Statement	<u>(3,268,608)</u>	(3,077,147)
Loss For The Year	<u>(17,107)</u>	(191,462)
Balance As Per Statement of Profit & Loss	<u>(3,285,716)</u>	(3,268,609)
Currency Fluctuation Reserve	<u>(482,566)</u>	(274,383)
Total Reserves and Surplus	<u>(3,768,282)</u>	<u>(3,542,992)</u>
6 TRADE PAYABLES		
Trade Payables	<u>31,158,474</u>	29,306,678
	<u>31,158,474</u>	<u>29,306,678</u>
7 OTHER CURRENT LIABILITIES		
Consultancy Charges Payable	<u>1,570,246</u>	1,477,737
	<u>1,570,246</u>	<u>1,477,737</u>

PCS TECHNOLOGY USA., INC

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

	(Amount in ₹)	
	2012-2013	2011-2012
8 LONG TERM LOANS AND ADVANCES		
Security Deposits	16,265	15,306
Taxes paid	396,448	373,092
	<u>412,713</u>	<u>388,398</u>
9 TRADE RECEIVABLES		
Unsecured, Considered good		
Over Six months	26,647,471	25,077,558
Other Debts	-	-
	<u>26,647,471</u>	<u>25,077,558</u>
10 CASH AND BANK BALANCES		
Cash in hand	5,351	5,036
Balances with Banks		
In Current account	31,274	29,431
	<u>36,625</u>	<u>34,467</u>
11 SHORT TERM LOANS AND ADVANCES		
Advances to Related Parties	2,081,479	1,958,850
	<u>2,081,479</u>	<u>1,958,850</u>

	(Amount in ₹)	
	2012-2013	2011-2012
12 OTHER EXPENSES		
Auditors Fees	17,107	14,609
Bank Charges-Routine	-	105,427
Fax charges	-	1,632
Legal & Professional Fees	-	69,794
	<u>17,107</u>	<u>191,462</u>
13 Particulars of Earnings per share		
a) Net loss for the year	(17,107)	(191,462)
b) Number of equity shares at the beginning and at the end of the year	2,500	2,500
c) Basic and Diluted Earning per share	(6.84)	(76.58)

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

As per my Report of even date attached

For S.C.Bandi & Company
Chartered Accountants

For and on behalf of Board of Directors

H.C.Tandon
Director

S.C.Bandi
(Proprietor)
Membership No. 16932

Y.Bharadwaj
Director

Place : Mumbai
Date: 21st May, 2013

THIRTY SECOND ANNUAL REPORT 2012-2013



INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

To the Board of Directors of PCS Technology Limited

I have audited the accompanying consolidated financial statements of PCS Technology Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

I report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements", issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of PCS Technology Limited and its Subsidiaries included in the consolidated financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai
Date : 25th May, 2013

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

PCS TECHNOLOGY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)

Particulars		Note No.	As at 31 st March 2013	As at 31 st March 2012
I.	EQUITY AND LIABILITIES			
1	Shareholders' Fund			
	Share capital	3	249,256,770	210,240,188
	Reserves and surplus	4	643,486,522	137,565,138
2	Non-Current Liabilities			
	Long term borrowings	5	132,706,092	652,022,741
	Deferred tax liability (net)	6	32,934,000	29,956,000
	Long term provisions	7	3,670,583	5,763,632
3	Current Liabilities			
	Short term borrowings	8	143,887,752	215,775,693
	Trade payables	9	157,328,803	235,989,506
	Other current liabilities	10	60,713,996	137,503,134
	Short term provisions	11	1,103,390	1,115,729
	TOTAL		1,425,087,908	1,625,931,761
II.	ASSETS			
1	Non-Current Assets			
	Fixed assets			
	(a) Tangible assets	12	271,484,512	377,214,612
	(b) Intangible assets	12	1,830,316	450,747
	(c) Capital work-in-progress		-	2,188,410
	(d) Intangible assets under development		5,872,303	5,452,302
	Non-current investments	13	418,430	918,430
	Long term loans and advances	14	104,622,484	136,356,167
	Other non-current assets	15	4,585,187	10,876,374
2	Current assets			
	Inventories	16	82,125,502	88,619,351
	Trade receivables	17	788,265,626	760,665,450
	Cash and bank balances	18	32,597,945	92,974,245
	Short term loans and advances	19	64,476,701	66,408,481
	Other current assets	20	68,808,902	83,807,192
	TOTAL		1,425,087,908	1,625,931,761

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013



(Amount in ₹)

