

ANNUAL REPORT 2015-2016

PCS POSITIONING SYSTEMS (INDIA) LTD.

MANAGEMENT & ADMINISTRATION

DIRECTORS : H. C. Tandon, Yash Bhardwaj, A. K. Patni
M. P. Jain

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

CIN : U72900PN2004PLC019448

DIRECTORS' REPORT

The Members,

PCS POSITIONING SYSTEMS (INDIA) LIMITED

Your Directors of the Company are pleased to present the Twelfth Annual Report with the statement of Audited financial accounts for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Financial Year ended 31.03.2016	Financial Year ended 31.03.2015
Sales and other Income	-	-
Profit/ (Loss) before interest, depreciation & taxation	(4.91)	(37.08)
Interest	-	-
Depreciation	-	-
Profit/(Loss) before taxation	(4.91)	(37.08)
Profit/(Loss) after taxation	(4.91)	(37.08)
Profit/(Loss) as per last balance sheet	(510.21)	(473.00)
Balance carried to Balance sheet	(515.12)	(510.21)

OPERATIONS

During the year under review, your Company has not carried any business activity, however, the management is evaluating various options to restructure the activities in the best interest of the Company.

EXTRACTS OF ANNUAL RETURN

The details forming part of the extracts of the Annual return in Form MGT-9 is enclosed in Annexure I

DIVIDEND

In view of accumulated losses incurred by 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

No, material changes & Commitments have occurred between the end of Financial year of the Company to which the Financial statement relates and the date of this report which affects the financial position of the Company.

SUBSIDIARY COMPANY

As on March 31, 2016, the Company does not have any subsidiary

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility

DECLARATION BY INDEPENDENT DIRECTORS

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained

DIRECTORS

Cessation

Mr. Dinesh Baboo Maheshwari, resigns from the Board of Directors of the Company w.e.f. January 1, 2016. The Company takes on record the invaluable contribution made by him during his tenure as the Director of the Company

Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. H. C Tandon and Mr. Ashok kumar Patni, Directors of the Company retire by

rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

Meetings

During the year under review, four Board Meetings were convened and held as on 29th May, 2015, 20th July, 2015, 14th October, 2015, 27th January, 2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Statutory Auditors

The Company's Auditors, Mr. S. C Bandi of Messrs S.C Bandi & Co. , Chartered Accountants, Mumbai were appointed by the shareholders at the 11th Annual General Meeting Annual to hold office until the conclusion of the 16th Annual General Meeting and 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.

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:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the said year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- Annual Accounts have been prepared on a going concern basis.
- 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

All the Details regarding Loans, Guarantees and Investments as required under provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

All the Related party transactions are presented to the Audit Committee and the Board approval is obtained for the transactions made by the Company.

DEPOSITS

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

PARTICULARS OF EMPLOYEES

During the financial year, there were no employees drawing remuneration in excess of the monetary ceiling prescribed under Section 197 read with Rule, 5 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

Since the Company has not carried out any business activity, it is not required to disclose information under the Section 134 (3) (m) of the Companies Act, 2013.

(A) Conservation of Energy

The Company consumes electricity only for in-house consumption which is negligible in respect of nature of business operations.

(B) Technology Absorption - Not applicable

(C) Foreign Exchange Earnings/Outgo- Nil

ACKNOWLEDGEMENTS

Your Directors express their warm appreciation to all the stakeholder of the Company for their co-operation extended to the Company.

On behalf of the Board of Directors

A.K Patni

Director

(DIN: 00014194)

H.C Tandon

Director

(DIN :00037611)

Place: Mumbai,

Date: May 12, 2016

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 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	U72900PN2004PLC019448
Registration Date	29/06/2004
Name of the Company	PCS POSITIONING SYSTEMS (INDIA) LIMITED
Category/Sub-category of the Company	Computer Software, Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

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.	N.A	N.A	N.A	N.A	N.A

V. 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	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1760000	-	1760000	100%	1760000	-	1760000	100%	
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	-	-	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-

