



PCS Technology Limited

**35th
Annual Report
2015-16**



TECHNOLOGY

PCS TECHNOLOGY LIMITED

CIN - L74200MH1981PLC024279

BOARD OF DIRECTORS

Mr. G. K. Patni (DIN - 00014163)	Chairman
Mr. A. K. Patni (DIN - 00014194)	Vice Chairman
Mr. H. C. Tandon (DIN - 00037611)	Managing Director & CEO
Mr. Satish Ajmera (DIN - 00208919)	Director
Mr. D. B. Engineer (DIN - 00047028)	Director (expired on 30th May, 2016)
Mr. G. M. Dave (DIN - 00036455)	Director
Mr. K. K. Barjatya (DIN - 00107064)	Director
Mrs. Vandana Gupta (DIN - 07117752)	Director
Mr. Yash Bhardwaj (DIN - 01714824)	Executive Director

CHIEF FINANCIAL OFFICER

Mr. M. P. Jain

COMPANY SECRETARY

Mr. Bhaskar J. Patel

AUDITORS

S. C. Bandi & Co.

Chartered Accountants, Mumbai

BANKERS

Canara Bank
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

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PROXY	

35th ANNUAL GENERAL MEETING

Day, Date & Time : Wednesday, 21st September, 2016, 12.00 noon
Venue : Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road,
Pune 412 105

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

THIRTY FIFTH ANNUAL REPORT 2015-2016



NOTICE TO MEMBERS

NOTICE TO MEMBERS

NOTICE is hereby given that the **35th ANNUAL GENERAL MEETING of PCS TECHNOLOGY LIMITED** will be held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, 21st September, 2016 at 12:00 noon to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2016 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 (DIN - 00014194) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors of the Company and to fix remuneration and to pass the following resolution as an ordinary resolution thereof.

"RESOLVED THAT pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 17th September, 2014, for the appointment of Mr. S. C. Bandi, of S. C. Bandi & Co., Chartered Accountant (registration no. 130850W) as Statutory Auditors of the Company to hold office till the conclusion of the AGM of the financial year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ending 31st March, 2017 as may be determined by the audit committee in consultation with the auditors".

SPECIAL BUSINESS:

4. Appointment of Mr. Harish Chandra Tandon (Din: 00037611) as Managing Director and CEO of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule- V of the Companies Act, 2013 and the Companies (Appointment and remuneration of Management and Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being) read with Schedule- V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Harish Chandra Tandon (Din : 00037611), as Managing Director and CEO of the Company for the period of two years with effect from November 25, 2016, upon the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting 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
CIN - L74200MH1981PLC024279

By Order of the Board
For PCS Technology Ltd.

Mumbai, May 16, 2016

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 Thursday, 15th September, 2016 to Wednesday, 21st September, 2016, both days inclusive.

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.
- 3) Members whose Shareholding is in electronic mode are requested to direct the change of address notifications and updates of saving bank account details to their respective Depository Participants.
 - 4) The Annual Report 2015-16 is being sent through electronic mode only to the members whose email address are registered with the Company/ depository participants, unless any members has requested for a physical copy of the Report. For the members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by the permitted mode.
 - 5) Members may also note that the Notice of the 35th AGM and the Company's Annual Report 2015-16 will be available on the Company's website www.pcstech.com.

The physical copies of the documents will also be available at the Company's registered office.

- 6) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
- 7) Information on Directors, recommended for appointment/ re-appointment at the Annual General Meeting as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Re-appointment of Mr. Ashok Kumar Patni (DIN : 00014194) (Item no. 3)

Ashok Kumar Patni

Mr. Ashok Kumar Patni serves as Non-Executive Vice Chairman of PCS Technology Limited and has been its Director since April 22, 1981. He has over 22 years of experience in computer hardware and systems software. Mr. Ashok Kumar Patni was a Co-founder of Patni Computer Systems Ltd. Earlier, Mr. Patni

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served as Joint Managing Director of PCS Technology Limited since December 30, 2005. Mr. Patni has contributed significantly in the past to the growth of the hardware and Software business of the Company. He is a Mechanical Engineer from IIT, Mumbai.

Disclosure of relationships between directors inter-se

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

Directorship in 11 Companies namely:

- i PCS Cullinet Pvt. Ltd
- ii Ashoka Computer Systems Pvt. Ltd
- iii PCS Finance Private Ltd.
- iv PCS Infotech Limited
- v PCS Positioning Systems (India) Ltd.
- vi Saulese Energija Ltd
- vii Gemstone Real Estate Pvt. Ltd
- viii Patni Healthcare Ltd.
- ix Kalpavruksh Systems Limited
- x Currae Capital Finance Pvt Ltd
- xi Patni Financial Advisors Pvt Ltd

Chairperson of Board Committees:

Patni Healthcare Limited

Member of Board Committee:

Member of Stakeholders Relationship Committee – PCS Technology Limited and
Member of Corporate Social Responsibility Committee- PCS Technology Limited

Shareholding in the Company:

5,75,995 shares

8. Voting through electronic means

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

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

The remote e-voting period begins on Sunday, 18 th September, 2016 at 10:00 a.m and ends on at Tuesday, 20th September, 2016 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14th September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

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

8. After entering these details appropriately, click on "SUBMIT" tab.
 9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
 10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 11. Click on the EVSN for the relevant PCS Technology Limited on which you choose to vote.
 12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 17. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 18. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates and Custodians respectively
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case of members whose email IDs are not registered with the Company/ Depository participant(s) and who receive Physical Postal Ballot Forms, the following instructions may be noted:
- Please follow all steps from sl. no. (1) to sl. no. (17) above to cast vote.
- In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) General:
- (a) In case of any queries regarding remote e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
 - (b) The facility for voting through polling paper shall be made available at the venue of the AGM.
 - (c) The members who will be attending the meeting and who have not cast their vote through remote e-voting shall be able to exercise their voting rights at the AGM. The members who have already cast their vote through remote e-voting may attend the meeting but shall NOT be entitled to cast their vote again at the AGM.
 - (d) Members holding shares in Physical or dematerialized form, as on the cut-off date of 14th September, 2016, shall only be entitled to avail the facility of Remote E-voting or voting through polling paper at the AGM.
 - (e) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 14th September, 2016.
 - (f) M/s. Bhavesh Desai & Associates, Practising Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
 - (g) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The results of the remote e-voting and voting through poll along with the scrutinizer's report shall be placed in the Company's website www.pcstech.com within statutory period as mentioned in the Company's Act, 2013 after passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

PCS TECHNOLOGY LIMITED

ANNEXURE TO NOTICE

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

Item no. 4:

The members of the Company at the 32nd Annual General Meeting held on 11th September, 2013 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, 2013 on remuneration as specified in the AGM notice dated May 25, 2013.

His present term of appointment as a Managing Director & CEO of the Company will expire on November 24, 2016.

The Board of Directors at their meeting held on May 16, 2016 re-appointed Mr. H. C. Tandon as a Managing Director & CEO of the company for a further period of two years w.e.f. 25th November, 2016 up to 24th November 2018. Based on the recommendation of the Remuneration Committee, the Board of Directors, at its said meeting held on May 16, 2016 also approved the remuneration and other terms and conditions of appointment of Mr. H C Tandon as Managing Director and CEO 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 16, 2016.

Profile of Mr. Tandon

Mr. Harish Jagdish Chandra Tandon has been Managing Director and Chief Executive Officer of PCS Technology Limited since November 25, 2007. Mr. Tandon joined the Company in 1979. He has over 37 years of experience and earlier served at Hinditron Computers for 2 years. He has been a Director of PCS Technology Usa., Inc. since November 27, 2004. He has been an Executive Director of PCS Technology Limited since December 30, 2005 and earlier served its Whole time Director since November 25, 1995. He holds a B.Sc in Engg from Birla Institute of Technology, Pillani

Disclosure of relationships between directors inter-se;

Nil

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

Nil

Member of Board Committees

Nil

Shareholding in the Company

432 shares

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

- (a) Rs.1,40,000/- (Rupees One lakh forty thousand only) per month with such increments as may be decided by the Board subject to a ceiling of Rs.1,60,000/- 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.
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.
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.
City Compensatory Allowance, Adhoc Allowance, Attire Allowances, Special Allowance, Bonus/ex-gratia and other allowances, benefits as decided by the Board / Committee from time to time
- ii) Leave Travel Concession : For the Managing Director and his family, once in a year incurred in accordance with the rules specified by the Company.
- iii) Medical/ Hospitalization expenses for self and family subject to ceiling of one month's salary in a year or two months salary over a period of two years.
- iv) Personal Accident Insurance premium as per the rules of the Company.

CATEGORY 'B'

- i) Provident Fund : Company's contribution to Provident Fund shall be as per the scheme applicable to the employees of the Company.
Contribution to provident fund will not be included in the computation of perquisites.
- ii) Gratuity : As per the rules of the Company.
- 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 with driver 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 42 days

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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, 2013 (including any statutory modifications(s) or re-enactment thereof).

The Agreement may be terminated earlier by either party giving 2(two) months notice in writing to the other party, or the company paying 2(two) 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. and 1.00 p. m. on any working day upto the date of this Annual General Meeting of the Company.

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

Your Directors recommend the Resolutions for your approval.

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

Registered Office:

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

Mumbai, May 16, 2016

By Order of the Board
For PCS Technology Ltd.

Bhaskar J Patel
Company Secretary

PCS TECHNOLOGY LIMITED

DIRECTORS' REPORT

The Members,

PCS TECHNOLOGY LIMITED

Your Directors of the Company are pleased to present you the 35th Annual Report of the Company along with the statement of Audited Financial Statements for the financial year ended 31st March 2016.

FINANCIAL RESULTS

Key highlights of standalone Financial Results of the Company for the financial year 2015-16 are tabulated below:

Particulars	(Rs. In lakhs)	
	Financial Year ended 31.03.2016	Financial Year ended 31.03.2015
Net sales and services	6,323	10,046
Gross Profit	810	972
Depreciation	111	105
Profit for the year from Operations	699	867
Corporate Social Responsibility Expense	5	10
Provision for Taxation (Net)	140	312
Profit for the year / available for Appropriation	554	545
Balance of Profit/(Loss) available in Balance Sheet	1,983	1,545

OPERATIONS

During the year under review, your Company has achieved Net Sales of Rs. 6323 lakhs as against Rs. 10046 lakhs in the previous year.

In the current year, the Company did not solicit computer hardware business and this had the impact on the total sales and services. However, the Company has maintained the level of the Profit for the year.

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

SCHEME OF AMALGAMATION AND ARRANGEMENT

Pursuant to the Scheme of Amalgamation and Arrangement between PCS International Limited, Mauritius ('PIL Mauritius' or 'the Transferor Company') and PCS Technology Limited ('PTL' or 'the Company' or 'the Transferee Company') and their respective Shareholders under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, ("the Scheme") sanctioned by the Hon'ble High Court of Bombay vide its order dated 8th May, 2015 and the approval of the Registrar of Companies, Mauritius for the removal of the name of "PCS International Limited" Mauritius (PIL) from their record on 3rd June, 2015, the Wholly Owned Subsidiary Company PIL Mauritius merged with the "PCS Technology Limited" ("the Company") with effect from **April 1, 2014** ("the appointed date"). The Scheme came into effect on 18th June, 2015, the day on which the Company has filed the Bombay High Court order with the Registrar of Companies, Pune and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of PIL, Mauritius have been transferred to and vested in the Company with effect from 1st April, 2014. As the amalgamating company i. e. PIL Mauritius was Wholly Owned Subsidiary Company, no equity shares were exchanged to effect the amalgamation in respect thereof.

According to the aforesaid Scheme of Amalgamation and Arrangement, the difference between the value of net assets and liabilities of the PIL, Mauritius taken over and cancellation of inter-company balances by the Company and after adjusting for certain stressed assets of the Company totaling to Rs.6387.22 lakhs have been charged to the Security Premium, Capital Reserve and General Reserves aggregating to Rs. 5737.19 lakhs in the same sequence netting off the current and deferred tax credit of Rs. 650.03 lakhs. The necessary entries in the books of accounts of the Company have been made to this effect in current financial year.

EXTRACTS OF ANNUAL RETURN

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

DIVIDEND

In order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2016.

RESERVES

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

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

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

ANNUAL PERFORMANCE EVALUATIONS

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

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

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

DIRECTORS

Retirement by Rotation

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

Declaration given by Independent Director

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

None of the independent directors are due for re-appointment.

Board and Audit Meetings

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

Remuneration Policy

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

The Remuneration Policy is stated in the Corporate Governance Report.

COMMITTEES OF THE BOARD

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

STATUTORY AUDITOR

Mr. S. C Bandi of Messrs S.C Bandi & Co. , Chartered Accountants (registration no. 130850W), Mumbai, who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 17 September, 2014 had approved the appointment of Messrs S.C Bandi & Co as the Statutory Auditors for a period of two financial years i.e., up to 31 March, 2017. As required by the provisions of the Companies Act, 2013, their appointment should be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM

SECRETARIAL AUDITOR

Mr. Bhavesh Desai of M/s. B. Desai & Associates, Practicing Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2015-16 as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit report for FY 2015-16 forms part of the Annual report as **Annexure 3** to the Board's Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1 In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 2 Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the said year;
- 3 Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4 Annual Accounts have been prepared on a going concern basis.
- 5 Internal Financial controls are followed by the Company in adequate manner and are operating effectively.
- 6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In view of the provisions relating to CSR contained in new Companies Act, 2013, the Board of Directors of your Company has set up a CSR Committee comprising four directors viz. Mr. G M Dave, a Non-Executive Independent Director, Mr. G. K. Patni, Non-Executive Director, Mr. A. K. Patni, Non-Executive Director and Mr. H. C. Tandon, Managing Director and CEO of the Company. The Committee will oversee and monitor its CSR activities in line with the CSR policy of the Company in compliance with the provisions of the Companies Act, 2013

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

Initiations taken by the Company for CSR :

During the year under review the Company has contributed Rs. 5 lakhs in the Chief Minister Public Relief Fund, Tamil Nadu in the month of December 2015. The Company has contributed in CSR activities as prescribed u/s 135 (5) of Companies Act, 2013. The Balance amount of Rs. 8,99,417 (Rupees Eight Lakhs Ninety Nine Thousand Four Hundred and Seventeen only) will be contributed by the Company in the next financial year 2016-17.

CORPORATE GOVERNANCE

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

SUBSIDIARY COMPANY

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies for the financial year ended 31st March 2016 of PCS Technology USA., Inc., PCS Positioning Systems (India) Limited and PCS Infotech Limited in Form AOC-1 is annexed and marked as **Annexure-6(A)** of the Annual Report.