Particulars	Note No.	Year Ended 31 st March 2013	Year Ended 31 st March 2012
I. Income			
Revenue from operations (Gross)	21	977,406,334	1,333,489,924
Less: Excise Duty		-	2,207,324
Revenue from operations (Net)		977,406,334	1,331,282,600
II. Other Income	22	8,083,677	32,489,753
III. Total Revenue (I + II)		985,490,011	1,363,772,353
IV. Expenses:			
Cost of material consumed	23	-	8,249,289
Purchases of stock-in-trade		132,228,809	327,149,001
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	3,600,541	17,653,207
Employee benefits expense	25	567,841,597	633,519,087
Other expenses	26	180,001,605	245,566,778
Total expenses		883,672,552	1,232,137,362
V. Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)		101,817,459	131,634,991
Less: Finance costs	27	45,881,354	70,976,643
Less: Depreciation and amortisation expense	28	7,657,370	39,477,112
VI. Profit before extraordinary items and tax		48,278,735	21,181,236
Less: Extra-ordinary items (net of taxes)	29	-	(1,333,973)
VII. Profit before tax		48,278,735	19,847,263
VIII. Tax expense			
Current tax		21,600,000	-
Deferred tax		(5,992,000)	7,306,000
Taxation pertaining to earlier years		(1,856,212)	-
Total tax expense		13,751,788	7,306,000
Profit for the year (VII-VIII)		34,526,947	12,541,263
Basic and Diluted earnings per equity shares of Rs.10 each			
1) Before extra ordinary items		1.65	0.66
2) After extra ordinary items		1.65	0.60

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

PCS TECHNOLOGY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	48,278,735	21,181,235
Adjustments for:		
Depreciation	7,657,370	39,477,112
(Profit)/ Loss from sale of fixed assets	425,997	(23,765,893)
Interest received	(4,734,255)	(2,081,009)
Dividend received	(115,820)	(33,680)
Finance cost	45,881,354	70,976,643
Currency fluctuation reserve on capitalisation	529,064	1,290,751
Operating profit before working capital changes	97,922,445	107,045,159
Decrease/ (increase) in trade and others receivables	732,275	107,495,060
Decrease/ (increase) in inventories	6,493,849	19,481,256
(Decrease)/ increase in trade and other payables	(157,555,229)	(315,444,776)
Cash generated from operations	(52,406,660)	(81,423,301)
Income tax paid (net of refunds)	(11,299,753)	(65,173,108)
Net cash flow from/ (used in) operating activities	(63,706,413)	(146,596,409)
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(7,881,545)	(36,588,758)
Purchase of non-current investments	-	-
Sale of non-current investments	500,000	-
Proceeds from sale of fixed assets	99,544,075	336,249,624
Interest received	5,196,816	2,195,010
Movement in Margin money deposits with original maturity of more than 3 months	6,315,891	6,692,086
Dividend received	115,820	33,680
Net cash from/ (used in) investing activities	103,791,057	308,581,642
C. Cash from financing activities		
Repayment of long-term borrowings (net)	(519,316,649)	(64,080,595)
Repayment of short-term borrowings (net)	(71,887,941)	(29,587,553)
Issue of shares at premium	536,625,000	-
Finance cost	(45,881,354)	(70,976,643)
Net cash from/ (used in) financing activities	(100,460,944)	(164,644,791)
Net increase/ (decrease) in cash and cash equivalents	(60,376,300)	(2,659,558)
Cash and cash equivalents at beginning of the year	92,974,245	95,633,803
Cash and cash equivalents at end of the year	32,597,945	92,974,245

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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

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 International Limited	Mauritius	100%
PCS Technology Inc.	United States	100%
PCS Positioning System (India) Limited	India	100%
PCS Infotech Limited	India	100%

2. (A) BASIS OF PREPARATION AND PRINCIPALS OF CONSOLIDATION

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. 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 Rajkot by Rs.819,300 and in Kolkata by Rs.12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.13,113,800 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Rajkot by Rs.1,810,939 and in Kolkata by Rs.7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.9,798,105 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.

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity shares of Rs.10 each	210,250,000	250,000,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	-
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed and paid up:		
20,950,677 (Previous year - 20,950,677) Equity Shares of Rs.10 each	209,506,770	209,506,770
3,975,000 (Previous year - Nil) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	-
Add: Equity shares forfeited	-	733,418
	<u>249,256,770</u>	<u>210,240,188</u>

a) Reclassification of Authorised Share Capital:

During the current year, the Company has reclassified the Authorised Share Capital of Rs.250,000,000 into 2,10,25,000 Equity Shares of Rs.10 each and 3,975,000 Redeemable, Non Convertible and Non-Cumulative Preference Shares of Rs.10 each.

b) Terms/ Rights attached to Equity Shares:

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

c) 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. 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.

d) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2013.