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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	
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Any Other	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors / Relatives	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1760000	0	1760000	100%	1760000	0	1760000	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	M/s PCS Technology limited (PTL)	1749996	100%	-	1749996	100%	-	-
2	Mr. Arihant G Patni (Nominee of PTL)	9990	0%	-	9990	0%	-	-
3	Mr. Pramod Jain (Nominee of PTL)	10	0%	-	10	0%	-	-
4	Mr. D.K Jain (Nominee of PTL)	1	0%	-	1	0%	-	-
5	Mr. Yash D.Bhardwaj (Nominee of PTL)	1	0%	-	1	0%	-	-
6	Mr. Harish C. Tandon (Nominee of PTL)	1	0%	-	1	0%	-	-
7	Mr. Mir Prakash Jain (Nominee of PTL)	1	0%	-	1	0%	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoter's Shareholding pattern.

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.	N.A.	N.A.	N.A.	N.A.	N.A.

iv. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Ashokkumar S. Patni	0	0%	0	0%
2	Mr. Harish C. Tandon (Nominee of PTL)	1	0%	1	0%
3	Mr. Yash Bhardwaj (Nominee of PTL)	1	0%	1	0%
4	Mr. Mir Prakash Jain (Nominee of PTL)	1	0%	1	0%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,50,00,000	-	2,50,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,50,00,000	-	2,50,00,000
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	2,50,00,000	-	2,50,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2,50,00,000	-	2,50,00,000

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount Rs.
1	Gross salary	-	-
	(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 (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors (Independent) (Rupees)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors	-	-	-	-	-	-	-
	Fee for attending board & committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-
	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-

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

(Rupees)

SN	Particulars of Remuneration	Name of the KMP		
1	Gross salary	-	-	-
	(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	-	-	-

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	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PCS POSITIONING SYSTEMS (INDIA) LIMITED

Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Positioning Systems (India) 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.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

Opinion

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

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued

by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I 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.
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 my information and according to the explanations given to me:
 - i. There were no pending litigations on Company's financial position in its 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

Place: Mumbai

Date : 12th May 2016

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

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.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 3 of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to

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purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of my audit, no major weakness has been noticed in internal control system.

- (v) The Company has not accepted any deposits from the public and hence, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth 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, there are no cases in which dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at 31st March 2016.
- (c) During the financial year covered by my audit, no amount was required to be transferred to investor education and protection fund.
- (viii) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by my audit or in the immediately preceding financial year.
- (ix) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (x) In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not raised any new term loan during the year and therefore clause (xi) of the said Order relating to application of term loan for the purpose for which it was obtained is not applicable.
- (xii) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

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

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

Place: Mumbai
Date : 12th 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 Positioning Systems (India) 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

Place: Mumbai
Date : 12th May 2016

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

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note	As at 31st March 2016 (Amount in ₹)	As at 31st March 2015 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	17,600,000	17,600,000
Reserves and Surplus	4	(51,512,039)	(51,021,255)
Non-current liabilities			
Long term borrowings	5	25,000,000	25,000,000
Current liabilities			
Trade payables	6	12,758,679	12,718,642
Other current liabilities	7	373,374	373,374
TOTAL		4,220,014	4,670,761
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	-	-
Intangible Assets	8	-	450,747
Long term Loans and advances	9	441,627	441,627
Current assets			
Trade Receivables	10	3,062,965	3,062,965
Cash and Bank balances	11	36,416	36,416
Short Term loans and advances	12	679,006	679,006
TOTAL		4,220,014	4,670,761

The accompanying notes are an integral part of the financial statements

As per my Report of even date

For **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

A.K. Patni Director
H. C. Tandon Director
Yash Bharadwaj Director

S C Bandi
(Proprietor)

Membership No.16932

Place : Mumbai

Date : May 12, 2016

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

Particulars	Note	Year Ended 31st March 2016 (Amount in ₹)	Year Ended 31st March 2015 (Amount in ₹)
Revenue from Operation (net)		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Other expenses	13	490,784	3,707,698
Depreciation	8	-	-
Total Expenses		490,784	3,707,698
Loss before tax		(490,784)	(3,707,698)
Tax expense		-	-
Loss for the year		(490,784)	(3,707,698)
Basic & Diluted earning per share of ₹ 10/- each		(0.28)	(2.11)

The accompanying notes are an integral part of the financial statements

As per my Report of even date

For **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

A.K. Patni Director
H. C. Tandon Director
Yash Bharadwaj Director

S C Bandi
(Proprietor)

Membership No.16932

Place : Mumbai

Date : May 12, 2016

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PCS POSITIONING SYSTEMS (INDIA) LTD.