PCS TECHNOLOGY LIMITED

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

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

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

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

DEPOSITS

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

CODE OF CONDUCT

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

CONSOLIDATED FINANCIAL STATEMENT

The consolidated Financial Statements have been prepared in accordance with the provisions of Section 129 of the Companies Act, 2013, applicable Accounting Standards and the provisions of the LODR, Regulation, 2015 with Stock Exchanges and forms part of this Annual Report.

PARTICULARS OF EMPLOYEES

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

A.K. Patni
Vice Chairman

Mumbai, May 16, 2016

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Annexure 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

CIN	L74200MH1981PLC02429
Registration Date	22/04/1981
Name of the Company	PCS Technology Limited
Category/Sub-category of the Company	Computer Software, Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	Office no.1, Gat no.478, Alandi Markaal Road, Tal. Khed, Alandi, Dist – Pune- 412106. Tel : 22822621/2562 22882135/1099, 020-26681619
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Private Limited E- 2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tel.: 2847 0652 / 0653, 4043 0200, Fax: 022-2847 5207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1750504	-	1750504	8.36%	1656425	-	1656425	7.91%	0.45%
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5704679	-	5704679	27.23%	5704679	-	5704679	27.23%	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	7243628	1184	7244812	34.58%	7337707	1184	7338891	35.03%	-
g) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	14698811	1184	14699995	70.17%	14698811	1184	14699995	70.17%	-
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A) (1)+(A)(2)	14698811	1184	14699995	70.17%	14698811	1184	14699995	70.17%	0

PCS TECHNOLOGY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds / UTI	126690	4893	131583	0.63%	126690	4893	131583	0.63%	-
b) Banks / Financial Institutions	236	759	995	0.01%	236	759	995	0.01%	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	213383	-	213383	1.02%	213383	-	213383	1.02%	-
g) Foreign Institutional Investors	0	700	700	0.00%	0	700	700	0.00%	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	340309	6352	346661	1.66%	340309	6352	346661	1.66%	-
2. Non-Institutions									-
a) Bodies Corporate	136076	14194	150270	0.72%	131931	14192	146123	0.70%	0.02%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2023089	1475936	3499025	16.70%	2244829	1459049	3703878	17.68%	0.98%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2045482	0	2045482	9.76%	1913030	0	1913030	9.13%	0.63%
c) Any Other									
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors / Relatives	432	316	748	0.00%	432	316	748	0.00%	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	32151	1640	33791	0.16%	33921	1640	35561	0.17%	0.01%
OCB	-	100800	100800	0.48%	-	100800	100800	0.48%	-
Clearing Members	73905	-	73905	0.35%	3881	-	3881	0.02%	0.33%
Sub-total (B)(2)	4311135	1592886	5904021	28.17%	4311135	1575997	5904021	28.18%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	4651444	1599238	6250682	29.83%	4668333	1582349	6250682	29.83%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19350255	1600422	20950677	100%	19367144	1583533	20950677	100%	-

ii. Shareholding of Promoter & Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sobhagmal Patni	1,30,936	0.63%	-	1,30,936	0.63%	-	
2	Kanchanbai Patni	61,286	0.29%	-	61,286	0.29%	-	
3	Gajendrakumar Patni	5,79,685	2.77%	-	5,79,685	2.77%	-	
4	Rajnikant G Patni	23,91,081	11.41%	-	23,91,081	11.41%	-	
5	Amit Kumar Patni	2,61,899	1.25%	-	2,61,899	1.25%	-	
6	Ruchi Amit Kumar Patni	1,52,540	0.73%	-	1,52,540	0.73%	-	
7	Ayushi A Patni	2,830	0.01%	-	2,830	0.01%	-	
8	Akruti A Patni	2,830	0.01%	-	2,830	0.01%	-	
9	Arihant Gajendrakumar Patni	3,84,186	1.83%	-	3,84,186	1.83%	-	
10	Ashokkumar S. Patni	5,75,995	2.75%	-	5,75,995	2.75%	-	
11	Sadhana A Patni	16,94,936	8.10%	-	16,94,936	8.10%	-	
12	Apoorva Ashokkumar Patni	5,00,745	2.40%	-	5,00,745	2.40%	-	
13	Vasundhara Apoorva Patni	10,00,000	4.77%	-	10,00,000	4.77%	-	
14	Narendra Kumar Patni*	94,079	0.45%	-	-	-	-	0.45%
15	Poonam N Patni	6,01,547	2.87%	-	6,95,626	3.32%	-	0.45%

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SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
16	Anirudh A Patni	5,59,270	2.67%	-	5,59,270	2.67%	-	-
17	Rajkumar Barjatya	760	0.00%	-	760	0.00%	-	-
18	Sooraj Barjatya	145	0.00%	-	145	0.00%	-	-
19	Meeta M Gangwal	120	0.00%	-	184	0.00%	-	-
20	Munish Gangwal	120	0.00%	-	56	0.00%	-	-
21	Rajrani Gangwal	240	0.00%	-	240	0.00%	-	-
22	Pankaj Patni	86	0.00%	-	86	0.00%	-	-
23	PCS Cullinet Pvt. Ltd.	19,01,559	9.08%	-	19,01,559	9.08%	-	-
24	Ashoka Computer Systems Pvt. Ltd.	19,01,560	9.08%	-	19,01,560	9.08%	-	-
25	PCS Finance Pvt. Ltd	19,01,560	9.08%	-	19,01,560	9.08%	-	-
	Total	1,46,99,995	70.17%	-	1,46,99,995	70.17%	-	-

*94,079 Shares of Narendra patni has been transmitted to Poonam Patni

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

94,079 Shares of Narendra patni has been transmitted to Poonam Patni.

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BALRAM BHARWANI	7,22,700	3.44%	7,77,777	3.71%
2	MUKESH MOHANLAL KELAWALA HUF	2,55,300	1.22%	2,55,300	1.22%
3	RUPANKI PRASHANT SHAH	-	-	2,01,000	0.96%
4.	GENERAL INSURANCE CORPORATION OF INDIA	1,27,962	0.61%	1,27,962	0.61%
5	CANARA ROBECO MUTUAL FUND A/C GAD	1,26,690	0.60%	1,26,690	0.60%
6	ANJANA SINHA	1,16,589	0.53%	1,25,071	0.60%
7	DATA GENERAL CORPORATION, USA	1,00,800	0.48%	1,00,800	0.48%
8	JIGNESH MADHUKANT MEHTA	-	-	69,451	0.33%
9	SURENDRAKUMAR DEVIPRASAD TIBREWALA	67,262	0.32%	67,262	0.32%
7	KANAKLATA TIBREWALA	54,000	0.26%	54,000	0.26%

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Gajendrakumar Patni	5,79,685	2.77%	5,79,685	2.77%
2	Ashokkumar S. Patni	5,75,995	2.75%	5,75,995	2.75%
3	Apoorva Ashokkumar Patni	5,00,745	2.40%	5,00,745	2.40%
4	Harish Chandra Tandon	432	-	432	-
5	Kamal Kumar Barjatya	316	-	316	-
6	M P Jain	10	-	10	-
7	B J Patel	100	-	100	-

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	976,25,996	200,00,000		1176,25,996
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	-	-		
Total (i+ii+iii)	976,25,996	200,00,000		1176,25,996
Change in Indebtedness during the financial year				
* Addition	-	-		
* Reduction	(662,70,216)	-		(662,70,216)
Net Change	(662,70,216)	-		(662,70,216)
Indebtedness at the end of the financial year				
i) Principal Amount	313,55,780	200,00,000		513,55,780
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	313,55,780	200,00,000		513,55,780

PCS TECHNOLOGY LIMITED

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of Managing Director	Name of Whole time Director	Total Amount Rs.
		Mr. H. C. Tandon	Mr. Yash Bhardwaj	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,80,000	11,15,880	27,95,880
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14,44,000	13,20,696	27,64,696
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	31,24,000	24,36,576	55,60,576
	Ceiling as per the Act	within the limit as prescribed under Act	within the limit as prescribed under Act	within the limit as prescribed under Act

B. REMUNERATION TO OTHER DIRECTORS (INDEPENDENT)

(Rupees)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. G. M. Dave	Mr. Satish Ajmera	Mr. K. K Barjatya	Mr. D. B Engineer	Mrs. Vandana Gupta	
	Independent Directors						
	Fee for attending board & committee meetings in the financial year	1,00,000/-	70,000/-	1,00,000/-	60,000/-	40,000/-	3,70,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	1,00,000/-	70,000/-	1,00,000/-	60,000/-	40,000/-	3,70,000
	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)						
	Total Managerial Remuneration	1,00,000/-	70,000/-	1,00,000/-	60,000/-	40,000/-	3,70,000
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting. The Company pays sitting fees of Rs. 10,000/- per meeting of the Board (for Board & Committee Meeting attended by the Directors)					

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

(Rupees)

SN	Particulars of Remuneration	Name of the KMP		
		Mr. Bhaskar Patel CS	Mr. M. P. Jain CFO	Total
1	Gross salary	12,90,984	15,95,040	28,86,024
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	12,90,984	15,95,040	28,86,024

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VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure 2

Audit Committee

Composition of the Committee	Status
Mr. Satish Ajmera	Non-executive/ Independent Director- Chairman
Mr. D.B Engineer	Non-executive/ Independent Director
Mr. K. K. Barjatya	Non-executive/ Independent Director
Mr. G. M. Dave	Non-executive/ Independent Director
Mr. H. C. Tandon	Managing Director & CEO *Appointed wef 01/09/15

Stakeholders Relationship Committee

Name of the Director	Status
Mr. G. K Patni	Non-Executive/ Promoter Director
Mr. A.K Patni	Non-Executive /Promoter Director
Mr. Satish Ajmera	Non-executive/ Independent Director-Chairman
Mr. D. B. Engineer	Non-executive/ Independent Director

Nomination and Remuneration Committee

Name of the Director	Status
Mr. K. K. Barjatya	Non-executive/ Independent Director
Mr. G. M. Dave	Non-executive/ Independent Director
Mr. Satish Ajmera	Non-executive/ Independent Director-Chairman
Mr. A. K. Patni	Non-Executive /Promoter Director *Appointed wef 01/09/15

Corporate Social Responsibility Committee (CSR Committee)

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

Annexure 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,

Members,

PCS Technology Limited,
Office Premise No. 1, GAT No. 478,
Alandi Markaal Road, Alandi, Tal.Khed,
Pune 412106, Maharashtra

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

PCS TECHNOLOGY LIMITED

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **PCS Technology Limited** ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities and Exchange Board of India (Listing Obligation and Disclosure requirement) Regulations, 2015;
- (vi) Other Laws specifically applicable to the Company during the relevant period ended March 31, 2016:

1. The Income Tax Act & Rules	5. The Payment of Bonus Act	10. Information Technology Act, 2000
2. Laws relating to Professional Tax, Wealth Tax, Service Tax, Central and State Sales Tax & Rules	6. The Payment of Gratuity Act	
3. Bombay Shops & Establishment Act	7. The Employees State Insurance Act, 1948	
4. Sale of Goods Act, 1930	8. The Trade Marks Act, 1999	
	9. Copyright Act, 1957	

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements (Listing Obligation and Disclosure requirement), Regulation 2015 entered into by the Company with Bombay Stock Exchange and Pune Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that-

The Board of Directors of the Company in their meeting held on May 30, 2015 Approved the Related Party arrangement with Kalpavruksh Systems Ltd., (KSL), PCS Infotech Ltd, (PCS Infotech) and Patni Healthcare Ltd, (Patni Healthcare) under section 188 of Companies Act, 2013.

The members at their meeting held on September 16, 2015 approved and have authorized the Board of Directors to enter into Related Party Transactions with PCS Infotech Limited under section 188 of Companies Act, 2013 :

During the year under review, the Company, vide its notice dated 30th October, 2015, the company had conducted Postal Ballot and E-voting for :-

1. Approval under Section 180(1)(a) of the Companies Act, 2013 for sale of Residential flats in the building known as "Gold Coast" situated at Ghansoli, Navi Mumbai and
2. Approval under Section 186 of the Companies Act, 2013 for Investments / Loans /Guarantees by the Company upto Rs. 35 crores(Rupees Thirty Five Crores only) over and above the paid up capital and free reserves of the Company.

The aforesaid resolutions were passed by an overwhelming majority of the Equity Shareholders in favour of the Resolutions. Mr. M.M sheth of the M/s. M.M Sheth, Practising Company Secretaries (Scrutinizer) has submitted his report on 19th December, 2015 and the Company has declared the result on voting by Postal Ballot and E-voting on 21st December, 2015.

The Company at its Board meeting held on May 30, 2015, has placed before the members of the Board of Directors the sanctioned order received from "The Hon'able Bombay High Court" vide order dated May 8, 2015 the Scheme of amalgamation & arrangement between PCS International Limited, Mauritius (the Transferor Company) and PCS Technology Limited (the Transferee Company) and their Shareholders under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 ("the Scheme). The appointed date for the said Scheme is April 01, 2014.

The Company also at its Board Meeting held on July 22, 2015 placed before the member of Board of Directors of the Company the Approval received from the Registrar of Companies, Mauritius for removal of the name of 'PCS International Limited, Mauritius' from their records as on June 3, 2015.

Accordingly, 'PCS International Limited, Mauritius' has been merged with PCS Technology Limited with effect from the Appointed date of the said Scheme.

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

- (i) Public / Rights /Preferential issue of shares /debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign technical collaborations.

B. Desai and Associates
Practising Company Secretary

Date: May 16, 2016

Place: Mumbai

FCS No: 7899

C P No: 7711

THIRTY FIFTH ANNUAL REPORT 2015-2016



Annexure 4

CSR Report

1	A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company shall comply with the activities prescribed in the Schedule VII of the Companies Act, 2013 from time to time.
2	The Composition of the CSR Committee	CSR Committee comprising of four directors viz. Mr. G M Dave, a Non-Executive Independent Director, Mr. G. K .Patni, Non- Executive Director, Mr. A. K. Patni, Non-Executive Director and Mr. H. C. Tandon, Managing Director and CEO of the Company
3	Average Net Profit of the Company for last three financial years.	Rs. 6,99,70,870/-
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	Rs. 13,99,417/-
5	Details of CSR spent during the financial year. 1.Total amount to be spent for the F.Y. 2. Amount unspent, if any; 3. manner in which the amount spent during the financial year:	Rs. 13,99,417/- Rs. 899417/- The Company has spent Rs. 5,00,000/- during the year under review. The manner in which the amount is spent is detailed herein below:

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

1. no.	2. CSR project/ activity identified	3. Sector in which the Project is covered	4. Projects /Programmes 1.Local area / others- 2.specify the state / district (Name of the District/s, State/s where project /programme was undertaken	5. Amount outlay (budget) project Programme wise	6. Amount spent on the project /programme Subheads: 1.Direct expenditure on project, 2.Overheads:	7. Cumulative amount spend upto to the reporting period	8. Amount spent: Direct /through implementing agency
1.	Contribution to Chief Minister Public relief Fund, Tamilnadu	Activities mentioned in the Schedule VII of the Companies Act, 2013	Tamilnadu	Rs. 13,99,417/-	Contribution to Chief Minister Public relief Fund, Tamilnadu for Resident of Chennai affected by severe floods due to incessant rains	Expenditure incurred upto Rs. 5,00,000/-	Amount spent directly by PCS Technology Limited to the Govt Fund
	TOTAL			Rs.13,99,417/-	Rs.5,00,000/-		

PCS TECHNOLOGY LIMITED

Annexure 5

REPORT ON CORPORATE GOVERNANCE

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

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTOR (BOARD)

The Board of Directors has an optimum mix of Executive and Non-Executive Independent Directors. The present strength of Board is 9 (Nine) members among which two are Executive Directors, Two are Promoters, being Non Executive Directors and other Five members are Non-Executive Independent Directors on the Board, which is in conformity with the Regulation 17(1)(b) of Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Independent Directors are Directors, who apart from receiving Director's Sitting Fees and Professional Fees paid by the firm in which some of the Directors are Partners as disclosed in the Notes to Accounts, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect the independence of the judgment of the Director.

