

July 20, 2016

The Secretary
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
27th Floor, Dalal Street
Mumbai 400 023

Dear Sir,

Ref : Security Code no. 517119

Reg : A note on the Company's Business Operation

"The Company's activities consist of –

- (i) providing I.T. Infrastructure maintenance services;
- (ii) software services in health care; and
- (iii) global position systems.

A substantial part of the Company's business comes from maintenance of desk top computers. Some business is contributed by maintenance of departmental services as well as peripherals like printers, networking equipment, etc. Presently, due to rapid technological changes, most of the equipment suppliers provide standard three years' warranty, hence demand post warranty services which earlier used to be after one year of supply is now being provided by only after three years.

Due to the above technological enhancement, hardware devices are much more reliable and value of the hardware is also going down. Therefore, the value of hardware maintenance services has become less remunerative.

Consequently, many reputed companies have exited from this line of activities. The Company has also reduced its turnover and manpower to maintain profitability by giving up non-profitable business.

It is felt that due to the above circumstances, the Company's profitability and turnover in the existing line of business would be reduced from time to time. Consequently, the Company may look into other alternatives."

Kindly take a note of this.

Thanking you

Yours faithfully

For PCS Technology Limited



H.C. Tandon
Managing Director
(Din: 00037611)

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