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

PARTICULARS	Year ended 31-Mar-16 (Amount in ₹)	Year ended 31-Mar-15 (Amount in ₹)
Cash flow arising from operating activities:		
Net loss before tax	(490,784)	(3,707,698)
Adjustment for:		
Fixed assets written-off	450,747	3,660,499
Depreciation	-	-
Operating loss before working capital changes	(40,037)	(47,199)
Decrease/ (Increase) in Trade and other Receivables	-	-
(Decrease)/ Increase in Trade and other payables	40,037	47,199
Cash generated from operations	-	-
Income Tax paid (net of refunds)	-	-
Net cash flow from/used operating activities	-	-
Cash flow arising from investing activities	-	-
Cash flow arising from financing activities	-	-
Proceeds from Unsecured Loans taken from holding company	-	-
Repayment of Unsecured Loan taken from Directors	-	-
Net Cash from financing activities	-	-
Net Increase/(Decrease) in Cash/Cash Equivalents	-	-
Cash and Cash Equivalents at the beginning of the year	36,416	36,416
Cash and Cash Equivalents at end of the year 31st March,2016	36,416	36,416

As per my Report of even date

For **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

S C Bandi
(Proprietor)
Membership No.16932

A.K. Patni Director
H. C. Tandon Director
Yash Bharadwaj Director

Place : Mumbai
Date : May 12, 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, and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.

2 Significant Accounting Policies

Fixed Assets

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

Depreciation

Depreciation is provided on straight line method, at the rates and in a manner prescribed in Schedule II to the Companies Act, 2013.

Revenue Recognition

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

Foreign Exchange Transaction

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

Borrowing cost

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

Particulars	Year ended 31-Mar-16 (Amount in ₹)	Year ended 31-Mar-15 (Amount in ₹)
3 SHARE CAPITAL		
Authorised		
3,000,000 Equity shares of Rs.10/- each	30,000,000	30,000,000
Issued, Subscribed and Paid up		
1,760,000 Equity shares of Rs.10/- each fully paid up	17,600,000	17,600,000

(a) Terms /Rights attached to equity shares

The Company has only one class of equity shares having a par value of 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) Details of shareholders holding more than 5% shares in the company

Name of shareholder	No.	%	No.	%
PCS Technology Limited	1760000	100	1760000	100

PCS POSITIONING SYSTEMS (INDIA) LIMITED



Particulars	Year ended 31-Mar-16 (Amount in ₹)	Year ended 31-Mar-15 (Amount in ₹)
4 RESERVES AND SURPLUS		
Deficit in the statement of profit and loss		
Balance as per last Financial Statement	(51,021,255)	(47,313,557)
Loss for the year	(490,784)	(3,707,698)
	<u>(51,512,039)</u>	<u>(51,021,255)</u>
5 LONG TERM BORROWINGS		
Unsecured		
Directors	-	-
Inter corporate deposits	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
6 TRADE PAYABLE		
Trade Payable	12,758,679	12,718,642
(Refer note 14 for details of dues to Micro and small enterprises)		
	<u>12,758,679</u>	<u>12,718,642</u>
7 OTHER CURRENT LIABILITIES		
Trade Advances	373,374	373,374
	<u>373,374</u>	<u>373,374</u>