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Rs.
Shares outstanding at the beginning of the year	20,950,677	209,506,770	-	-
Shares issued during the year	-	-	3,975,000	39,750,000
Shares brought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,950,677	209,506,770	3,975,000	39,750,000

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

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of shares	% holding	No. of shares	% holding
Mrs. Rajnikanta Patni	2,386,116	11.39	2,386,116	11.39
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	1,652,122	7.89	1,652,122	7.89

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

Name of shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of shares	% holding	No. of shares	% holding
Mr. Ashok Kumar Patni	1,965,000	49.43	-	-
Mr. Gajendra Kumar Patni	1,480,000	37.23	-	-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	-	7,120,050
Add: Current year transfer	733,418	-
Less: Transfer to Statement of Profit and Loss (see note 29)	-	7,120,050
Closing balance	<u>733,418</u>	-
Securities premium account		
Opening balance	-	196,125,611
Add: Current year issue	496,875,000	-
Less: Transfer to Statement of Profit and Loss (see note 29)	-	196,125,611
Closing balance	<u>496,875,000</u>	-
Revaluation reserve		
Opening balance	192,635,810	388,356,111
Add: Additional revaluation during the year (see note 2(A)(iv))	-	87,705,187
Less: Transfer to Statement of Profit and Loss		
- On account of depreciation	1,815,578	10,241,721
- On account of loss on sale of revalued assets	4,557,467	-
Less: Transfer to General Reserve on sale of revalued fixed assets (see note below)	84,847,728	273,183,767
Closing balance	<u>101,415,037</u>	192,635,810
General Reserve		
Opening balance	-	94,100,534
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	64,477,728	235,375,767
Less: Transfer to Statement of Profit and Loss (see note 29)	-	329,476,301
Closing balance	<u>64,477,728</u>	-
Surplus in Statement of Profit and Loss		
Opening balance	(65,033,091)	150,313,803
Less: Transfer to Statement of Profit and Loss (see note 29)	-	227,888,157
Add: Profit for the year	34,526,947	12,541,263
Closing balance	<u>(30,506,144)</u>	(65,033,091)
Currency Fluctuation Reserve	10,491,483	9,962,419
Total Reserves and Surplus	<u>643,486,522</u>	<u>137,565,138</u>

Note: Profit on revalued assets, to the extent of revalued portion has been transferred from Revaluation Reserve to General Reserve, net of current and deferred tax charge.

5 LONG TERM BORROWINGS

Secured

Term loans:

a) From banks	1,551,487	1,015,414
b) Other than banks	6,404,605	8,707,327
Total Secured loans	<u>7,956,092</u>	9,722,741

Unsecured

Directors	123,800,000	569,800,000
Inter corporate deposits	950,000	72,500,000
Total Unsecured loans	<u>124,750,000</u>	642,300,000
Total long term borrowings	<u>132,706,092</u>	<u>652,022,741</u>

a) Term loans taken from Banks is secured by hypothecation of vehicles. Details as regards interest and repayment are as follows:

- The loan of Rs.1,700,000 was taken from Axis Bank Limited and carries interest @9% p.a. The loan is repayable in 36 monthly instalments of Rs.53,618 from June 2010.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
- The loan of Rs.520,000 was taken from HDFC Bank Limited and has been repaid during the current year.		
- The new vehicle loan of Rs.1,686,608 was taken from ICICI Bank Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly instalments of Rs.60,730 from January 2013.		
- The new vehicle loan of Rs.771,000 was taken from Volkswagen Finance Private Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly instalments of Rs.24,272 from January 2013.		
b) The Term Loan from HDFC Limited (original loan amount - Rs.1.20 crores) carries interest @ 12 to 15% p.a. and is secured by hypothecation of residential flats at Navi Mumbai. The loan is repayable in 60 monthly instalments of Rs.279,175 from August 2011.		
c) The loan taken from Directors and Inter Corporate Deposits are interest free and are returnable after 31st March, 2015.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	34,483,000	32,201,000
Deferred tax asset: on expenses allowed on payment basis	(1,549,000)	(2,245,000)
Deferred tax liability (Net)	<u>32,934,000</u>	<u>29,956,000</u>
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	3,670,583	5,763,632
	<u>3,670,583</u>	<u>5,763,632</u>
8 SHORT TERM BORROWINGS		
Secured		
Term loans	77,734	24,347,744
Cash credit from banks	119,515,476	133,820,879
Working capital loan	24,294,542	57,607,070
	<u>143,887,752</u>	<u>215,775,693</u>
a) Short Term Loan from Indian Bank of Rs.24,347,744 as on 31st March 2012 has been repaid during the current year.		
b) The loan of Rs.1,700,000 was taken from Axis Bank Limited and carries interest @9% p.a.. The loan is repayable in 36 monthly instalments of Rs.53,618 from June 2010.		
c) 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 @ 14%-15% p.a.		
9 TRADE PAYABLES		
Trade payables (Refer note 32 for details of dues to Micro, Small and Medium enterprises)	157,328,803	235,989,506
	<u>157,328,803</u>	<u>235,989,506</u>
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	3,118,055	1,977,895
Trade advances	5,997,221	3,691,694
Income received in advance	36,582,721	98,883
Advance against sale of property	-	110,000,000
Statutory dues and taxes payable	14,865,069	21,332,680
Other payables	150,930	401,982
	<u>60,713,996</u>	<u>137,503,134</u>
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	1,103,390	1,115,729
	<u>1,103,390</u>	<u>1,115,729</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

