

PCS INFOTECH LIMITED

MANAGEMENT & ADMINISTRATION

DIRECTORS : G. K. Patni A. K. Patni Yash Bhardwaj
S. Ravikumar
REGISTERED OFFICE : S. No. 1-A, F-1, Irani Market Compound, Yerawada,
Pune - 411 106.
CIN : U72900PN2012PLC145598

DIRECTORS' REPORT

The Members,

PCS INFOTECH LIMITED

Your Directors of the Company are pleased to present the 5th Annual Report with the statement of Audited financial accounts for the financial year ended 31st March 2017.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Financial Year ended 31.03.2017	Financial Year ended 31.03.2016
Net Sales and other Income	09.89	53.59
Profit/ (Loss) before interest, depreciation & taxation	07.54	20.70
Interest	-	-
Depreciation	-	-
Profit / (Loss) before Taxation	07.54	20.70
Provision for Taxation (Net)	01.91	06.65
Net Profit / (loss) for the year	05.63	14.05
Balance carried to Balance sheet	30.21	24.59

OPERATIONS

During the year, the Company has focused only on selected orders, where cost and margins are fair.

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 order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2017.

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, 2017, 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

Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. Gajendra Kumar Patni and Mr. Yash Bhardwaj, 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 12th May, 2016, 18th July, 2016, 3rd November, 2016 and 6th February, 2017 . 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 3rd Annual General Meeting held on 10th September, 2015 to hold office until the conclusion of the 8th 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, 2017 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 transactions under this head, it is not required to disclose information under the Section 134 (3) (m) of the Companies Act, 2013

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

Place: Mumbai,
Date: May 15 , 2017

A.K.Patni
Director
(Din:00014194)

G.K Patni
Director
(Din: 00014163)

Annexure 1

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2017

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	U72900PN2012PLC145598
Registration Date	05/12/2012
Name of the Company	PCS Infotech 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

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	7	-	7	0.00	7	-	7	0.00	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	499993	0	499993	100%	499993	0	499993	100%	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	500000	0	500000	100%	500000	0	500000	100%	-
(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	-	-	-	-	-	-	-	-	-

PCS INFOTECH LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	-	-	-	-	-	-	-	-	-
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)	500000	0	500000	100%	500000	0	500000	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)	499,993	100%	-	499,993	100%	-	-
2	Mr. A. K. Patni- Nominee of PTL	1	0%	-	1	0%	-	-
3	Mr. Gajendrakumar Patni- Nominee of PTL	1	0%	-	1	0%	-	-
4	Mr. Harish Chandra Tandon- Nominee of PTL	1	0%	-	1	0%	-	-
5	Mr.Yash Bhardwaj- Nominee of PTL	1	0%	-	1	0%	-	-
6	Mr. Ravi Kumar Sankaran- Nominee of PTL	1	0%	-	1	0%	-	-
7	Mr. Mir Prakash Jain- Nominee of PTL	1	0%	-	1	0%	-	-
8	Mr. Dinesh Maheshwari- Nominee of PTL	1	0%	-	1	0%	-	-

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

There is no change in Promoters holding as on 31st March, 2017.

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. Gajendrakumar Patni	1	0%	1	0%
2	Mr. Ashokkumar S. Patni	1	0%	1	0%
3	Mr. Yash Bhardwaj	1	0%	1	0%
4	Mr. Ravi kumar Sankaran	1	0%	1	0%

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. **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) (Amount in ₹)

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	-	-	-	-	-	-	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in ₹)

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	-	-	-

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Amount in ₹)

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 INFOTECH LIMITED

Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Infotech Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 my 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 Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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

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

Place: Mumbai
Date : 12th May 2017

ANNEXURE-A TO THE AUDITOR'S REPORT

- (i) The Company is not holding physical fixed assets during the current period covered under audit. Therefore, the provisions of sub-clauses (a) and (b) of clause (i) of paragraph 3 of the Order are not applicable.
- (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 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.