• Board Meetings held during the Financial Year ended 31st March 2016

4 (Four) Board meeting were held during the financial year ended on 31st March, 2016 on the following dates:

30.05.2015, 22.07.2015, 30.10.2015, 03.02.2016

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

Name of the Director	Category	No. of board meetings attended	Attendance at last AGM held on 16.09.2015	No. of Equity shares held in the Company *
Mr. G. K. Patni, Chairman	Promoter - Non-Executive	4	No	579685
Mr. A. K. Patni, Vice Chairman	Promoter - Non-Executive	4	yes	575995
Mr. D. B.Engineer	Non – Executive & Independent	3	No	Nil
Mr. Satish Ajmera	Non – Executive & Independent	3	No	Nil
Mr. G. M. Dave	Non – Executive & Independent	4	No	Nil
Mr. K. K. Barjatya	Non – Executive & Independent	4	No	316
Mrs. Vandana Gupta	Non – Executive & Independent	4	No	Nil
Mr. H. C. Tandon, Managing Director & CEO	Executive	4	yes	432
Mr. Yash Bhardwaj	Executive	3	yes	Nil

* The above shareholding as at 31st March, 2016 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

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

Name of Directors	No. of public Companies in which he is a Director*	No. of Board Committees in which he is**	
		Member	Chairman
Mr. G. K. Patni	1	-	-
Mr. A. K. Patni	5	-	-
Mr. Yash Bhardwaj	2	-	-
Mr. D. B. Engineer	5	3	2
Mr. Satish Ajmera	3	1	2
Mr. G. M. Dave	5	5	3
Mr. K. K. Barjatya	-	-	-
Mr. H. C. Tandon	1	-	-
Mrs. Vandana Gupta	-	-	-

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

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

• Code of Conduct

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

All the members of the Board, and senior management Executives have affirmed compliance to the code as on March 31, 2016. A declaration to this effect, signed by CEO and MD and CFO is annexed to the Director's Report.

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Satish Ajmera as Chairman, Mr. G.M. Dave, Mr. K.K. Barjatya and Mr. D.B.Engineer being Independent Directors is in compliance with the Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

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

Meetings and attendance during the Financial Year ended 31st March, 2016

During the financial year 4 (Four) Audit Committee Meetings were held on 30.05.2015, 22.07.2015, 30.10.2015, 03.02.2016 respectively.

The attendance of the Members at these Meetings during the Financial Year 2015-16 is as follows:

Name of Director	Status	No. of Meetings attended
Mr. Satish Ajmera	Non-executive/ Independent Director	3
Mr. K. K. Barjatya	Non-executive/ Independent Director	4
Mr. G. M. Dave	Non-executive/ Independent Director	4
Mr. D. B. Engineer	Non-executive/ Independent Director	3
Mr. H.C Tandon (*Appointed w.e.f 01/09/15)	Managing Director and CEO	2

4. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of the following Directors namely:

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

Mr. Satish Ajmera

Mr. K. K. Barjatya and

Mr. A.K.Patni – (*Appointed wef 01/09/15)

The Company has one Managing Director (MD) and one Whole-time Director (WTD) on the Board.

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

During the year under review, the Company has held 2 (Two) meeting of Nomination and Remuneration Committee for considering and recommending the appointment of Mrs. Vandana Gupta, as an Independent Director of the Company and for recommendation of the appointment of Mr. Yash Bhardwaj as a Director and designate as an Executive Director on the board of the company.

Objectives of the Nomination & Remuneration Committee:

The Committee is empowered -

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

Remuneration Policy

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

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

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

Remuneration to Non- Executive / Independent Director:

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

Non-Executive Independent Directors are paid sitting fees of Rs. 10,000/- per meeting for attending the Board and Committee meetings, under the relevant provision of the Companies Act, 2013.

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

Details of payments made to Non-Executive Directors for the financial year ended 31st March, 2016 are as under:

Name of the Director	Sitting fees Paid (Rs)	Commission paid (Rs)
Mr. Satish Ajmera	70,000/-	Nil
Mr. G. M. Dave	1,00,000/-	Nil
Mr. K. K. Barjatya	1,00,000/-	Nil
Mr. D. B. Engineer	60,000/-	Nil
Mrs. Vandana Gupta	40,000/-	Nil

5. Stakeholders Relationship Committee

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

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

PCS TECHNOLOGY LIMITED

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

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

During the year, 21 (twenty one) investor complaints/queries were received. There were NIL complaints/queries pending as on March 31, 2016. There were no share transfers pending for more than 30 days as on the said date.

6. Independent Directors

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

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

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

Neither the Independent Directors themselves nor any of their relatives -

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

Separate meetings of the Independent Directors

The Independent Directors held a Meeting on 24th March, 2016, to review the following matters:

At the Meeting, they –

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

7. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board

and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process

8. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

9. RELATED PARTY TRANSACTIONS

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

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

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

The policy has also been uploaded on the website of the Company at www.pcstech.com.

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

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

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

10. MATERIAL SUBSIDIARY POLICY

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

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

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

11. MANAGEMENT OF BUSINESS ETHICS

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

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

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12. GENERAL BODY MEETINGS

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

AGM for the F.Y. ended	Date & time of AGM	Place of AGM	Special Resolutions Passed
31-03-2013	11.09.2013 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 • Re-Appointment of Mr. H. C. Tandon, as Managing Director & CEO of the Company.
31-03-2014	17.09.2014 at 12:00 noon	Meeting hall of Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi Dist. Pune 412 106.	Yes • Retirement and Appointment of Independent Director of Mr. P. V. Mehta. • Retirement and Appointment of Independent Director of Mr. Satish Ajmera. • Retirement and Appointment of Independent Director of Mr. G. M Dave. • Appointment of Mr. K.K Barjatya as Independent Director. • Appointment of Mr. D. B Engineer as Independent Director. • To borrow in excess of the aggregate of the paid up capital and free reserves of the Company under section 180(1)(c) of the Companies Act, 2013. • To create Mortgages/charges under Section 180(1)(a) of the Companies Act, 2013
31-03-2015	16.09.2015 at 11:30 a.m.	Meeting hall of Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi Dist. Pune 412 106.	Yes • Appointment of Mrs. Vandana Gupta as Director of the Company. • Appointment of Mrs. Vandana Gupta as an Independent Director of the Company • Appointment of Mr. Yash Bhardwaj as Director of the Company • Appointment of Mr. Yash Bhardwaj as an Executive Director of the Company • Related Party Transactions

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

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

B. Details of the Postal Ballot & E-voting conducted by the Company held during the financial year 2015-16.

During the year under review, the Company, vide its notice dated 30th October, 2015 conducted Postal Ballot and E-voting for :-

- Approval under Section 180(1)(a) of the Companies Act, 2013 for sale of Residential flats in the building known as "Gold Coast "situated at Ghansoli, Navi Mumbai and
- Approval under Section 186 of the Companies Act, 2013 for Investments / Loans /Guarantees by the Company upto Rs. 35 crores(Rupees Thirty Five Crores only) over and above the paid up capital and free reserves of the Company.

The aforesaid resolutions were passed by an overwhelming majority of the Equity Shareholders in favour of the Resolutions. Mr. M.M Sheth of the M/s. M.M Sheth, Practising Company Secretaries (Scrutinizer) has submitted his report on 19th December, 2015 and the Company has declared the result on voting by Postal Ballot and E-voting on 21st December, 2015.

13. Disclosures

- Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.
 - None

Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.
- Details of non-compliance by the Company, penalties and structures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.
 - Company had been awarded an order by CLB vide its order dated 13th February, 2015, Compounding of an offence under Section 621 A of the Companies Act, 1956 for the disclosure required under section 211(3A) of the Companies Act, 1956 in respect of Related Party Transactions in the Balance sheet as on 31st March, 2011. The Company had adequately disclosed the same in its balance sheet and XBRL B/S filed with the ROC by giving the net effect of the Related Party Transactions as required under XBRL form, except the one in kind mentioned above the Company has not filed any application for Compounding of an offence under the Companies Act in past.

The Company has complied with all the mandatory requirements of Corporate Governance under Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is yet to adopt the non-mandatory requirements of the Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance.

- The CEO/CFO certification form part of this Annual Report.

14. Means of Communication

- ◆ The quarterly and half yearly results are forthwith communicated to all the Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the leading newspapers in compliance with the Listing Agreement.
- ◆ Management discussion and Analysis forms part of the Annual Report, which is posted to the Shareholders of the Company.
- ◆ The Company also issues financial results to the print media/ Newspaper
- ◆ Information about the Company would be available on its website www.pcstech.com and contact address: Email Id: Investorgrievances@pcstech.com

PCS TECHNOLOGY LIMITED

15. GENERAL SHAREHOLDER INFORMATION

Date, time & venue of the Annual General Meeting	21st September, 2016 at 12.00 noon at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105	
Financial Calendar 2016-17		
i	Financial Year	: April to March
ii	First Quarterly Results	: On or before 14 th August 2016
iii	Half Yearly Results	: On or before 14 th November 2016
iv	Third Quarter Results	: On or before 14 th February 2017
v	Audited results	: On or before 30 th May, 2017
Date of Book Closure		: 15th September, 2016 to 21st September, 2016 (both days inclusive)
Dividend Payment Date		: Not Applicable
Listing at Stock Exchanges (Stock Code)		: a) The Bombay Stock Exchange Limited, Mumbai (517119)
ISIN Number for NSDL & CDSL INE 834B01012		

Annual Listing Fees have been paid to Bombay stock Exchange for the financial year 2016-2017.

Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2015-16 furnished below:

Year	Month	Highest (Rs.)	Lowest (Rs.)	
2015	April	28.55	20.20	
	May	23.90	20.50	
	June	25.00	19.50	
	July	28.35	20.55	
	August	26.00	20.25	
	September	24.00	19.00	
	October	28.00	20.00	
	November	31.30	22.00	
	December	39.70	27.30	
	2016	January	40.00	25.55
		February	31.15	21.30
		March	26.30	21.25

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.

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

The distribution of shareholding as on March 31, 2016 is as follows :

No. of equity shares held	No. of shareholders %	Shares Amount %
1 to 5000	29970 97.3305	23448050 11.1920
5001 to 10000	408 1.3250	3228020 1.5408
10001 to 20000	183 0.5943	2830750 1.3511
20001 to 30000	62 0.2014	1577770 0.7531
30001 to 40000	35 0.1137	1259090 0.6010
40001 to 50000	34 0.1104	1567010 0.7480
50001 to 100000	39 0.1267	2812720 1.3425
100001 to 999999999	61 0.1981	172783360 82.4715
Grand Total	30792 100.00	209506770 100.00
No. of shareholders in Physical Mode	-	1583533 07.5583
No. of shareholders in Electronic Mode	-	19367144 92.4416

Shareholding pattern as on March 31, 2016 is as follows :

Category	No. of shareholders	No. of shares	% holding
Indian Promoters	32	14699995	70.17
Banks, FIs and Insurance Companies	12	214378	01.02
UTI and Mutual Funds	7	131583	00.63
FIs, NRIs and OBC	51	137061	00.65
Domestic Companies	198	146123	00.70
Resident Individuals	30480	5617656	26.81
Clearing Member	12	3881	0.018
Trusts	0	0	00.00
Total	30792	20950677	100.00

Dematerialization of shares and liquidity : As on 31st March, 2016, 92.44% of the paid-up share capital was held in dematerialized form.

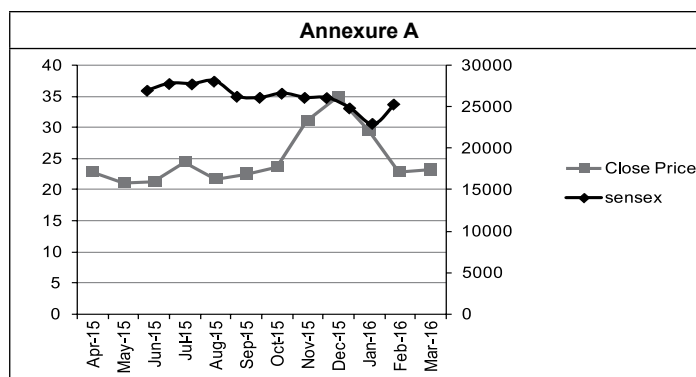
Outstanding GDRs/ADRs/ warrants/ convertible instruments etc : Not applicable since none of the said instruments are ever issued.

Graph of Share Price/ BSE Sensex : see Annexure A

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.

DECLARATION BY THE MANAGING DIRECTOR (CEO) UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members of

PCS Technology Limited

I, H.C Tandon, Managing Director and CEO of PCS Technology Limited confirmed that as provided in Regulation 26(3) Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2016

Place : Mumbai

Date : May 16, 2016

For PCS Technology Limited

H. C. Tandon

Managing Director & CEO

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

To the Members of

PCS TECHNOLOGY LIMITED

We have examined the compliance of conditions of Corporate Governance by PCS Technology Limited ('the Company') for the year ended on March 31, 2016, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations]/Clause 49 of the Listing Agreements of the said Company with stock exchanges in India (as applicable).

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance and Guidance Note on Audit Report and Certificates for Special Purpose (as applicable), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations/Listing Agreements (as applicable).

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

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

Chartered Accountants

S. C. Bandi

(Proprietor)

M.No. 16932

Mumbai

May 16, 2016

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, 2016 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

Mumbai, May 16, 2016

PCS TECHNOLOGY LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS

Business Scenario & Review

PCS Technology Ltd is an operating Company in the domestic IT sector. The Company is mainly engaged in providing of IT infrastructure facility management services to corporate clients. The domestic IT sourcing services market in India had been under pressure during the last couple of years with the large enterprises either cutting down or deferring their spending decisions largely because of weakness in the domestic economy.