12 FIXED ASSETS

Particulars	Gross Block					Depreciation				Net Block	
	As at		Addition on		As at	As at	For the		As at	As at	As at
	01/04/2012	Additions	Revaluation	Deduction	31/03/2013	01/04/2012	year	Deduction	31/03/2013	31/03/2013	01/04/2012
Tangible Assets											
1 Freehold Land	63,210,000	-	-	63,210,000	-	-	-	-	-	-	63,210,000
2 Leasehold Land	1,177,904	-	-	-	1,177,904	451,380	31,214	-	482,594	695,310	726,524
3 Building	270,248,673	1,154,679	-	42,157,000	229,246,352	10,033,663	3,775,331	3,913,237	9,895,757	219,350,595	260,215,010
4 Plant and Equipment	28,932,432	-	-	7,725,976	21,206,456	13,390,958	965,900	7,231,792	7,125,066	14,081,390	15,541,474
5 Furniture and Fixture	28,944,823	177,610	-	6,070,037	23,052,396	17,280,021	1,040,366	5,194,603	13,125,784	9,926,612	11,664,802
6 Vehicle	10,906,486	3,756,427	-	5,182,642	9,480,271	4,388,659	935,939	2,949,119	2,375,479	7,104,792	6,517,827
7 Office Equipment	37,209,843	3,772,139	-	3,662,575	37,319,407	17,870,866	2,686,150	3,563,422	16,993,594	20,325,813	19,338,975
	440,630,161	8,860,855	-	128,008,230	321,482,786	63,415,547	9,434,900	22,852,173	49,998,274	271,484,512	377,214,612
Intangible Assets											
8 Software	7,702,287	1,417,617	-	-	9,119,904	7,251,540	38,048	-	7,289,588	1,830,316	450,747
Total	448,332,448	10,278,472	-	128,008,230	330,602,690	70,667,087	9,472,948	22,852,173	57,287,862	273,314,828	377,665,359
Previous Year	931,544,441	115,307,610	87,705,187	686,224,790	448,332,448	308,332,479	49,718,833	287,384,223	70,667,087	377,665,359	

Particulars			As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
13 NON-CURRENT INVESTMENTS				
(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
Chennai Petroleum Corpn	1,300	10	104,000	104,000
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
			739,000	739,000
<u>In Other Companies (Unquoted)</u>				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
Kalpavruksh Systems Limited	50,000	10	-	500,000
			10,000	510,000
Total of investments in equity instruments			749,000	1,249,000
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			4,000	4,000
c) <u>Investment in Mutual funds (Quoted)</u>				
Master shares of UTI	14,400	10	140,430	140,430
			140,430	140,430
Total investments			893,430	1,393,430
Less: Provision for diminution in value of quoted investments			475,000	475,000
Net investments			418,430	918,430
Aggregate amount of quoted Investments (Market value Rs.770,342 previous year Rs.738,855)			879,430	879,430
Aggregate amount of Unquoted Investments			14,000	514,000
Aggregate provision for diminution in value of investments			475,000	475,000