PCS INFOTECH LIMITED

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 2017 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 2017.
- (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 been registered for a period less than five year. Therefore, the provisions of clause (viii) of paragraph 3 of the Order are not applicable.
- (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 2017

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 Infotech Limited ("the Company") as of 31st March 2017 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 2017, 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: 12th May 2017

ANNUAL REPORT 2016-2017

PCS INFOTECH LIMITED



BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in ₹)

Particulars	Note	As at 31 st March, 2017	As at 31 st March, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	5,000,000	5,000,000
Reserves and Surplus	4	3,021,350	2,458,582
Non-Current Liabilities			
Long term borrowings	5	-	-
Other non-current liabilities	6	150,608	-
Current Liabilities			
Trade payables	7	29,626	156,768
Other current liabilities	8	10,598	3,453
		<u>8,212,182</u>	<u>7,618,803</u>
ASSETS			
Non-current assets			
Long Term Loans and advances	9	80,718	1,473,789
Current assets			
Trade receivables	10	-	220,562
Cash and Bank balances	11	938,149	896,460
Short term loans and advances	12	7,000,000	5,004,299
Other Current Assets	13	193,315	23,693
		<u>8,212,182</u>	<u>7,618,803</u>

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : May 12, 2017

Place: Mumbai
Date : May 15, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2017	Year ended 31 st March, 2016
REVENUE			
Revenue from operations (Net)	14	-	4,816,616
Other Income	15	989,091	542,318
Total Revenue		<u>989,091</u>	<u>5,358,934</u>
EXPENSES			
Purchases of stock-in-trade		-	52,777
Employee benefits expense	16	4,299	810,148
Other expenses	17	230,899	2,426,347
Total Expenses		<u>235,198</u>	<u>3,289,272</u>
Profit before tax		<u>753,893</u>	<u>2,069,662</u>
Tax expenses:			
Current tax		245,000	665,000
Deferred tax		-	-
Short / Excess Provision for Income Tax		(53,875)	-
Total tax expenses		<u>191,125</u>	<u>665,000</u>
Profit after tax		<u>562,768</u>	<u>1,404,662</u>
Earning per equity share:			
Basic		1.13	2.81
Diluted		1.13	2.81

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : May 12, 2017

Place: Mumbai
Date : May 15, 2017

PCS INFOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in ₹)

Particulars	Year ended 31-Mar-2017	Period ended 31-Mar-2016
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	753,893	1,404,661
Operating profit before working capital changes	753,893	1,404,661
Decrease/ (increase) in trade and others receivables	(551,690)	(180,321)
(Decrease)/ increase in trade and other payables	30,611	(2,697,288)
Cash generated from operations	232,814	(1,472,948)
Income tax paid (net of refunds)	(191,125)	-
Net cash flow from/ (used in) operating activities	41,689	(1,472,948)
B. Cash flow from investing activities	-	-
C. Cash from financing activities		
Repayment of long-term borrowings (net)	-	-
Issue of share capital	-	-
Purchase of non-current investments	-	-
Net cash from/ (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	41,689	(1,472,948)
Cash and cash equivalents at beginning of the period	896,460	2,369,408
Cash and cash equivalents at end of the period	938,149	896,460

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : May 12, 2017

Place: Mumbai
Date : May 15, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Basis of preparation:

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

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

2 Significant Accounting Policies

Fixed Assets

Fixed assets are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use less accumulated depreciation. Preoperative expenses capitalized forms part of the cost of assets. The provisions of Accounting Standard 10 on "Accounting for Fixed Assets" as issued by Institute of Chartered Accountants of India have been complied with.

Depreciation

Depreciation is provided as per the provisions of Accounting Standard 6 on "Depreciation Accounting" as issued by Institute of Chartered Accountants of India and Schedule II of The Companies Act, 2013.

Revenue Recognition

Revenue is recognised as per the provisions of the Accounting Standards 9 on "Revenue Recognition" issued by Institute of Chartered Accountants of India and the provisions of The Companies Act, 2013.

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.

Taxes on income:

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

ANNUAL REPORT 2016-2017

PCS INFOTECH LIMITED



			(Amount in ₹)	
Particulars	As at 31-Mar-2017	As at 31-Mar-2016		
3 SHARE CAPITAL				
Authorised				
10,00,000 Equity Share of Rs.10 each	10,00,000	10,00,000		
Issued, Subscribed and Paid-up				
500,000 Equity Shares of Rs.10 fully paid-up	5,00,000	5,00,000		
	<u>5,00,000</u>	<u>5,00,000</u>		
a) Terms/ Rights attached to Equity Shares:				
The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
b) Reconciliation of the shares outstanding at the beginning and end of the year:				
(Amount in ₹)				
Particulars	Number	Amount		
Shares outstanding at the beginning of the year	500,000	5,00,000		
Shares issued during the year	-	-		
Shares outstanding at the end of the year	500,000	5,00,000		
c) Details of shareholding more than 5% shares of total shares in the Company:				
Name of shareholder	As at 31/03/2017		As at 31/03/2016	
	No. of shares	% holding	No. of shares	% holding
PCS Technology Limited	499,993	100.00	499,993	100.00
(Amount in ₹)				
Particulars	As at 31-Mar-2017	As at 31-Mar-2016		
4 Reserves and Surplus				
Opening balance	2,458,582	1,053,920		
Add: Profit for the year	562,768	1,404,662		
Closing balance	<u>3,021,350</u>	<u>2,458,582</u>		
5 Long term borrowings				
Unsecured				
Inter corporate deposits	-	-		
	-	-		
6 Other non-current liabilities				
Income tax paid (Net of provisions)	150,608	-		
	<u>150,608</u>	-		
7 Trade Payables				
Trade Payables	29,626	156,768		
	<u>29,626</u>	<u>156,768</u>		
8 Other current liabilities				
Income received in advance	-	-		
Statutory dues and taxes payable	10,598	3,453		
	<u>10,598</u>	<u>3,453</u>		

			(Amount in ₹)	
Particulars	As at 31-Mar-2017	As at 31-Mar-2016		
9 Long Term Loans and Advances				
Unsecured, Considered good				
Security Deposits	80,718	57,025		
Income tax paid (Net of provisions)	-	1,416,764		
	<u>80,718</u>	<u>1,473,789</u>		
10 Trade Receivables				
Unsecured, considered good				
Over six months	-	-		
Other Debts	-	220,562		
	-	<u>220,562</u>		
11 Cash and Bank Balances				
Cash & Cash Equivalents				
Cash in hand	-	-		
Balances with Banks				
In Current account	938,149	896,460		
	<u>938,149</u>	<u>896,460</u>		
12 Short Term Loans and Advances				
Prepaid Expenses	-	4,299		
Inter Corporate Deposits: In Others (Unquoted)				
a) Mukand Limited	7,00,000	5,00,000		
	<u>7,00,000</u>	<u>5,00,429</u>		
13 Other Current Assets				
Other receivables	193,315	23,693		
	<u>193,315</u>	<u>23,693</u>		
14 Revenue from operations				
Traded goods				
Computers peripherals & softwares	-	94,621		
Sales of Services				
Computers related IT services	-	4,721,995		
Net Sales	-	<u>4,816,616</u>		
15 Other Income				
Interest Received	989,091	542,318		
	<u>989,091</u>	<u>542,318</u>		
16 Employee benefit expenses				
Salaries & Wages	-	781,205		
Staff Welfare expenses	4,299	28,943		
	<u>4,299</u>	<u>810,148</u>		
17 Other expenses				
Subcontracting expenses	-	2,030,476		
Rates & Taxes	9,155	34,469		
Audit Fees	8,626	7,500		
Bad Debts	12,854	223,853		
Legal & Professional Charges	175,600	77,925		
Telephone Expense	4,539	47,701		
Sales Tax Paid	2,951	-		
Miscellaneous expenses	17,174	4,423		
	<u>230,899</u>	<u>2,426,347</u>		

PCS INFOTECH LIMITED

18 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.

19 Particulars of Earnings Per Shares: (Amount in ₹)

Particulars	31-Mar-17	31-Mar-16
a) Net Profit for the year		
Before extraordinary items (Rs.)	562,768	1,404,662
After extraordinary items (Rs.)	562,768	1,404,662
b) Number of equity shares outstanding at the beginning and at the end of the year	500,000	500,000
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	1.13	2.81

20 The Company has no transactions in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016.

21 Related parties disclosures:

A Names of the related parties (where control exists)

PCS Technology Limited - Holding Company

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

(Amount in ₹)

Description	Holding Company	Total
Outsourcing services taken	-	-
	(2,119,123)	(2,119,123)

C Balance outstanding as on 31st March 2017: (Amount in ₹)

Description	Holding Company	Total
Trade - PCS Technology Limited payables	-	-
	(130,318)	(130,318)

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

(Amount in ₹)

Description	Holding Company
Outsourcing services taken	-
	(2,119,123)

E Significance closing balances outstanding as on 31st March 2017:

(Amount in ₹)

Description	Holding Company
Trade payables - PCS Technology Limited	-
	(130,318)

Note: Previous year figures are shown in brackets

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : May 12, 2017

Place: Mumbai
Date : May 15, 2017