During the year, the domestic market economies did not find enough space in IT spending. The Company continued to experience the impact of lower margins and increasing cost.

Performance & Review

IT Services

The Company continued to focus on its IT infrastructure & Facility Management Services. The Company has achieved Sales of Rs.6323.50 lakhs against previous year's Rs.10045.92 lakhs and net profit of Rs. 554.90 lakhs as against previous year's of Rs. 545.84 Lakhs. As a part of consolidation, pursuant to the Scheme of Arrangement and Amalgamation made effective from 1st April 2014, the erstwhile Wholly Owned Subsidiary PCS International Ltd, Mauritius was merged into the Company and adjusted certain stressed assets by writing off using available Reserves. Hence the current year's financial figures are not comparable with the figures of last year.

Operations

The Company has continuously worked on reducing debts and divesting loss making business and strengthening Balance Sheet. In the current year, the Company did not solicit low margins business and this had the impact on the total sales, However the Company has maintained its trend of net profit by focusing on its business of IT Infrastructure and Facility Management Services by cutting down cost. Other services such as Laboratory and Hospital Management solutions, GPS have performed well and the Company has established overseas market in Africa, Nigeria, Philippines, etc..

Opportunities, Threats & Risks

The Company has been operating in extremely competitive domestic market for Facility Management Service business. This business requires manpower resources with the background of Information Technology. The Company's business bears the risks due to the low margins and rising manpower cost in the IT industry. The growth prospects of the Facility Management Services are impacted under this scenario.

Future Outlook

The Company is one of the leading managed services provider for IT infrastructures and has PAN India presence and existing with a strong client relationship. With the initiatives taken by the Government to promote more e-governance, we believe new opportunities will emerge which will enable the Company to target further market 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 has a good overseas customer base for its Laboratory and Hospital Management solutions. The company will continue to give its focus on these services.

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

Overseas Subsidiaries

PCS Technology USA, Inc.

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

Indian Subsidiary

PCS Positioning Systems (India) Limited

The subsidiary did not involve in business. The management is evaluating various options to restructure the activities in the best interest of the Company.

PCS Infotech Limited

This is the third year of the business operations of the Company. The subsidiary achieved a revenue of Rs.53.58 Lakhs (previous year Rs.223.37 Lakhs in the current financial year.

Internal Control and Adequacy

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

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

Human Resources

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

Cautionary Statement

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

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Annexure 6 (A)

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries as on 31st March, 2016

Part "A": Subsidiaries (Information in respect of each subsidiary presented with amounts in Rupees)

Sr. No.	Particulars	Name of the Subsidiaries companies		
		PCS Positioning Systems (India) Limited	PCS Infotech Limited	PCS Technology USA, Inc.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period	Same as holding company's reporting period
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	US Dollar 66.14/Rs.
3	Share capital	17600000	500000	217850
4	Reserves & surplus	-51512039	2460416	-4739316
5	Total assets	4220014	7618803	35462004
6	Total Liabilities	4220014	7618803	35462004
7	Investments	0	0	0
8	Turnover	0	4816616	0
9	Profit before taxation	-490784	2071495	-88761
10	Provision for taxation	0	665000	0
11	Profit after taxation	-490784	1406495	-88761
12	Proposed Dividend	0	0	0
13	% of shareholding	100%	100%	100%

Notes:

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

Annexure – 6(B)

FORM NO. AOC -2

Particulars of contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

This Form pertains to disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013.

Name of related party	Nature of Relationship	Duration of contract	Salient terms ⁽¹⁾	Amount (Rupees)
Nature of Contract				
Kalpavruksh Systems Limited Rendering sales and services like Facility Management Services etc..	Group Company	April 2014 – Ongoing	Not applicable	8,29,274/-
PCS Infotech Limited Rendering sales and services like Facility Management Services, Annual Maintenance services with or without supply of hardware parts, manpower supply and also cost sharing arrangement.	Subsidiary (WOS)	April 2014 – Ongoing	Not applicable	21,19,123/-
Patni Healthcare Limited Rendering sales and services like Facility Management Services etc.	Affiliates Company	April 2014 – Ongoing	Not applicable	26,20,104/-
Taking on Leave and License basis the office premises Situated 12th Floor Technocity Building, Mahape, Navi Mumbai, owned by Mr. Apoorva Patni, Director of the Company.	Director of the Company	2 Years	Rent paid Rs. 25,000/- per month	3,00,000/-
Taking on Leave and License basis the residential premises situated in building known as "Trishul Gold Coast", Navi Mumbai, owned by Mr. Ashok Kumar Patni, Director of the Company.	Director of the Company	2 Years	Rent paid Rs. 18,000/- per month	2,16,000/-

⁽¹⁾ Appropriate approvals have been taken for related party transactions.

Annexure 7

Particulars of employees

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

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2015-16(Rs. in Lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Gajendrakumar Patni Chairman & Non-Executive Director	-	-	-	-
2	Ashokkumar Patni Vice-Chairman & Non-Executive Director	-	-	-	-
3	Harish Chandra Tandon Managing Director & CEO	32.06	-	6.01	The profit before tax decreased by 18.62% and Profit after tax increased by 2.17%

PCS TECHNOLOGY LIMITED

4	Mr. Yash Bhardwaj Executive & Whole-Time Director	24.36		7.92	The profit before tax decreased by 18.62% and Profit after tax increased by 2.17%
5	Mr. G. M. Dave Non-Executive Independent Director	-	-	-	-
6	Mr. K. K. Barjatya Non-Executive Independent Director	-	-	-	-
7	Mr. Satish Ajmera Non-Executive Independent Director	-	-	-	-
8	Mr. D. B Engineer Non-Executive Independent Director	-	-	-	-
9	Mrs. Vandana Gupta Non-Executive Independent Director	-	-	-	-
10	Mr. M. P. Jain CFO	Rs. 15.95	-	N. A	The profit before tax decreased by 18.62% and Profit after tax increased by 2.17%
11	Mr. Bhaskar Patel Company Secretary	Rs. 12.91	-	N. A.	

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

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

- ii. The median remuneration of employees of the Company during the financial year was Rs. 1,92,758/-
- iii. In the financial year, there was an increase of 1.58% in the median remuneration of employees
- iv. There were 1235 permanent employees on the rolls of the Company as on March 31, 2016
- v. Relationship between average increase in remuneration and company performance: The profit before Tax for the financial year ended March 31, 2016 decreased by 18.62% whereas the increase in median remuneration was 1.58%.
- vi. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company.

The Total remuneration of Key Managerial Personnel after induction of Mr. Yash Bhardwaj is Rs. 85.28 lakhs and was Rs. 60.92 as per last Financial year whereas there is no increase in remuneration of the Key Managerial Personnel as the Profit before tax decreased by 18.62% to Rs. 698 lakhs in 2015-16 (Rs. 857.52 lakhs in 2014-15).
- vii. a) Variation in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was Rs. 48.71 crore (Rs. 52.31 crore as on March 31, 2015)

b) Price Earning ratio of the Company was 8.74 as at March 31, 2016 and was 9.94 as at March 31, 2015
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 1.06% whereas there is no increase in the managerial remuneration for the same financial year.
- ix. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the Highest paid Director during the year – Not Applicable
- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

ANNEXURE 8

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

(A) Conservation of Energy

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

(B) Technology Absorption

Not applicable

(C) Foreign Exchange Earnings/Outgo

Your Company has earned foreign exchange worth Rs. 205.80 lakhs and has spent foreign exchange worth Rs. 55.35 lakhs under the following heads.

Particulars:		(₹ in Lacs)
(i)	Stores & Spares	-
(ii)	Capital Goods	-
(iii)	Other Expenses	55.35
	Total	55.35

On behalf of the Board of Directors

A.K. Patni

Vice Chairman

Mumbai,
May 16, 2016

Annexure 9

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

A. Amount outstanding as on March 31, 2016:

Particulars	Amount (Rs. In millions)
Loans given	Nil
Guarantee given	Nil
Investments Made	23,31,53,834 (NCD + ICD)

B. Loans, Guarantee and Investments made during financial year 2016:

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

On behalf of the Board,

Mumbai
May 16, 2016

A.K. Patni
Vice Chairman

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INDEPENDENT AUDITORS' REPORT



TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

1. Report on the Standalone Financial Statements

I have audited the accompanying standalone financial statements of PCS Technology Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

My responsibility is to express an opinion on these standalone financial statements based on our audit.

4. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

8. Opinion

In my opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

9. Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section

143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the Annexure-"A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, I report that:

1. I have sought and obtained all the information and explanations which to the best of I knowledge and belief were necessary for the purposes of my audit.
2. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; read with Note 29 to the financial statements for the year ended 31st March 2016, regarding scheme of Amalgamation and Arrangement.
5. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in Annexure-"B" and
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of our information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: Mumbai
Date : 16th May 2016

ANNEXURE-A TO THE AUDITOR'S REPORT

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management during the year and no major discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- (b) The discrepancies noticed on verification have been properly dealt within the books of accounts.

PCS TECHNOLOGY LIMITED

- (iii) The Company has granted interest free unsecured loans to its wholly owned subsidiary in earlier periods.
- (a) The terms and conditions of grant of unsecured loans to parties covered under 189 of the Companies Act are not prejudicial to the Company's interest.
- (b) There is no stipulation as to the time period for payment of the principal amount of unsecured loans granted. Hence, the provisions of sub-clauses (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits, hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me, the status of disputed dues payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at 31st March 2016 is as follows:
- 1 The Commissioner Of Service Tax, Mumbai has passed an order confirming the demand of Rs.2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec 2004 – Mar 2009.
- The Company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules, and now is in process of filing appeal before Appellate Tribunal.
- 2 The Company has received a demand of Rs.19,12,633 from the Commissioner Of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept 2006 - Mar 2010.
- The Company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.
- 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 Apr 2004 - Mar 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 Apr 2006 - Mar 2007.
- The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of the Company. The Company has deposited Rs. 50 lakhs as pre-deposit under protest.
- 6 The Company has received an order of Rs.43,11,000 in FY 2006-07 from Commissioner of Central Excise (Appeal) Mumbai along with pre-deposit of Rs.15 lakhs on account of alleged non-submission of import documents of various goods under Project Import Regulation Act 1986.
- The Company has filed as appeal before CESTAT Mumbai, on the grounds of merits of the case and proceedings are pending. The Hon'ble High Court of Judicature at Bombay has set aside the order of pre-deposit on appeal by the Company.
- 7 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.25,21,282 on account of wrong availment of Cenvat Credit for the period Apr 2012 - Mar 2013.
- The Company has filed its reply denying the demand on the merits and grounds.
- (viii) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not raised term loan during the year. Hence, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Hence the provisions of the clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to me, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

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

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

Place: Mumbai
Date : 16th May 2016

ANNEXURE-B TO THE AUDITOR'S REPORT

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

I have audited the internal financial controls over financial reporting of PCS Technology Limited ("the Company") as of 31st March 2016 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai

Date : 16th May 2016

PCS TECHNOLOGY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016 (CIN: L74200MH1981PLC024279)

(Amount in ₹)

	Particulars	Note No.	As at 31-Mar-2016	As at 31-Mar-2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' Fund			
	Share capital	3	249,256,770	249,256,770
	Reserves and surplus	4	294,086,619	812,498,812
2	Non-Current Liabilities			
	Long term borrowings	5	20,000,000	20,000,000
	Deferred tax liability (Net)	6	-	31,196,000
	Long term provisions	7	4,393,400	3,288,577
3	Current Liabilities			
	Short term borrowings	8	32,219,455	96,978,460
	Trade payables	9	9,846,568	22,333,844
	Other current liabilities	10	34,189,341	52,148,779
	Short term provisions	11	1,206,700	407,753
	TOTAL		645,198,853	1,288,108,995
II.	ASSETS			
1	Non-Current Assets			
	Fixed assets			
	(a) Tangible assets	12	222,509,165	237,831,669
	(b) Intangible assets	12	469,812	1,103,152
	(c) Capital work-in-progress		-	1,736,653
	(d) Intangible assets under development		-	938,744
	Non-current investments	13	65,425,984	134,077,512
	Long term loans and advances	14	85,958,444	76,639,102
	Other non-current assets	15	1,711,967	1,127,947
2	Current assets			
	Current investments	16	150,000,000	-
	Inventories	17	2,705,711	72,508,853
	Trade receivables	18	59,027,487	585,849,667
	Cash and bank balances	19	38,813,574	104,503,614
	Short term loans and advances	20	3,979,756	47,205,368
	Other current assets	21	14,596,953	24,586,714
	TOTAL		645,198,853	1,288,108,995

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

A. K. Patni
(Vice Chairman)

H.C. Tandon
(Managing Director & CEO)

THIRTY FIFTH ANNUAL REPORT 2015-2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016



(Amount in ₹)

Particulars	Note No.	Year ended 31-Mar-2016	Year ended 31-Mar-2015
I. Revenue from operations (net)	22	632,348,873	1,004,592,123
II. Other Income	23	32,243,551	8,505,924
III. Total Revenue (I+II)		664,592,424	1,013,098,047
IV. Expenses:			
Purchases of stock-in-trade		44,374,222	192,761,469
Changes in inventories of stock-in-trade	24	310,898	2,799,022
Employee benefits expense	25	381,014,390	507,535,467
Finance costs	26	4,396,380	13,046,487
Depreciation and amortisation expense	27	11,142,954	10,448,714
Other expenses	28	153,052,724	199,754,901
Total expenses		594,291,568	926,346,060
V. Profit Before Corporate Social Responsibility and Tax		70,300,856	86,751,987
Less: Corporate Social Responsibility Expense		500,000	1,000,000
VI. Profit Before Tax and exceptional items		69,800,856	85,751,987
VII. Exceptional Item	29	-	-
VIII. Profit Before Tax (VI - VII)		69,800,856	85,751,987
IX. Tax expense			
Current tax on ordinary activities		14,010,000	33,807,000
Deferred tax on ordinary activities		-	(2,638,000)
Taxation pertaining to earlier years		1,997	-
Total tax expense		14,011,997	31,169,000
Profit for the year (VIII-IX)		55,788,859	54,582,987
Basic and Diluted earnings per equity shares of Rs.10 each			
1) Before extra ordinary items		2.66	2.61
2) After extra ordinary items		2.66	2.61

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

A. K. Patni
(Vice Chairman)

H.C. Tandon
(Managing Director & CEO)

PCS TECHNOLOGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Particulars	Year ended 31-Mar-2016	Year ended 31-Mar-2015
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	69,800,856	85,751,987
Adjustments for:		
Depreciation	11,142,954	10,448,714
Sundry balances written off	19,788,943	29,186,859
Fixed assets written off	289,549	4,952,105
(Profit)/ Loss from sale of fixed assets	-	-
Interest received	(25,580,187)	(7,651,013)
Dividend received	-	(82,800)
Finance cost	4,396,380	13,046,487
Operating profit before working capital changes	79,838,495	135,652,339
Decrease/ (increase) in trade and others receivables	107,915,078	140,804,139
Decrease/ (increase) in inventories	3,945,401	7,864,776
(Decrease)/ increase in trade and other payables	(88,440,509)	(61,802,495)
Cash generated from operations	103,258,465	222,518,759
Income tax paid (net of refunds)	(42,978,802)	(40,071,284)
Net cash flow from/ (used in) operating activities	60,279,663	182,447,475
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	4,304,542	(2,646,128)
Purchase of non-current investments	(147,218,921)	(68,643,212)
Proceeds from sale of fixed assets	-	2,500,000
Interest received	21,681,081	7,354,588
Movement in Margin money deposits with original maturity of more than 12 months	(584,020)	1,590,231
Dividend received	-	82,800
Net cash from/ (used in) investing activities	(12,18,17,318)	(59,761,721)
C. Cash from financing activities		
Repayment of long-term borrowings (net)	-	(13,647,535)
Repayment of short-term borrowings (net)	243,995	(21,372,622)
Finance cost	(4,396,380)	(13,046,487)
Net cash from/ (used in) financing activities	(4,152,385)	(48,066,644)
Net increase/ (decrease) in cash and cash equivalents	(65,690,040)	74,619,110
Cash and cash equivalents at beginning of the year	104,503,614	29,884,504
Cash and cash equivalents at end of the year	38,813,574	104,503,614

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

A. K. Patni
(Vice Chairman)

H.C. Tandon
(Managing Director & CEO)

THIRTY FIFTH ANNUAL REPORT 2015-2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016



1. BASIS OF PREPARATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Fixed Assets:

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

- 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.
- Assets carried at historical cost**
At the rates and in the manner as specified in Schedule II of the Companies Act, 2013. Individual items of Fixed Assets added during the year costing upto Rs.5,000 each are fully depreciated in the first year.