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
14 LONG TERM LOANS AND ADVANCES		
Unsecured, Considered good		
Security Deposits	13,921,831	15,210,695
Income tax paid (Net of provisions)	80,922,243	100,766,278
Rent deposit - Related Parties (refer note 40)	4,306,700	4,306,700
Advances recoverable in cash or in kind	5,471,710	16,072,494
	<u>104,622,484</u>	<u>136,356,167</u>
15 OTHER NON CURRENT ASSETS		
Non Current Bank Balances (refer note no 18)	4,560,483	10,876,374
Unamortised expenses	24,704	-
	<u>4,585,187</u>	<u>10,876,374</u>
16 INVENTORIES		
Raw materials, Stores & Spares	76,608,714	80,666,481
Stock-in-trade	5,516,788	7,952,870
	<u>82,125,502</u>	<u>88,619,351</u>
17 TRADE RECEIVABLES		
Unsecured, considered good		
Over six months	477,181,049	480,444,896
Other Debts	311,084,577	278,465,342
Finance lease receivable	-	1,755,212
	<u>788,265,626</u>	<u>760,665,450</u>
18 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	8,247,476	11,364,720
Balances with Banks		
In Current account	14,304,397	72,740,751
Deposits with original maturity of less than 3 months	4,366,147	876,620
	<u>26,918,020</u>	<u>84,982,091</u>
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	5,679,925	7,992,154
Deposits with Original maturity of more than 12 months	3,384,152	10,876,374
	<u>9,064,077</u>	<u>18,868,528</u>
Total Cash & Bank Balances	35,982,097	103,850,619
Less: Non-current portion included in Other Non current assets	3,384,152	10,876,374
	<u>32,597,945</u>	<u>92,974,245</u>
19 SHORT TERM LOANS AND ADVANCES		
Loans and advances to Employees	687,705	1,041,366
Deposits/ Balance with Excise/ Sales Tax Authorities	12,917,556	12,917,585
Advances to Suppliers	26,187,402	20,915,596
Earnest Money Deposit	19,158,212	17,161,977
Advances recoverable in cash or in kind (short term)	5,525,826	14,371,957
	<u>64,476,701</u>	<u>66,408,481</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
20 OTHER CURRENT ASSETS		
Revenue accrued	68,601,964	83,162,397
Interest accrued	182,234	644,795
Unamortised expenses	24,704	-
	<u>68,808,902</u>	<u>83,807,192</u>
21 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	173,747,221	425,175,363
Sales of Services		
Computers related IT services	801,393,565	907,238,408
Other operating revenue	2,265,548	1,076,153
Gross Sales	<u>977,406,334</u>	<u>1,333,489,924</u>
Less: Excise duty	-	2,207,324
Net Sales	<u>977,406,334</u>	<u>1,331,282,600</u>
22 OTHER INCOME		
Dividend from long term investments	115,820	33,680
Foreign exchange difference (Net)	878,200	3,204,180
Interest income	4,734,255	2,081,009
Profit on sale of fixed assets	-	23,765,893
Other Non-operating Income	2,355,402	3,404,991
	<u>8,083,677</u>	<u>32,489,753</u>
23 COST OF MATERIAL CONSUMED		
Raw Materials consumed	-	8,249,289
	-	<u>8,249,289</u>
24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	5,516,788	9,117,329
	<u>5,516,788</u>	<u>9,117,329</u>
Inventory at the beginning of the year		
Work in Process - Computers	-	12,605,371
Trading - Computers peripherals & software	9,117,329	14,165,165
	<u>9,117,329</u>	<u>26,770,536</u>
(Increase)/ Decrease in Inventory	<u>3,600,541</u>	<u>17,653,207</u>
25 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	519,105,194	587,154,156
Contribution to Provident fund etc	40,730,832	39,594,351
Staff Welfare expenses	8,005,571	6,770,580
	<u>567,841,597</u>	<u>633,519,087</u>
Refer Note No.30 for disclosures as required by AS -15 "Employee Benefits"		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	As at 31st March 2013 (Amount in ₹)	As at 31st March 2012 (Amount in ₹)
26 OTHER EXPENSES		
Power & Fuel	6,952,478	8,291,344
Rent	6,689,841	8,810,793
Rates & Taxes	775,221	1,068,452
Insurance	3,143,088	4,159,956
Advertisement & sales promotion	2,238,978	1,745,500
Travelling expenses	37,364,241	52,932,949
Consumable, Stores and spares	51,096,778	57,429,343
Office Maintainence	3,505,158	4,818,094
Printing & Stationery	3,349,888	5,230,010
Repairs to Building	968,877	543,662
Communication expenses	5,948,042	7,708,635
Auditor's Remuneration		
- As auditors	466,878	549,741
- For Tax Audit	50,000	50,000
- For Certificate/ Limited Review	151,686	148,905
Legal, Professional & Consultancy charges	8,927,637	10,920,982
Freight & Forwarding	6,806,769	10,074,203
Directors Sitting fees	531,471	491,935
Subcontracting charges paid	26,392,602	42,988,262
Sales & Work contract tax paid	2,425,830	14,171,959
Loss on sale of non-revalued fixed assets	425,997	-
Miscellaneous expenses	11,790,145	13,432,053
	<u>180,001,605</u>	<u>245,566,778</u>
27 FINANCE COST		
Interest Expense	43,165,599	65,113,325
Other Borrowing cost	2,715,755	5,863,318
	<u>45,881,354</u>	<u>70,976,643</u>
28 DEPRECIATION		
Depreciation and amortisation	9,472,948	49,718,833
Less: Transfer from Revaluation Reserve	1,815,578	10,241,721
	<u>7,657,370</u>	<u>39,477,112</u>
29 Pursuant to the Scheme of Arrangement under sections 391 to 394 read with sections 78, 100 to 104 and other applicable provisions of The Companies Act, 1956 as approved by Hon'ble High Court Of Judicature at Mumbai vide order dated 28/09/2012, the Company has charged Rs.7899.62 lacs being permanent reduction in the value of fixed and current assets and adjusted against Security Premium Reserves, Capital Reserve, General Reserve and Profit and Loss account.		
Baddebts written off	-	700,121,023
Fixed assets written off	-	89,841,069
	A	<u>789,962,092</u>
Less: <u>Transfer from</u>		
Capital Reserve	-	7,120,050
Securities Premium Account	-	196,125,611
General Reserve	-	329,476,301
Statement of Profit & Loss	-	227,888,156
	B	<u>760,610,118</u>
	A-B	<u>29,351,974</u>
Less: Deferred tax credit	-	28,018,000
Net Amount transferred to Statement of Profit & Loss	<u>-</u>	<u>1,333,974</u>