Particulars	Year ended 31-Mar-16 (Amount in ₹)	Year ended 31-Mar-15 (Amount in ₹)
9 LONG TERM LOANS AND ADVANCES		
Income tax paid (net)	318,483	318,483
FBT paid (net)	123,144	123,144
	<u>441,627</u>	<u>441,627</u>
10 TRADE RECEIVABLE		
Unsecured, considered good		
- Over six months	3,062,965	3,062,965
- Other debts	-	-
	<u>3,062,965</u>	<u>3,062,965</u>
11 CASH AND BANK BALANCES		
Cash and Cash Equivalent		
Cash in hand	-	2,000
Balances with Banks - in Current account	36,416	34,416
	<u>36,416</u>	<u>36,416</u>
12 SHORT TERM LOANS AND ADVANCES		
Advances to Suppliers	500,503	500,503
Earnest Money Deposit	20,000	20,000
Advance recoverable in cash or in kind	113,503	113,503
Deposits	45,000	45,000
	<u>679,006</u>	<u>679,006</u>
13 OTHER EXPENSES		
Rates & Taxes	7,974	14,311
Legal, Professional & Consultancy charges	14,810	24,461
Auditor's Remuneration - As auditors	8,588	8,427
Interest Paid To Others	8,665	-
Fixed assets written-off	450,747	3,660,499
	<u>490,784</u>	<u>3,707,698</u>

8 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation			Net Block	
	As at 1-Apr-15	Additions/ Deductions	As at 31-Mar-16	As at 1-Apr-15	On Deductions	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Intangible Assets								
Software	9,014,964	(9,014,964)	-	8,564,217	(8,564,217)	-	-	450,747
Total	9,014,964	(9,014,964)	-	8,564,217	(8,564,217)	-	-	450,747
Previous year	16,437,141	(7,422,177)	9,014,964	12,325,895	(3,761,678)	8,564,217	450,747	

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14 There is no amount due to "Micro or Small Enterprises" under Micro, Small, and Medium Enterprise Act, 2006. Further no interest is paid/ payable in the terms of section 16 of the said Act.

Current liabilities, has been determined to the extent such parties have been identified on the basis of the information available with the company.

15 The Company has brought forward losses and unabsorbed depreciation as per Income Tax Act. However in view of absence of virtual certainty that the brought forward losses and unabsorbed depreciation will be utilized in future, deferred tax asset in respect of these items is not recognized.

16 **Particulars of Earnings per share :**

	Particulars	31-Mar-16	31-Mar-15
(a)	Net (Loss) for the year (Rs.)	(490,784)	(3,707,698)
(b)	Number of equity shares outstanding at the beginning and at the end of the year	1,760,000	1,760,000
(c)	Weighted average number of shares outstanding during the year	1,760,000	1,760,000
(d)	Nominal value of the shares (Rs.)	10	10
(e)	Basic Earning per share (Rs.)	(0.28)	(2.11)

17 **Related parties disclosures:**

A) **Name of related parties where control exists:**

a) **Holding Company**

1. PCS Technology Limited

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

a) **Key Management Personnel**

1. Mr. A.K.Patni (Director)

b) **Affiliates (Enterprises over which key management personnel or relatives has significant influence):**

1. PCS Technology USA, Inc

18 **Balance outstanding as on 31/03/2016**

(Amount in ₹)

Description	Holding Company	Key Management Personnel	Affiliates	Total
Receivable				
PCS Technology Inc., USA	- (-)	- (-)	129,719 (129,719)	129,719 (129,719)
Payables				
PCS Technology Limited	11,789,941 (11,733,050)	- (-)	- (-)	11,789,941 (11,733,050)
Inter corporate deposits				
PCS Technology Limited	25,000,000 (25,000,000)	- (-)	- (-)	25,000,000 (25,000,000)

Note: Previous year figure are shown in brackets

19 Considering revision in useful life of fixed assets as per new Companies Act, 2013, the management decided to write-off the opening written down values of ceased assets in the statement of profit and loss in current financial year.

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

As per my Report of even date

For **S C BANDI & CO.**
(Chartered Accountants)

For and on behalf of the Board of Directors

S C Bandi

(Proprietor)

Membership No.16932

A.K. Patni Director

H. C. Tandon Director

Yash Bharadwaj Director

Place : Mumbai

Date : May 12, 2016