(C) Impairment of assets:

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

(D) Investments:

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

(E) Revenue recognition:

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

(F) Inventories:

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

(G) Borrowing costs:

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

(H) Employees benefits:

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

(I) Foreign currency transactions:

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

(J) Finance lease accounting:

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

(K) Taxes on income:

Income tax expenses 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.

(Amount in ₹)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity share of Rs.10 each	210,250,000	210,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	39,750,000
	250,000,000	250,000,000
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 - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs.10 each	39,750,000	39,750,000
	249,256,770	249,256,770

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

a) Terms/ Rights attached to Equity Shares:

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

b) Terms/ Rights attached to Preference Shares:

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

c) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2016.

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

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

Name of shareholder	As at 31/03/2016		As at 31/03/2015	
	No. of shares	% holding	No. of shares	% holding
Mrs. Rajnikanta Patni	2428930	11.39	2428930	11.39
PCS Finance Private Limited	1901560	9.08	1901560	9.08
Ashoka Computer Systems Private Limited	1901560	9.08	1901560	9.08
PCS Cullinet Private Limited	1901559	9.08	1901559	9.08
Mrs. Sadhana A. Patni	1657087	7.89	1657087	7.89

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

Name of shareholder	As at 31/03/2016		As at 31/03/2015	
	No. of shares	% holding	No. of shares	% holding
Mr. Ashok Kumar Patni	1965000	49.43	1965000	49.43
Mr. Gajendra Kumar Patni	1480000	37.23	1480000	37.23

(Amount in ₹)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	733,418	733,418
Add: Transfer from forfeited partly paidup equity shares	-	-
Less: Amount utilised under Scheme (See Note No. 29)	(733,418)	-
Closing balance	-	733,418
Securities premium account		
Opening balance	496,875,000	496,875,000
Add: on account of issue of Preference Shares during the current year	-	-
Less: Amount utilised under Scheme (See Note No. 29)	(496,875,000)	-
Closing balance	-	496,875,000
Revaluation reserve		
Opening balance	95,863,078	99,624,076
Less: Transfer to Statement of Profit and Loss	-	-
- On account of depreciation	-	1,777,178
- On account of loss on sale of revalued assets	-	42,128
Less: Transfer to General Reserve on sale of revalued fixed assets (note below)	-	1,941,692
Closing balance	95,863,078	95,863,078
General Reserve		
Opening balance	64,472,209	64,477,728
Less: Transfer for completed useful life of fixed assets	-	1,317,211
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	-	1,311,692
Less: Amount utilised under Scheme (See Note No. 29)	(64,472,209)	-
Closing balance	-	64,472,209
Surplus in Statement of Profit and Loss		
Opening balance	154,555,107	99,972,120
Less: Amount utilised under Scheme (See Note No. 29)	(11,638,481)	-
Less: Loss of PCS International Limited, Mauritius for FY 2014-15	(481,944)	-
Add: Profit for the year	55,788,859	54,582,987
Closing balance	198,223,541	154,555,107
	294,086,619	812,498,812

Note:

In the FY 2014-15, the profit on revalued assets, to the extent of revalued portion had been transferred from Revaluation Reserve to General Reserve, net of current and deferred tax charge.

THIRTY FIFTH ANNUAL REPORT 2015-2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016



Particulars	(Amount in ₹)	
	As at 31-Mar-2016	As at 31-Mar-2015
5 LONG TERM BORROWINGS		
Secured		
Term loans:		
a) From banks	-	-
b) Other than banks	-	-
Unsecured		
Directors	20,000,000	20,000,000
Inter corporate deposits	-	-
	20,000,000	20,000,000
Total long term borrowings	20,000,000	20,000,000
a) Term loans taken from Banks is secured by hypothecation of vehicles. Details as regards interest and repayment are as follows:		
- The vehicle loan of Rs.16,86,608 was taken from ICICI Bank Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly installments of Rs.60,730 from January 2013.		
- The vehicle loan of Rs.7,71,000 was taken from Volkswagen Finance Private Limited and carries interest @10-11% p.a. The loan is repayable in 36 monthly installments of Rs.24,272 from January 2013.		
b) The loans taken from Directors are interest free and are returnable after 31st March, 2017.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	-	32,396,000
Deferred tax asset: on expenses allowed on payment basis	-	(1,200,000)
Deferred tax liability (Net)	-	31,196,000
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	4,393,400	3,288,577
	4,393,400	3,288,577
8 SHORT TERM BORROWINGS		
Secured		
Term loans	-	-
Cash credit from banks	20,504,336	75,147,941
Working capital loan	11,715,119	21,830,519
	32,219,455	96,978,460
a) Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and book debts of the Company as well as first charge on the fixed assets of the Company and carries interest @ 12.25%-12.50% p.a.		
9 TRADE PAYABLES		
Trade payables	9,846,568	22,333,844
(Refer note 33 for details of dues to Micro, Small and Medium enterprises)		
	9,846,568	22,333,844
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	-	647,536
Trade advances	10,911,578	4,920,195
Income received in advance	16,913,019	35,532,182
Statutory dues and taxes payable	6,364,744	11,048,866
	34,189,341	52,148,779
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	1,206,700	407,753
	1,206,700	407,753
12 FIXED ASSETS		

Particulars	(Amount in ₹)									
	Gross Block			Depreciation					Net Block	
	As at 01/04/2015	Additions	Deductions	As at 31/03/2016	As at 01/04/2015	For current period	On Deductions	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
Tangible Assets										
1 Leasehold Land	1,177,904	-	-	1,177,904	541,299	27,567	-	568,866	609,038	636,605
2 Building	226,296,602	-	-	226,296,602	16,957,285	3,691,369	-	20,648,654	205,647,948	209,339,317
3 Plant and Equipment	8,064,100	-	5,639,928	2,424,172	2,008,588	268,972	1,381,900	895,660	1,528,512	6,055,512
4 Furniture and Fixture	7,391,444	-	1,238,741	6,152,703	2,303,398	711,312	663,676	2,351,034	3,801,669	5,088,046
5 Vehicle	9,009,370	525,640	1,021,994	8,513,016	3,866,488	1,107,589	839,245	4,134,832	4,378,184	5,142,882
6 Office Equipment	18,692,569	225,206	1,123,564	17,794,211	7,123,262	5,082,653	955,518	11,250,397	6,543,814	11,569,307
	270,631,989	750,846	9,024,227	262,358,608	32,800,320	10,889,462	3,840,339	39,849,443	222,509,165	237,831,669
Intangible Assets										
7 Software	1,674,798	-	697,584	977,214	571,646	253,492	317,736	507,402	469,812	1,103,152
Total	272,306,787	750,846	9,721,811	263,335,822	33,371,966	11,142,954	4,158,075	40,356,845	222,978,977	238,934,821
Previous Year	296,457,476	909,475	25,060,164	272,306,787	36,760,794	12,225,892	15,614,720	33,371,966	238,934,821	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars			(Amount in ₹)	
			As at 31-Mar-2016	As at 31-Mar-2015
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 subsidiary companies (Unquoted)</u>				
PCS International Limited, Mauritius (refer Note 29)	111,000	USD 10	-	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	5,000,000	5,000,000
			<u>22,727,850</u>	<u>69,816,300</u>
Less: Provision for diminution in value of investments			17,727,850	-
Net investment in subsidiaries			<u>5,000,000</u>	<u>69,816,300</u>
<u>In Other Companies (Quoted)</u>				
Longview tea Limited	200	10	13,000	13,000
Chennai Petroleum Corporation Limited	1,300	10	-	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>635,000</u>	<u>739,000</u>
Less: Provision for diminution in value of quoted investments			635,000	635,000
Net quoted investment			-	104,000
<u>In Others (Unquoted)</u>				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
			<u>10,000</u>	<u>10,000</u>
Total of investments in equity instruments			<u>50,10,000</u>	<u>69,930,300</u>
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			<u>4,000</u>	<u>4,000</u>
c) <u>Investment in Non-Convertible Debentures</u>				
Alliance Infrastructure Projects Private Limited	1,025		18,507,192	18,773,890
Total Environment Living Private Limited	550		41,894,792	45,359,322
			<u>60,401,984</u>	<u>64,133,212</u>
d) <u>Investment in Share Certificates</u>				
Membership of Technocity Co-operative Society			10,000	10,000
			<u>10,000</u>	<u>10,000</u>
Net investments			<u>65,425,984</u>	<u>134,077,512</u>
Aggregate amount of quoted Investments (Market value Rs.1,53,342 previous year Rs.3,25,931)			635,000	739,000
Aggregate amount of Unquoted Investments			83,153,834	133,973,512
Aggregate provision for diminution in value of investments			18,362,850	635,000
14 LONG TERM LOANS AND ADVANCES				
a) Unsecured, Considered good				
Security Deposits with Excise & Customs Authorities & Others			6,602,123	9,764,343
Rent deposit - Related Parties (refer note 37)			2,254,000	2,254,000
Income tax paid (Net of provisions)			76,677,753	34,495,345
Advances recoverable in cash or in kind			378,633	5,078,215
Advances - Related Parties (refer note 37)			45,935	25,047,199
			<u>85,958,444</u>	<u>76,639,102</u>
b) Unsecured, Considered doubtful				
Advances - Related Parties (refer note 37)*			25,000,000	-
			<u>110,958,444</u>	<u>76,639,102</u>
Less: Provision for doubtful loans and advances (refer note 29)			25,000,000	-
			<u>85,958,444</u>	<u>76,639,102</u>
15 OTHER NON CURRENT ASSETS				
Non Current Bank Balances (refer note no 19)			1,711,967	1,127,947
			<u>1,711,967</u>	<u>1,127,947</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Amount in ₹)	
	Year ended 31-Mar-2016	Year ended 31-Mar-2015
16 CURRENT INVESTMENTS		
(Non-trade, at-cost)		
Inter Corporate Deposits: In Others (Unquoted)		
a) Mukand Limited	70,000,000	-
b) Videocon Industries Limited	50,000,000	-
c) Bombay Dyeing & Manufacturing Co. Limited	20,000,000	-
d) Anil Limited	10,000,000	-
	<u>150,000,000</u>	<u>-</u>
17 INVENTORIES		
Stores & Spares*	2,437,893	71,930,138
Stock-in-trade	267,818	578,715
	<u>2,705,711</u>	<u>72,508,853</u>
18 TRADE RECEIVABLES		
a) Unsecured, Considered good		
Over six months*	8,289,782	424,017,053
Other Debts	67,875,496	161,832,614
	<u>76,165,278</u>	<u>585,849,667</u>
b) Unsecured, Considered doubtful		
Over six months*	17,169,715	-
Other Debts	-	-
	<u>17,169,715</u>	<u>-</u>
Total trade receivables	76,197,202	585,849,667
Less: Provision for doubtful trade receivables (refer note 28)	17,169,715	-
	<u>59,027,487</u>	<u>585,849,667</u>
19 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	2,369,435	6,069,150
Balances with Banks		
In Current account	36,310,033	96,548,214
Deposits with original maturity of less than 3 months	30,000	252,396
	<u>38,709,468</u>	<u>102,869,760</u>
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	104,106	1,633,854
Deposits with Original maturity of more than 12 months	1,711,967	1,127,947
	<u>1,816,073</u>	<u>2,761,801</u>
Total Cash & Bank Balances	<u>40,525,541</u>	<u>105,631,561</u>
Less: Non-current portion included in Other Non current assets	1,711,967	1,127,947
	<u>38,813,574</u>	<u>104,503,614</u>
20 SHORT TERM LOANS AND ADVANCES		
Loans and advances to employees	-	28,090
Deposits/ Balance with Excise/ Sales Tax Authorities*	-	10,921,934
Advance to Suppliers*	360,000	15,155,837
Earnest Money Deposit*	1,203,790	13,184,888
Advances recoverable in cash or in kind (short term)	2,415,966	6,884,105
Advances - Related Parties (refer note 37)	-	1,030,514
	<u>3,979,756</u>	<u>47,205,368</u>
21 OTHER CURRENT ASSETS		
Revenue Accrued	10,262,244	24,151,111
Interest Accrued	4,334,709	435,603
	<u>14,596,953</u>	<u>24,586,714</u>
* Refer note no.29 of Notes to the Financial Statements for Scheme of Amalgamation and Arrangement.		
22 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	54,776,333	238,527,426
Sales of Services		
Computers related IT services	577,572,540	766,064,697
Other operating revenue	-	-
Net Sales	<u>632,348,873</u>	<u>1,004,592,123</u>
23 OTHER INCOME		
Dividend from long term investments	-	82,800
Foreign exchange difference (Net)	159,622	324,337
Interest income	25,580,187	7,651,013
Balances written back	5,964,078	-
Other non-operating income	539,664	447,774
	<u>32,243,551</u>	<u>8,505,924</u>
24 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	267,818	578,715
Inventory at the beginning of the year		
Trading - Computers peripherals & software	578,716	3,377,737
(Increase)/ Decrease in Inventory	<u>310,898</u>	<u>2,799,022</u>