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30. Employee Benefits

- a) Contribution to Provident Fund of Rs.20,340,368 (previous year Rs. 21,568,180) 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.

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
1 Change in benefit obligation				
Liability at the beginning of the year	16,949,209	6,865,490	16,732,072	7,436,091
Interest cost	717,303	410,819	1,338,566	594,887
Current service cost	1,771,018	1,435,870	2,452,080	2,362,801
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	15,965,848	3,460,494	-	-
Actuarial (Gain)/ Loss	12,229,160	(477,712)	(3,573,509)	(3,528,289)
Liability at the end of the year	15,700,842	4,773,973	16,949,209	6,865,490
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	17,434,869	-	17,310,055	-
Adjustments to opening balance	9,306,628	-	386	-
Expected Return on Plan assets	2,536,029	-	2,077,253	-
Contributions	4,750,000	3,460,494	-	-
Benefit paid	15,965,848	3,460,494	-	-
Actuarial (Gain)/ Loss on plan assets	(2,234,632)	-	(1,952,825)	-
Fair value of Plan assets at end of year	15,827,046	-	17,434,869	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,771,018	1,435,870	2,452,080	2,362,801
Interest cost	717,303	410,819	1,338,566	594,887
Expected Return on Plan assets	2,536,029	-	2,077,253	-
Actuarial (Gain)/ Loss	14,463,792	(477,712)	(1,620,684)	(3,528,289)
Expenses recognized in the P&L a/c	14,416,084	1,368,977	92,709	(570,601)
4 Actuarial Assumptions				
Discount rate	8.00%		8.00%	
Salary escalation rate	5.00%		5.00%	
Expected Return on Plan assets	12.00%		12.00%	
Retirement age	58 Years		58 Years	
Mortality	LIC (1994-96)		LIC (1994-96)	

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. Issue of Preference Shares:

Pursuant to resolution passed in the Annual General Meeting of the Share Holders held on 21st December 2012, the Company has allotted 39,75,000; 9% Redeemable, Non-Convertible, Non-cumulative Preference Shares of Rs.10 each for cash at a premium of Rs.125 per share aggregating Rs.53,66,25,000 on private placement basis to the Promoters and Promoter companies of the Company on 31st January, 2013. The premium received on the aforesaid preference shares amounting to Rs.49,68,75,000 has been credited to "Securities Premium" account.

32. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2013 is Rs.13,69,30,473 (Previous Year - Rs.174,626,913).

33.(a) Status of statutory dues under disputes on which amount has been paid:

- 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 its reply denying 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

- 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 its reply denying 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 its reply denying 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.

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

- 1 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.4,69,24,929 on import of software under category of Intellectual Property Rights for the period Dec2004 – Mar2009.

The Company has obtained the legal opinion and filed its reply denying the demand as the Service Tax on this kind of service was not applicable. Hence, the Company is not liable for this kind of dues.