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Amount in ₹)	
	Year ended 31-Mar-2016	Year ended 31-Mar-2015
25 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	337,160,964	458,981,763
Contribution to Provident fund etc	36,576,939	41,131,345
Staff Welfare expenses	7,276,487	7,422,359
	<u>381,014,390</u>	<u>507,535,467</u>
Refer Note No.30 for disclosures as required by AS -15 "Employee Benefits"		
26 FINANCE COST		
Interest expense	4,201,290	12,399,369
Other borrowing cost	195,090	647,118
	<u>4,396,380</u>	<u>13,046,487</u>
27 DEPRECIATION		
Depreciation and amortisation	11,142,954	12,225,892
Less: Transfer from revaluation reserve	-	(1,777,178)
	<u>11,142,954</u>	<u>10,448,714</u>
28 OTHER EXPENSES		
Power & fuel	3,782,289	4,323,272
Rent	6,345,521	6,671,732
Rates & taxes	414,872	503,191
Insurance	2,468,226	3,004,142
Advertisement & sales promotion	1,458,291	2,171,660
Travelling and conveyance expenses	29,641,720	33,400,800
Consumable, stores and spares	34,765,762	46,843,480
Office maintenance	3,962,260	3,884,522
Printing & stationery	5,026,253	3,519,177
Repairs to building	217,000	716,026
Communication expenses	3,061,571	5,095,636
Auditor's remuneration		
- As Auditors	417,500	417,500
- For Tax audit	50,000	50,000
- For Certificate/ limited review	190,000	190,000
Legal, professional & consultancy charges	7,300,768	10,047,003
Freight & forwarding	3,493,755	5,588,052
Directors sitting fees	400,000	450,001
Bad debts and remissions	17,113,546	16,905,464
Capital work in progress written off	2,675,397	840,000
Subcontracting charges paid	21,854,580	27,033,044
Sales & Work contract tax paid	880,635	1,364,603
Loss on sale/ disposal of non-revalued fixed assets	289,549	4,952,105
Miscellaneous expenses	7,243,229	21,783,491
	<u>153,052,724</u>	<u>199,754,901</u>

29 Exceptional Item

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

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

Particulars		Amount in ₹
A	Assets written-off/provided	
	Sundry debtors written off	410,931,456
	Sundry debtors of erstwhile PCS International written off	27,412,997
	Stores and spares written off (net of realizable value)	65,857,741
	Advance to creditors written off	15,941,854
	Earnest money deposit written off	11,148,390
	Security/other deposits/other advances written off	13,608,324
	Fixed assets written off	4,666,176
	Provision for diminution in value of investments	17,727,850
	Provision for doubtful recoverable from subsidiaries	42,169,715
	Goodwill on amalgamation written off	29,257,606
	A	<u>638,722,109</u>

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Particulars	Amount in ₹
B Withdrawal from reserves	
Securities Premium	496,875,000
Capital reserve	733,418
General reserve	64,472,209
Opening surplus in profit and loss account	11,638,482
	573,719,109
	65,003,000
Impact of Taxation	
Current tax credit	33,807,000
Deferred tax credit	31,196,000
	65,003,000
Net impact transferred to statement of Profit & Loss (C-E)	-

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

30. Employee Benefits:

- Contribution to Provident Fund of Rs.1,78,74,459 (previous year Rs.2,30,11,688) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss.
- Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
1 Change in benefit obligation				
Liability at the beginning of the year	20,401,273	3,696,330	15,322,554	4,020,835
Interest cost	1,282,025	188,519	1,318,373	305,696
Current service cost	1,861,191	1,686,553	2,328,517	1,833,508
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(8,751,919)	(2,679,677)	(2,015,952)	(1,403,326)
Actuarial (Gain)/ Loss	3,256,601	2,708,308	3,447,781	(1,060,383)
Liability at the end of the year	18,049,171	5,600,033	20,401,273	3,696,330
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	20,405,025	-	16,027,637	-
Adjustments to opening balance	(8,580)	-	(674)	-
Expected Return on Plan assets	2,444,458	-	2,118,778	-
Contributions	8,700,000	2,679,677	5,275,000	1,403,326
Benefit paid	(8,751,919)	(2,679,677)	(2,015,952)	(1,403,326)
Actuarial (Gain)/ Loss on plan assets	(2,327,076)	-	(999,764)	-
Fair value of Plan assets at end of year	20,461,908	-	20,405,025	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,861,191	1,686,553	1,655,268	1,324,327
Interest cost	1,282,025	188,519	1,142,992	327,911
Expected Return on Plan assets	(2,444,458)	-	(1,843,339)	-
Actuarial (Gain)/ Loss	5,583,677	2,708,308	4,447,545	(1,055,194)
Expenses recognized in the P&L a/c	6,282,435	4,583,380	5,402,466	597,044
4 Actuarial Assumptions				
Discount rate		7.62%		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		IALM (2006-08) Ult.		IALM (2006-08) Ult.

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

31. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2016 is Rs.99,66,081 (Previous Year – Rs.3,25,06,983).

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

- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.50,45,046 as recipient of services for the period Apr 2009 - Mar 2010.
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.
- 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 Apr 2010 - Mar 2011.
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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 Apr 2011 - Mar 2012.

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 Commissioner Of Service Tax, Mumbai has passed an order confirming the demand of Rs.2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec 2004 – Mar 2009.

The Company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules. The Company has filed an appeal before Appellate Tribunal, Mumbai and the Appellate Tribunal has granted the Stay Order on the said matter.

2 The Company has received a demand of Rs.19,12,633 from the Commissioner Of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept 2006 - Mar 2010.

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

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 Apr 2004 - Mar 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 Apr2006 - Mar2007.

The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of the Company. The Company has deposited Rs. 50 lakhs as pre-deposit under protest.

6 The Company has received an order of Rs.43,11,000 in FY 2006-07 from Commissioner of Central Excise (Appeal) Mumbai along with pre-deposit of Rs.15 lakhs on account of alleged non-submission of import documents of various goods under Project Import Regulation Act 1986.

The Company has filed as appeal before CESTAT Mumbai, on the grounds of merits of the case and proceedings are pending. The Hon'ble High Court of Judicature at Bombay has set aside the order of pre-deposit on appeal by the Company.

7 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.25,21,282 on account of wrong availment of Cenvat Credit for the period Apr2012 - Mar2013.

The Company has filed its reply denying the demand on the merits and grounds.

33. 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-Mar-2016	31-Mar-2015
Principle amount due to suppliers under MSMED Act at the year end	3,621,450	603,774
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	19,070	7,416
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	-	-
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	19,070	7,416

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

Amount in ₹

Particulars	31-Mar-2016		31-Mar-2015	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	44,374,222	100.00%	192,761,469	100.00%
	44,374,222	100.00%	192,761,469	100.00%

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

Amount in ₹

Particulars	31-Mar-2016	31-Mar-2015
Raw Material, Store & spares and Computer Peripherals	-	-

(C) Expenditure in foreign currency:

Amount in ₹

Particulars	31-Mar-2016	31-Mar-2015
Traveling	5,535,336	3,703,317

(D) Earning in foreign currency:

Amount in ₹

Particulars	31-Mar-2016	31-Mar-2015
Export sales and services	20,580,011	19,115,547

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

35. Particulars of Earnings per Shares:

Particulars	31-Mar-2016	31-Mar-2015
a) Net Profit for the year		
Before extraordinary items (Rs.)	55,788,859	54,582,987
After extraordinary items (Rs.)	55,788,859	54,582,987
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	2.66	2.61
After extraordinary items	2.66	2.61

36. 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.

37.1 Related parties disclosures:

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

1. PCS Technology USA, Inc.
2. PCS Positioning Systems (India) Limited
3. PCS Infotech Limited, India
4. PCS International Limited, Mauritius
(amalgamated with its parent company PCS Technology Limited in current year)

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

a) Key Management Personnel

1. Mr. G.K.Patni (Chairman)
2. Mr. A.K.Patni (Vice Chairman)
3. Mr. H C Tandon (Managing Director & CEO)

b) Relatives of key management personnel

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

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

1. Kalpavruksh Systems Limited - (Formerly known as Vraksh Technologies Limited)
2. Patni Healthcare Limited

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

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Sales of goods and services	2,119,123 (19,951,809)			3,449,378 (1,823,514)	5,568,501 (21,775,323)
2	Rent paid		516,000 (516,000)			516,000 (516,000)
3	Recovery of expenses received	56,891 (538,786)			- -	56,891 (538,786)
4	Advances given	- (1,750,000)				- (1,750,000)
5	Advances recovered	- (3,750,000)				- (3,750,000)
6	Investments	- (4,500,000)				- (4,500,000)

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
7	Security Deposit (Rent) received back			(1,700,000)	-	(1,700,000)
8	Loan Refunded		(13,000,000)		-	(13,000,000)
9	Remuneration to Directors		5,560,576 (3,206,434)			5,560,576 (3,206,434)
10	Provision for diminution in value of investments	17,727,850 (-)				17,727,850 (-)
11	Provision for diminution in receivables	17,169,715 (-)				17,169,715 (-)
12	Provision for diminution in advances	25,000,000 (-)				25,000,000 (-)

37.3 Balance outstanding as at year end:

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Receivable (net of provision see note no. 29)	208,177 (29,004,133)			229,485 (102,908)	437,662 (29,107,041)
2	Loan taken		20,000,000 (20,000,000)			20,000,000 (20,000,000)
3	Advances given	- (25,000,000)				- (25,000,000)
4	Property deposits		54,000 (54,000)	2,200,000 (2,200,000)		2,254,000 (2,254,000)

37.4 Significance closing balances outstanding as at year end:

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	Receivable (net of provision see note no. 29)			
	PCS Positioning Systems (India) Limited	45,935 (11,733,050)		
	PCS Infotech Limited	162,242 (2,074,349)		
	PCS International Limited	- (9,760,069)		
	PCS Technology Inc., USA	- (5,436,665)		
	Patni Healthcare Limited			200,250 (81,371)
	Kalpavruksh Systems Limited			29,235 (21,537)
2	Loan Taken			
	A.K. Patni		10,000,000 (10,000,000)	
	G.K. Patni		10,000,000 (10,000,000)	
3	Advances given			
	PCS Positioning Systems (India) Limited	- (25,000,000)		
4	Property Deposits			
	Rajnikanta Patni			500,000 (500,000)
	Sadhana Patni			500,000 (500,000)
	Apoorva Patni			600,000 (600,000)
	Arihant Patni			500,000 (500,000)
	Sobhagmal Maganmal Patni HUF			100,000 (100,000)
	A.K. Patni		54,000 (54,000)	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

	Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	Sales of goods and services PCS Infotech Limited	2,119,123 (19,951,809)			
	Kalpavruksh Systems Limited				829,274 (1,006,980)
	Patni Healthcare Limited				2,620,104 (816,534)
2	Rent paid Mr. A. K. Patni		216,000 (216,000)		
	Mr. Apoorva Patni		300,000 (300,000)		
4	Recovery of expenses received PCS Infotech Limited	- (5,500)			
	PCS Positioning Systems (India) Limited	56,891 (47,199)			
	PCS International Limited, Mauritius	- (486,087)			
5	Advances given PCS Infotech Limited	- (1,750,000)			
6	Advances recovered PCS Infotech Limited	- (3,750,000)			
7	Investments made PCS Infotech Limited	- (4,500,000)			
8	Security Deposit (rent) refunded Late Mrs Kanchanbai Patni			- (1,100,000)	
	Rajnikanta G. Patni			- (100,000)	
	Sadhana A. Patni			- (200,000)	
	Sobhagmal Maganmal Patni HUF			- (100,000)	
	Late Sobhagmal Maganmal Patni			- (100,000)	
	Ruchi A. Patni			- (100,000)	
9	Loan refunded Mr. A. K. Patni		- (13,000,000)		
10	Remuneration to Directors H.C.Tandon		3,124,000 (3,206,434)		
	Yash Bhardwaj		2,436,576 (-)		
11	Provision for diminution in value of investments PCS Positioning Systems (India) Limited	17,510,000 (-)			
	PCS Technology Inc., USA	217,850 (-)			
12	Provision for diminution in receivables PCS Positioning Systems (India) Limited	11,733,050 (-)			
	PCS Technology Inc., USA	5,436,665 (-)			
13	Provision for diminution in advances PCS Positioning Systems (India) Limited	25,000,000 (-)			

38.1 Details of loans and advances in nature of loans outstanding from subsidiaries:

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

Note: Previous year figures are shown in brackets

38.2 Details of Investment by the Loanee in the shares of the company:

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

39. 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 : 16th May, 2016

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

PCS TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

TO THE MEMBERS OF PCS TECHNOLOGY LIMITED

Report on the Consolidated Financial Statements

1. I have audited the accompanying consolidated financial statements of PCS Technology Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors' are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

4. My responsibility is to express an opinion on these consolidated financial statements based on my audit. While conducting the audit, I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. I believe that the audit evidence obtained by me; is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

Opinion

8. In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, I report that provisions of the Order are not applicable to the Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
 - b. In my opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In my opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in Annexure and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 30 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

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

Place: Mumbai
Date : 16th May 2016

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

ANNEXURE TO THE AUDITOR'S REPORT

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

I have audited the internal financial controls over financial reporting of PCS Technology Limited ("the Company") as of 31st March 2016 in conjunction with my audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date : 16th May 2016

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

PCS TECHNOLOGY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(Amount in ₹)

Particulars	Note No.	As at 31-Mar-2016	As at 31-Mar-2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
Share capital	3	249,256,770	249,256,770
Reserves and surplus	4	300,281,411	701,210,154
2 Non-Current Liabilities			
Long term borrowings	5	20,000,000	20,000,000
Deferred tax liability (Net)	6	-	31,196,000
Long term provisions	7	4,393,400	3,288,577
3 Current Liabilities			
Short term borrowings	8	32,219,455	96,978,460
Trade payables	9	34,775,661	54,465,762
Other current liabilities	10	35,445,230	54,686,225
Short term provisions	11	1,206,700	407,753
TOTAL		677,578,627	1,211,489,701
II. ASSETS			
1 Non-Current Assets			
Fixed assets			
(a) Tangible assets	12	222,509,165	237,831,669
(b) Intangible assets	12	469,812	1,553,899
(c) Capital work-in-progress		-	1,736,653
(d) Intangible assets under development		-	938,744
Non-current investments	13	60,425,984	64,261,212
Long term loans and advances	14	88,329,824	55,274,549
Other non-current assets	15	1,711,967	1,127,947
2 Current assets			
Current investments	16	155,000,000	-
Inventories	17	2,705,711	72,508,853
Trade receivables	18	84,841,878	595,361,627
Cash and bank balances	19	39,769,294	106,940,039
Short term loans and advances	20	7,218,039	49,367,795
Other current assets	21	14,596,953	24,586,714
TOTAL		677,578,627	1,211,489,701

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016



Particulars		Note No.	Year ended 31-Mar-2016	Year ended 31-Mar-2015
I.	Revenue from operations (Net)	22	635,046,366	1,006,977,534
II.	Other Income	23	32,785,869	8,505,924
III.	Total Revenue (I+II)		667,832,235	1,015,483,458
IV.	Expenses:			
	Purchases of stock-in-trade		44,426,999	193,123,704
	Changes in inventories of stock-in-trade	24	310,898	2,799,022
	Employee benefits expense	25	381,824,538	509,177,644
	Finance costs	26	4,405,045	13,046,487
	Depreciation and amortisation expense	27	11,142,954	10,448,714
	Other expenses	28	153,930,829	230,153,380
	Total expenses		596,041,263	958,748,951
V.	Profit Before Corporate Social Responsibility and Tax		71,790,972	56,734,507
	Less: Corporate Social Responsibility Expense		500,000	1,000,000
VI.	Profit Before Tax and exceptional items		71,290,972	55,734,507
VII.	Exceptional Item	29	-	-
VIII.	Profit Before Tax (VI - VII)		71,290,972	55,734,507
IX.	Tax expense			
	Current tax on ordinary activities		14,675,000	34,350,000
	Deferred tax on ordinary activities		-	(2,638,000)
	Taxation pertaining to earlier years		1,997	-
	Total tax expense		14,676,997	31,712,000
	Profit for the year (VIII-IX)		56,613,975	24,022,507
	Basic and Diluted earnings per equity shares of Rs.10 each			
	1) Before extra ordinary items		2.70	1.15
	2) After extra ordinary items		2.70	1.15

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

PCS TECHNOLOGY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(Amount in ₹)

Particulars	Year ended 3/31/2016	Year ended 3/31/2015
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	71,290,972	55,734,507
Adjustments for:		
Depreciation	11,142,954	10,448,714
Sundry balances written off	20,012,796	56,650,128
Fixed assets written off	740,296	8,612,604
(Profit)/ Loss from sale of fixed assets	-	42,128
Interest received	(26,122,505)	(7,651,013)
Dividend received	-	(82,800)
Excess provision written back of last year	-	-
Finance cost	4,405,045	13,046,487
Currency fluctuation reserve on capitalisation	(13,137,840)	(35,326)
Operating profit before working capital changes	68,331,718	136,765,429
Decrease/ (increase) in trade and others receivables	48,856,068	136,749,860
Decrease/ (increase) in inventories	9,356,823	7,864,776
(Decrease)/ increase in trade and other payables	(37,027,326)	(60,494,148)
Cash generated from operations	89,517,283	220,885,917
Income tax paid (net of refunds)	(41,926,258)	(41,400,922)
Net cash flow from/ (used in) operating activities	47,591,025	179,484,995
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	18,924,673	(2,646,128)
Purchase of non-current investments	(151,164,772)	(64,002,782)
Sale of non-current investments	-	-
Proceeds from sale of fixed assets	-	2,500,000
Interest received	22,223,399	7,354,588
Movement in Margin money deposits with original maturity of more than 12 months	(584,020)	1,590,231
Dividend received	-	82,800
Net cash from/ (used in) investing activities	(110,600,720)	(55,121,291)
C. Cash from financing activities		
Repayment of long-term borrowings (net)	-	(13,647,535)
Repayment of short-term borrowings (net)	243,995	(21,372,622)
Finance cost	(4,405,045)	(13,046,487)
Net cash from/ (used in) financing activities	(4,161,050)	(48,066,644)
Net increase/ (decrease) in cash and cash equivalents	(67,170,745)	76,297,060
Cash and cash equivalents at beginning of the year	106,940,039	30,642,979
Cash and cash equivalents at end of the year	39,769,294	106,940,039

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 : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. CONSOLIDATION OF ACCOUNTS

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

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

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

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

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

-- The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses.

-- Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

(B) SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets:

- 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.
- On 1st January 1995, the Company had revalued its immovable property in Kolkata by Rs.12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.12,294,500 was transferred to the Revaluation Reserve Account.
- On 30th June 2009, the Company has revalued Land and Buildings in Kolkata by Rs.7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of Rs.7,987,166 was transferred to the Revaluation Reserve Account.
- On 28th December 2011, the Company has revalued its office premises located in Technocity, Navi Mumbai, on the basis of a Government approved valuer. Consequently increase in value of Rs.87,705,187 is transferred to Revaluation Reserve Account.

Other Accounting Policies

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

(Amount in ₹)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity share of Rs.10 each	210,250,000	210,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of Rs.10 each	39,750,000	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 - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Share of Rs.10 each	39,750,000	39,750,000
	<u>249,256,770</u>	<u>249,256,770</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) 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.

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

c) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2016.

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

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

Name of shareholder	As at 31/03/2016		As at 31/03/2015	
	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

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

Name of shareholder	As at 31/03/2016		As at 31/03/2015	
	No. of shares	% holding	No. of shares	% holding
Mr. Ashok Kumar Patni	1,965,000	49.43	1,965,000	49.43
Mr. Gajendra Kumar Patni	1,480,000	37.23	1,480,000	37.23

(Amount in ₹)

Particulars	As at 31-Mar-2016	As at 31-Mar-2015
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	733,418	733,418
Add: Transfer from forfeited partly paidup equity shares	-	-
Less: Amount utilised under Scheme (See Note No. 29)	(733,418)	-
Closing balance	-	733,418
Securities premium account		
Opening balance	496,875,000	496,875,000
Add: on account of issued of Pref shares during Current year issue	-	-
Less: Amount utilised under Scheme (See Note No. 29)	(496,875,000)	-
Closing balance	-	496,875,000
Revaluation reserve		
Opening balance	95,863,078	99,624,076
Less: Transfer to Statement of Profit and Loss		
- On account of depreciation	-	1,777,178
- On account of loss on sale of revalued assets	-	42,128
Less: Transfer to General Reserve on sale of revalued fixed assets (note below)	-	1,941,692
Closing balance	95,863,078	95,863,078
General Reserve		
Opening balance	64,472,209	64,477,728
Less: Transfer for completed useful life of fixed assets	-	1,317,211
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	-	1,311,692
Less: Amount utilised under Scheme (See Note No. 29)	(4,574,644)	-
Closing balance	59,897,565	64,472,209
Surplus in Statement of Profit and Loss		
Opening balance	31,388,738	7,366,231
Add: Reserves of PCS International Limited, Mauritius	69,898,609	-
Less: Amount utilised under Scheme (See Note No. 29)	(11,638,481)	-
Less: Loss of PCS International Limited, Mauritius for FY 2014-15	(481,944)	-
Add: Profit for the year	56,613,975	24,022,507
Closing balance	145,780,897	31,388,738
Currency Fluctuation Reserve		
	(1,260,129)	11,877,711
	300,281,411	701,210,154

Note:

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

5 LONG TERM BORROWINGS

Secured

Term loans:

a) From banks

b) Other than banks

-	-
-	-
-	-

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Particulars	(Amount in ₹)	
	As at 31-Mar-2016	As at 31-Mar-2015
Unsecured		
Directors	20,000,000	20,000,000
Inter corporate deposits	-	-
	20,000,000	20,000,000
Total long term borrowings	20,000,000	20,000,000
a) Term loans taken from Banks is secured by hypothecation of vehicles. Details as regards interest and repayment are as follows:		
- The vehicle loan of Rs.16,86,608 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 vehicle loan of Rs.7,71,000 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 loans taken from Directors are interest free and are returnable after 31st March, 2016.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	-	32,396,000
Deferred tax asset: on expenses allowed on payment basis	-	(1,200,000)
Deferred tax liability (Net)	-	31,196,000
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	4,393,400	3,288,577
	4,393,400	3,288,577
8 SHORT TERM BORROWINGS		
Secured		
Cash credit from banks	20,504,336	75,147,941
Working capital loan	11,715,119	21,830,519
	32,219,455	96,978,460
a) Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and book debts of the Company as well as first charge on the fixed assets of the Company and carries interest @ 12.00%-12.50% p.a.		
9 TRADE PAYABLES		
Trade payables	34,775,661	54,465,762
(Refer note 32 for details of dues to Micro, Small and Medium enterprises)		
	34,775,661	54,465,762
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	-	647,536
Trade advances	11,284,952	5,293,569
Income received in advance	16,913,019	36,415,291
Statutory dues and taxes payable	6,368,197	11,269,309
Other payables	879,062	1,060,520
	35,445,230	54,686,225
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	1,206,700	407,753
	1,206,700	407,753
12 FIXED ASSETS		

Particulars	(Amount in ₹)									
	Gross Block				Depreciation				Net Block	
	As at 01/04/2015	Additions	Deductions	As at 31/03/2016	As at 01/04/2015	For current Period	On Deductions	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
Tangible Assets										
1 Leasehold Land	1,177,904	-	-	1,177,904	541,299	27,567	-	568,866	609,038	636,605
2 Building	226,296,602	-	-	226,296,602	16,957,285	3,691,369	-	20,648,654	205,647,948	209,339,317
3 Plant and Equipment	8,064,100	-	5,639,928	2,424,172	2,008,588	268,972	1,381,900	895,660	1,528,512	6,055,512
4 Furniture and Fixture	7,391,444	-	1,238,741	6,152,703	2,303,398	711,312	663,676	2,351,034	3,801,669	5,088,046
5 Vehicle	9,009,370	525,640	1,021,994	8,513,016	3,866,488	1,107,589	839,245	4,134,832	4,378,184	5,142,882
6 Office Equipment	18,692,569	225,206	1,123,564	17,794,211	7,123,262	5,082,653	955,518	11,250,397	6,543,814	11,569,307
	270,631,989	750,846	9,024,227	262,358,608	32,800,320	10,889,462	3,840,339	39,849,443	222,509,165	237,831,669
Intangible Assets										
7 Software	10,689,762	-	9,712,548	977,214	9,135,863	253,492	8,881,953	507,402	469,812	1,553,899
Total	281,321,751	750,846	18,736,775	263,335,822	41,936,183	11,142,954	12,722,292	40,356,845	222,978,977	239,385,568
Previous Year	326,305,602	2,262,623	15,673,608	312,894,617	52,990,774	9,458,006	13,362,091	49,086,689	263,807,928	

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars			(Amount in Rs.)	
			As at 31-Mar-2016	As at 31-Mar-2015
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
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
			635,000	739,000
Less: Provision for diminution in value of quoted investments			635,000	(635,000)
Net quoted investment			-	104,000
<u>In Others (Unquoted)</u>				
Saraswat Co-op Bank Limited	1,000	10	10,000	10,000
			10,000	10,000
Total of investments in equity instruments			10,000	114,000
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			4,000	4,000
c) <u>Investment in Non-Convertible Debentures</u>				
Alliance Infrastructure Projects Private Limited	1,025		18,507,192	18,773,890
Total Environment Living Private Limited	550		41,894,792	45,359,322
			60,401,984	64,133,212
d) <u>Investment in Share Certificates</u>				
Membership of Technocity Co-operative Society			10,000	10,000
			10,000	10,000
Total investments			60,425,984	64,261,212
Less: Provision for diminution in value of quoted investments			-	-
Net investments			60,425,984	64,261,212
Aggregate amount of quoted Investments (Market value Rs.3,25,931 previous year Rs.6,08,834)			635,000	739,000
Aggregate amount of Unquoted Investments			60,425,984	64,157,212
Aggregate provision for diminution in value of investments			635,000	635,000
14 LONG TERM LOANS AND ADVANCES				
a) Unsecured, Considered good				
Security Deposits			6,678,927	9,915,067
Rent deposit - Related Parties (refer note 37)			2,254,000	2,254,000
Income tax paid (Net of provisions)			79,018,264	38,027,267
Advances recoverable in cash or in kind			378,633	5,078,215
Advances - Related Parties (refer note 37)			-	-
			88,329,824	55,274,549
b) Unsecured, Considered doubtful				
Advances - Related Parties (refer note 37)*			-	-
			88,329,824	55,274,549
Less: Provision for doubtful loans and advances (refer note 29)			-	-
			88,329,824	55,274,549
15 OTHER NON CURRENT ASSETS				
Non Current Bank Balances (refer note no 19)			1,711,967	1,127,947
Unamortised expenses			-	-
			1,711,967	1,127,947
16 CURRENT INVESTMENTS				
(Non-trade, at-cost)				
Inter Corporate Deposits: In Others (Unquoted)				
a) Mukand Limited			75,000,000	-
b) Videocon Industries Limited			50,000,000	-
c) Bombay Dyeing & Manufacturing Co. Limited			20,000,000	-
d) Anil Limited			10,000,000	-
			155,000,000	-
17 INVENTORIES				
Stores & Spares*			2,437,893	71,930,138
Stock-in-trade			267,818	578,715
			2,705,711	72,508,853

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	(Amount in Rs.)	
	As at 31-Mar-2016	As at 31-Mar-2015
18 TRADE RECEIVABLES		
a) Unsecured, Considered good		
Over six months*	16,713,896	472,132,757
Other Debts	68,127,982	123,228,870
	84,841,878	595,361,627
b) Unsecured, Considered doubtful		
Over six months*	-	-
Other Debts	-	-
Total trade receivables	84,841,878	595,361,627
Less: Provision for doubtful trade receivables (refer note 29)	-	-
	84,841,878	595,361,627
19 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	2,375,942	6,077,302
Balances with Banks		
In Current account	37,259,246	98,976,487
Deposits with original maturity of less than 3 months	30,000	252,396
	39,665,188	105,306,185
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	104,106	1,633,854
Deposits with Original maturity of more than 12 months	1,711,967	1,127,947
	1,816,073	2,761,801
Total Cash & Bank Balances	41,481,261	108,067,986
Less: Non-current portion included in Other Non current assets	1,711,967	1,127,947
	39,769,294	106,940,039
20 SHORT TERM LOANS AND ADVANCES		
Loans and advances to employees	-	28,090
Deposits/ Balance with Excise/ Sales Tax Authorities*	-	10,921,934
Advance to Suppliers*	860,503	15,656,340
Earnest Money Deposit	1,223,790	13,204,888
Advances recoverable in cash or in kind (short term)	2,602,461	7,163,520
Advances - Related Parties (refer note 37)	2,531,285	2,393,023
	7,218,039	49,367,795
21 OTHER CURRENT ASSETS		
Revenue Accrued	10,262,244	24,151,111
Interest Accrued	4,334,709	435,603
	14,596,953	24,586,714