- 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 demand of Rs.5,04,995 from the Commissioner Of Central Excise (Appeal), Vapi on the ground of irregular availment of Central Excise during the period Apr2004 - Mar2005.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.

- 4 The Company has received a demand of Rs.44,28,762 from the Commissioner Of Central Excise(Appeal), Vapi on the ground of irregular availment of Central Excise during April 2004 - March 2005.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Ahmedabad. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Ahmedabad.

- 5 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 Company is in process of filing suitable reply against the Show Cause Notice and the management expects favorable order. The proceedings are pending before Commissioner of Customs, Mumbai.

- 6 The Company has received a demand of Rs.20,20,103 from Commissioner of Customs, Pune demanding differential Custom Duty on import of raw material used in manufacturing of copper clad laminates for the period from 1997 - 2002.

The Company has filed appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Mumbai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Mumbai.

34. The management is reviewing its future business plan in view of the new market condition and certain decision taken in past. Consequently post completion of review exercise, the company will decide the road map including treatment of various asset.

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

(Amount in ₹)

Particulars	As at 31/3/2013	As at 31/3/2012
Principle amount due to suppliers under MSMED Act at the year end	39,999	14,063
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	594	356
Payment made to suppliers (other than interest) beyond the appointed day during the year	14,063	359,241
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	111	4,043
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	705	4,399

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

36. (A) Value of imported and indigenous Raw Materials, Computer and Peripherals Accessories consumed and percentage there of:

Particulars	31/3/2013		31/3/2012	
	Value	%	Value	%
Imported	2,414,462	1.83	4,975,969	8.06
Indigenous	129,814,347	98.17	369,200,319	91.94
	132,228,809	100.00	374,176,288	100.00

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

Particulars	31/3/2013	31/3/2012
Raw Material, Computers & Peripherals Accessories	2,658,962	5,420,005

(C) Expenditure in foreign currency:

Particulars	31/3/2013	31/3/2012
Traveling and others	4,030,235	6,259,303

(D) Earning in foreign currency:

Particulars	31/3/2013	31/3/2012
Export sales and services	9,571,868	3,027,663

37. Finance Lease Accounting:

In certain cases, the company has sold its product by way of lease arrangements with the customers. The transaction is treated as finance lease in accordance with Accounting Standard-19 "Leases". The details of lease transactions as on 31st March 2013 are as follows:

Particulars	31/3/2013	31/3/2012
a) Gross Investment in lease	-	1,772,696
b) Present value of minimum lease payment	-	1,755,212
c) Total gross investment		
1) Not later than one year	-	1,772,696
2) Later than one year but not later than five	-	-
3) Later than five year	-	-
d) Present value of Minimum lease payment		
1) Not later than one year	-	1,755,212
2) Later than one year but not later than five	-	-
3) Later than five year	-	-
e) Unearned Finance income	-	17,484

38. Particulars of Earnings per Shares:

Particulars	31/3/2013	31/3/2012
a) Net Profit for the year		
Before extraordinary items (Rs.)	34,526,947	13,875,236
After extraordinary items (Rs.)	34,526,947	12,541,263
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)		
Before extraordinary items	1.65	0.66
After extraordinary items	1.65	0.60

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.

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

40.1 Related parties disclosures:

A Names of the 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)

- b) Relatives of key management personnel
 1. Mrs. Rajnikanta Patni
(Wife of Mr. G.K. Patni)
 2. Mrs. Sadhna Patni
(Wife of Mr. A.K. Patni)
 3. Mr. Apoorva Patni (Director)
(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. Ashoka Computer Systems Private Limited
 2. PCS Cullinet Private Limited
 3. PCS Finance Private Limited
 4. Kalpavruksh Systems Limited - (Formerly known as Vraksh Technologies Limited)
 5. Saulese Energija Limited
 6. AAP & Associates LLP
 7. Patni Healthcare Limited

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

(Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Sales of Goods and Services	-	-	2,693,977 (367,815)	2,693,977 (367,815)
Sale of Fixed Assets	-	-	- (300,000,000)	- (300,000,000)
Rent Paid	-	(400,000)	-	(400,000)
Rent Received	-	-	(3,300,000)	(3,300,000)
Recovery of expenses received	-	-	(68,400)	(68,400)
Loan taken	110,000,000 (129,000,000)	-	-	110,000,000 (129,000,000)
Loan Refunded	556,000,000 (143,700,000)	-	-	556,000,000 (143,700,000)
Advance received against sale of Property	(160,000,000)	-	-	(160,000,000)
Advance refunded against sale of Property	110,000,000 (209,000,000)	-	-	110,000,000 (209,000,000)
Remuneration to Directors	2,748,876 (2,402,448)	-	-	2,748,876 (2,402,448)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

40.3 Details of significant transactions carried out with related parties referred above, in ordinary course of business: (Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Sales of goods and services			
Kalpavruksh Systems Ltd	-	-	902,592 (367,815)
Patni Healthcare Ltd	-	-	1,756,608 -
Sale of Fixed Assets			
AAP & Associates LLP	-	-	- (300,000,000)
Rent paid			
Apoorva Patni	-	(400,000)	- -
Rent Received			
Kalpavruksh Systems Ltd	-	-	- (3,300,000)
Reimbursement/ Recovery of expenses received			
Kalpavruksh Systems Limited	-	-	- (68,400)
Loan Taken			
A.K.Patni	110,000,000 (129,000,000)	- -	- -
Loan Refunded			
A.K.Patni	356,000,000 (143,700,000)	- -	- -
G.K.Patni	200,000,000 -	- -	- -
Remuneration to Directors			
H.C.Tandon	2,748,876 (2,402,448)	- -	- -
Advance received against sale of Property			
A K Patni	- (160,000,000)	- -	- -
Advance refunded against sale of Property			
A K Patni	110,000,000 (209,000,000)	- -	- -

40.4 Balance outstanding as on 31st March 2013: (Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Receivable	-	-	1,709,557	1,709,557
Property Deposits	-	3,900,000 (3,900,000)	406,700 (406,700)	4,306,700 (4,306,700)
Other Loan Taken	98,800,000 (544,800,000)	-	950,000 (72,500,000)	99,750,000 (617,300,000)
Advance received against sale of Property	- (110,000,000)	-	-	- (110,000,000)

PCS TECHNOLOGY LIMITED

40.5 Details of significance closing balances outstanding as on 31st March 2013:

(Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Receivable			
Patni Healthcare Ltd	-	-	1,709,557
	-	-	-
Property Deposits			
Estate of Kanchanbai Patni	-	1,100,000	-
	-	(1,100,000)	-
Rajnikant Patni	-	600,000	-
	-	(600,000)	-
Sadhana Patni	-	700,000	-
	-	(700,000)	-
Apoorva Patni	-	600,000	-
	-	(600,000)	-
Arihant Patni	-	500,000	-
	-	(500,000)	-
PCS Finance Pvt. Ltd	-	-	205,030
	-	-	(205,030)
Loan Taken			
A.K.Patni	88,800,000	-	-
	(334,800,000)	-	-
G.K..Patni	10,000,000	-	-
	(210,000,000)	-	-
Ashoka Computer Systems Pvt. Ltd.	-	-	200,000
	-	-	(24,500,000)
PCS Finance Pvt. Ltd.	-	-	550,000
	-	-	(23,500,000)
PCS Cullinet Pvt. Ltd.	-	-	200,000
	-	-	(24,500,000)
Advance received against sale of Property			
A.K.Patni	-	-	-
	(110,000,000)	-	-

(Note: Previous year figures are shown in brackets)

40(a) Disclosure required by Clause 32 of the Listing Agreement:

Amount of loans and advances in nature of loans outstanding from subsidiaries - NIL

40(b) 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.

41. 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 : 25th May, 2013

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

B. J. Patel
Company Secretary

PCS TECHNOLOGY LIMITED

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



PROXY

DP. Id	
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Folio No.	
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Client Id	
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No. of Shares held	
--------------------	--

I/We _____
of _____ in the district of _____
_____ being a member/members of the above named Company

hereby appoint _____
of _____ in the district of _____
_____ or failing him _____
of _____ in the district of _____

as my/our proxy to vote for me/us, on my/our behalf at the THIRTY SECOND ANNUAL GENERAL MEETING of the members of PCS Technology Limited to be held at Hotel Aaradhana Garden situated at Gat No.123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 11th September, 2013 at 10.00 a.m. and at any adjournment thereof.

Signed by the said _____

Signed this _____ day of _____ 2013.



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.



ATTENDANCE SLIP

THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of the Shareholder(s) (In Block Letters) _____

DP. Id	
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Folio No.	
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Client Id	
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Name of the Proxy (in Block Letters to be filled in, if the Proxy attends instead of the member) or Company Representative _____

_____ No. of Shares held _____

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the members of PCS Technology Limited held at Hotel Aaradhana Garden situated at Gat No.123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 11th September, 2013 at 10.00 a.m.

Signature of the Shareholder or Proxy or Company Representative



PCS TECHNOLOGY LIMITED

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