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

Particulars	(Amount in Rs.)	
	Year ended 31-Mar-2016	Year ended 31-Mar-2015
22 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	54,870,954	239,165,481
Sales of Services		
Computers related IT services	580,175,412	767,812,053
Other operating revenue	-	-
Net Sales	635,046,366	1,006,977,534
23 OTHER INCOME		
Dividend from long term investments	-	82,800
Foreign exchange difference (Net)	159,622	324,337
Interest income	26,122,505	7,651,013
Balances written back	5,964,078	-
Other non-operating income	539,664	447,774
	32,785,869	8,505,924
24 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	267,818	578,715
Inventory at the beginning of the year		
Trading - Computers peripherals & software	578,716	3,377,737
(Increase)/ Decrease in Inventory	310,898	2,799,022

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	(Amount in Rs.)	
	Year ended 31-Mar-2016	Year ended 31-Mar-2015
25 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	337,942,169	460,589,583
Contribution to Provident fund etc	36,576,939	41,131,345
Staff Welfare expenses	7,305,430	7,456,716
	381,824,538	509,177,644
Refer Note No.30 for disclosures as required by AS -15 "Employee Benefits"		
26 FINANCE COST		
Interest expense	4,209,955	12,399,369
Other borrowing cost	195,090	647,118
	4,405,045	13,046,487
27 DEPRECIATION		
Depreciation and amortisation	11,142,954	12,225,892
Less: Transfer from revaluation reserve	-	(1,777,178)
	11,142,954	10,448,714
28 OTHER EXPENSES		
Power & fuel	3,782,289	4,323,272
Rent	6,345,521	6,671,732
Rates & taxes	457,315	892,880
Insurance	2,468,226	3,004,142
Advertisement & sales promotion	1,458,291	2,171,660
Travelling and conveyance expenses	29,641,720	33,400,800
Consumable, stores and spares	34,765,762	46,843,480
Office maintainence	3,962,260	3,884,522
Printing & stationery	5,026,253	3,519,177
Repairs to building	217,000	716,026
Communication expenses	3,109,272	5,140,394
Auditor's remuneration		
- As Auditors	441,099	565,160
- For Tax audit	50,000	50,000
- For Certificate/ limited review	190,000	190,000
Legal, professional & consultancy charges	7,465,348	10,216,513
Freight & forwarding	3,493,800	5,588,052
Directors sitting fees	399,856	541,567
Bad debts written off	17,337,399	44,368,733
Capital work in progress written off	2,675,397	840,000
Subcontracting charges paid	21,765,933	25,256,890
Sales & Work contract tax paid	880,635	1,364,603
Loss on sale/ disposal of non-revalued fixed assets	740,296	8,612,604
Miscellaneous expenses	7,257,157	21,991,173
	153,930,829	230,153,380
29. Exceptional Item		

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

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

	Particulars	Amount (₹)
A	Assets written-off/provided	
	Sundry debtors written off	410,931,456
	Sundry debtors of erstwhile PCS International written off	27,412,997
	Stores and spares written off (net of realizable value)	65,857,741
	Advance to creditors written off	15,941,854
	Earnest money deposit written off	11,148,390

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Particulars		Amount (₹)
	Security/other deposits/other advances written off	13,608,324
	Fixed assets written off	4,666,176
	Provision for diminution in value of investments	17,727,850
	Provision for doubtful recoverable from subsidiaries	42,169,715
	Goodwill on amalgamation written off	29,257,606
	A	638,722,109
B	Withdrawal from reserves	
	Securities Premium	496,875,000
	Capital reserve	733,418
	General reserve	64,472,209
	Opening surplus in profit and loss account	11,638,482
	B	573,719,109
	C=A-B	65,003,000
	Impact of Taxation	
	Current tax credit	33,807,000
	Deferred tax credit	31,196,000
	E	65,003,000
	Net impact transferred to statement of Profit & Loss (C-E)	-

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

30. Employee Benefits

- Contribution to Provident Fund of Rs.1,78,74,459 (previous year Rs.2,30,11,688) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss.
- Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Leave encashment (Non funded)	Gratuity (Funded)	Leave encashment (Non funded)
1 Change in benefit obligation				
Liability at the beginning of the year	20,401,273	3,696,330	15,322,554	4,020,835
Interest cost	1,282,025	188,519	1,318,373	305,696
Current service cost	1,861,191	1,686,553	2,328,517	1,833,508
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(8,751,919)	(2,679,677)	(2,015,952)	(1,403,326)
Actuarial (Gain)/ Loss	3,256,601	2,708,308	3,447,781	(1,060,383)
Liability at the end of the year	18,049,171	5,600,033	20,401,273	3,696,330
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	20,405,025	-	16,027,637	-
Adjustments to opening balance	(8,580)	-	(674)	-
Expected Return on Plan assets	2,444,458	-	2,118,778	-
Contributions	8,700,000	2,679,677	5,275,000	1,403,326
Benefit paid	(8,751,919)	(2,679,677)	(2,015,952)	(1,403,326)
Actuarial (Gain)/ Loss on plan assets	(2,327,076)	-	(999,764)	-
Fair value of Plan assets at end of year	20,461,908	-	20,405,025	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,861,191	1,686,553	1,655,268	1,324,327
Interest cost	1,282,025	188,519	1,142,992	327,911
Expected Return on Plan assets	(2,444,458)	-	(1,843,339)	-
Actuarial (Gain)/ Loss	5,583,677	2,708,308	4,447,545	(1,055,194)
Expenses recognized in the P&L a/c	6,282,435	4,583,380	5,402,466	597,044
4 Actuarial Assumptions				
Discount rate		7.62%		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		IALM (2006-08) Ult.		IALM (2006-08) Ult.

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

31. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2016 is Rs.99,66,081 (Previous Year - Rs. 3,25,06,983).

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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

- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.50,45,046 as recipient of services for the period Apr2009 - Mar2010.
The Company has filed 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.
- 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.
- 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:

- The Commissioner Of Service Tax, Mumbai has passed an order confirming the demand of Rs.2,29,04,559 (Previous Year: Rs.4,69,24,929) u/s 73 of Finance Act 1994 purchase of software under category of Intellectual Property Rights for the period Dec2004 – Mar2009.
The Company has obtained the legal opinion that the software purchase does not attract provisions of Intellectual Property Rights under Service Tax Rules, and now is in process of filing appeal before Appellate Tribunal.
- The Company has received a demand of Rs.19,12,633 from the Commissioner Of Central Excise, Pondicherry u/s 11A of Central Excise Act imposing Central Excise on pre-loading of software for the period Sept2006 - Mar2010.
The Company has filed an appeal before Appellant Tribunal Central Excise, Customs & Service Tax, Chennai. Tribunal has passed the order granting stay on the demand. The proceedings are pending before the Tribunal at Chennai.
- The Company has received a 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.
- 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.
- The Company has received a Show Cause Notice from Director of Intelligence demanding Rs. 2,15,40,551 u/s 28 of Custom Act 1962 on account of Custom Duty on import of OPK from Microsoft during the period of Apr2006 - Mar2007.
The proceedings are pending before Commissioner of Customs, Delhi. On the basis of the legal opinion obtained, the matter has merits in favor of the Company. The Company has deposited Rs. 50 lakhs as pre-deposit under protest.
- The Company has received an order of Rs.43,11,000 in FY 2006-07 from Commissioner of Central Excise (Appeal) Mumbai along with pre-deposit of Rs.15 lakhs on account of alleged non-submission of import documents of various goods under Project Import Regulation Act 1986.
The Company has filed as appeal before CESTAT Mumbai, on the grounds of merits of the case and proceedings are pending. The Hon'ble High Court of Judicature at Bombay has set aside the order of pre-deposit on appeal by the Company.
- The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner Of Service Tax, Mumbai demanding Rs.25,21,282 on account of wrong availment of Cenvat Credit for the period Apr2012 - Mar2013.
The Company has filed its reply denying the demand on the merits and grounds.

33. 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 31-03-2016	As at 31-03-2015
Principle amount due to suppliers under MSMED Act at the year end	3,621,450	603,774
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	19,070	7,416
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	16,875
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	-	566
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	19,070	7,982

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

(Amount in ₹)

Particulars	31-03-2016		31-03-2015	
	Value	%	Value	%
Imported	-	0.00%	-	0.00%
Indigenous	44,374,222	100.00%	192,761,469	100.00%
	44,374,222	100.00%	192,761,469	100.00%

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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

(Amount in ₹)

Particulars	31-03-2016	31-03-2015
Raw Material, Store & spares and Computer Peripherals	-	-

(C) Expenditure in foreign currency:

(Amount in ₹)

Particulars	31-03-2016	31-03-2015
Traveling	5,535,336	3,703,317

(D) Earning in foreign currency:

(Amount in ₹)

Particulars	31-03-2016	31-03-2015
Export sales and services	20,580,011	19,115,547

35. Particulars of Earnings per Shares:

Particulars	31-03-2016	31-03-2015
a) Net Profit for the year		
Before extraordinary items (Rs.)	56,613,975	24,022,507
After extraordinary items (Rs.)	56,613,975	24,022,507
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	2.70	1.15
After extraordinary items	2.70	1.15

36. 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.

37.1 Related parties disclosures:

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

1. PCS Technology USA, Inc.
2. PCS Positioning Systems (India) Limited
3. PCS Infotech Limited, India
4. PCS International Limited, Mauritius
(amalgamated with its parent company PCS Technology Limited in current year)

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

a) Key Management Personnel

1. Mr. G.K.Patni (Chairman)
2. Mr. A.K.Patni (Vice Chairman)
3. Mr. H C Tandon (Managing Director & CEO)

b) Relatives of key management personnel

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

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

1. Kalpavruksh Systems Limited - (Formerly known as Vraksh Technologies Limited)
2. Patni Healthcare Limited

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Sales of goods and services			3,449,378 (1,823,514)	3,449,378 (1,823,514)
2	Rent paid	516,000 (516,000)			516,000 (516,000)
3	Security Deposit (Rent) received back		- (1,700,000)	-	- (1,700,000)
4	Loan Refunded	- (13,000,000)		-	- (13,000,000)
5	Remuneration to Directors	5,560,576 (3,206,434)			5,560,576 (3,206,434)

37.3 Balance outstanding as at year end:

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
1	Receivable (net of provision see note no. 29)			229,485 (102,908)	229,485 (102,908)
2	Loan taken	20,000,000 (20,000,000)			20,000,000 (20,000,000)
3	Advances given				- (-)
4	Property deposits	54,000 (54,000)	2,200,000 (2,200,000)		2,254,000 (2,254,000)

37.4 Significance closing balances outstanding as at year end:

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	Receivable			
	Patni Healthcare Limited			200,250 (81,371)
	Kalpavruksh Systems Limited			29,235 (21,537)
2	Loan Taken			
	A.K. Patni	10,000,000 (10,000,000)		
	G.K. Patni	10,000,000 (10,000,000)		
3	Property Deposits			
	Rajnikanta Patni			500,000 (500,000)
	Sadhana Patni			500,000 (500,000)
	Apoorva Patni			600,000 (600,000)
	Arihant Patni			500,000 (500,000)
	Sobhagmal Maganmal Patni HUF			100,000 (100,000)
	A.K. Patni	54,000 (54,000)		

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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

	Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
1	Sales of goods and services			
	Kalpavruksh Systems Limited			829,274 (1,006,980)
	Patni Healthcare Limited			2,620,104 (816,534)
2	Rent paid			
	Mr. A. K. Patni	216,000 (216,000)		
	Mr. Apoorva Patni	300,000 (300,000)		
3	Security Deposit (rent) refunded			
	Late Mrs Kanchanbai Patni		- (1,100,000)	
	Rajnikanta G. Patni		- (100,000)	
	Sadhana A. Patni		- (200,000)	
	Sobhagmal Maganmal Patni HUF		- (100,000)	
	Late Sobhagmal Maganmal Patni		- (100,000)	
	Ruchi A. Patni		- (100,000)	
4	Loan refunded			
	Mr. A. K. Patni	- (13,000,000)		
5	Remuneration to Directors			
	H.C.Tandon	3,124,000 (3,206,434)		
	Yash Bhardwaj	2,436,576 (-)		

38.1 Details of loans and advances in nature of loans outstanding from subsidiaries:

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

Note: Previous year figures are shown in brackets

38.2 Details of Investment by the Loanee in the shares of the company:

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

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

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

S. C. Bandi
Proprietor
Membership no. 16932

Place : Mumbai
Date : 16th May, 2016

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

PCS Technology Limited

Registered Office : Office no.1, Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi, Dist Pune 412 106.
CIN - L74200MH1981PLC024279, Tel: 020-26681619, Web:www.pctestech.com Email:investorsgrievances@pcstech.com



FORM - MGT-11 PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Members(s)	
Registered Address:	
E-Mail Id:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of the shares of the above named Company, hereby appoint:

- (1) Name.....Address.....
Email ID..... Signature.....Or failing him/ her
- (2) Name.....Address.....
Email ID..... Signature.....Or failing him/ her
- (3) Name.....Address.....
Email ID..... Signature.....

as my/our proxy to vote for me/us, on my/our behalf at the Thirty Fifth Annual General Meeting of the members of PCS Technology Limited to be held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, September 21, 2016 at 12.00 noon and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

	Particulars	I Assent	I Dissent
1	To receive, consider and adopt the Standalone and consolidated Audited Balance Sheet as at 31st March, 2016 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(Din;00014194) who retires by rotation and being eligible, offers himself for re-appointment.		
3	To ratify the appointment of Auditors of the Company and to fix remuneration and to pass the following resolution as an ordinary resolution thereof.		

Special Business:

4	Re-Appointment of Mr. Harish Chandra Tandon as Managing Director and CEO of the Company		
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Signed this _____ day of _____ 2016

Signature of Shareholder

Signature of Proxy holder

Revenue
stamp of
Rs.1

Note : The Proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of the same must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting. The proxy need not be a member of the Company.

PCS Technology Limited

Registered Office : Office no.1, Gat no. 478, Alandi Markaal Road, Tal. Khed, Alandi, Dist Pune 412 106.
CIN - L74200MH1981PLC024279, Tel: 020-26681619, Web:www.pctestech.com Email:investorsgrievances@pcstech.com



Attendance Slip

Name of the Shareholder(s) (In Block Letters):	
Registered Folio no./ DP ID no./Client ID No.:	
Numbers of shares held	

I certify that I am a member/proxy/authorized representative for the member of the Company.

I hereby record my presence at the Thirty Fifth Annual General Meeting of the members of PCS Technology Limited held at Hotel Celebration, Banquet Hall, Opp. New S.T. Road, Alandi Road, Pune 412 105 on Wednesday, September 21, 2016 at 12.00 noon

Name of the member/proxy
(in BLOCK Letters)

Signature of Member/ Proxy

*note: please fill in attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM

BY SPEED POST / REGISTERED POST / COURIER

To

If undelivered please return to :

M/s. Bigshare Services Pvt. Ltd.

UNIT : PCS Technology Limited

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

PCS
TECHNOLOGY

PCS TECHNOLOGY LIMITED

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