



PCS Technology Limited

**33rd
Annual Report
2013-14**

CONTENTS

Notice to Members -----	2-12
Directors' Report -----	13-16
Report on Corporate Governance -----	17-22
Auditors' Report -----	23-25
Balance Sheet -----	26
Profit & Loss Account -----	27
Cash Flow Statement -----	28
Schedules & Notes to Balance Sheet & Profit & Loss Account & Statement Relating to Subsidiary Company -----	29-46
Accounts of Subsidiary Companies -----	47-70
Auditors Report on the Consolidated Financial Statements -----	71
Consolidated Balance Sheet -----	72
Consolidated Profit & Loss Account -----	73
Consolidated Cash Flow Statement -----	74
Schedules & Notes to Consolidated Balance Sheet & Profit & Loss Account -----	75-88
PROXY	

PCS
TECHNOLOGY
PCS TECHNOLOGY LIMITED
CIN - L74200MH1981PLC024279

BOARD OF DIRECTORS

Mr. G. K. Patni	Chairman
Mr. A. K. Patni	Vice Chairman
Mr. H. C. Tandon	Managing Director & CEO
Mr. N. K. Patni	Director (expired on 3 rd June, 2014)
Mr. Apoorva Patni	Director
Mr. Satish Ajmera	Director
Mr. D. B. Engineer	Director
Mr. G. M. Dave	Director
Mr. P. V. Mehta	Director
Mr. K. K. Barjatya	Director

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

33RD ANNUAL GENERAL MEETING

Day, Date & Time	:	Wednesday, 17 th September, 2014, 12.00 P.M.
Venue	:	Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106

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

PCS TECHNOLOGY LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 33rd ANNUAL GENERAL MEETING of PCS Technology Limited will be held in Meeting Hall of Hotel Aaradhana Garden situated at Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 17th September, 2014 at 12.00 p.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 M/s. S C Bandi & Co., Chartered Accountants, (Registration no. 130850W) as Statutory Auditors of the Company under section 139 of the Companies Act, 2013 and to hold office for a period of three years from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

3. RETIREMENT AND APPOINTMENT OF INDEPENDENT DIRECTOR OF MR. P. V. MEHTA

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. P.V Mehta (holding DIN 00001366), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

4. RETIREMENT AND APPOINTMENT OF INDEPENDENT DIRECTOR OF MR. SATISH AJMERA

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Satish Ajmera (holding DIN 00208919) , Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

5. RETIREMENT AND APPOINTMENT OF INDEPENDENT DIRECTOR OF MR. G. M DAVE

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. G. M Dave (holding DIN 00036455), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

6. APPOINTMENT OF MR. K.K BARJATYA AS INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K.K Barjatya (holding DIN 00107064), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

7. APPOINTMENT OF MR. D. B ENGINEER AS INDEPENDENT DIRECTOR

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. D. B Engineer (holding DIN 00047028), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

8. 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 consider and if thought fit, to pass with or without modifications(s), the following resolution as a special resolution.

“**RESOLVED THAT** pursuant to Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions if any of the Companies Act, 2013 and subject to such approvals as may be necessary, consent of the company be and is hereby accorded to the Board of Directors of the company for borrowing, from time to time, all such sums of money as that the Board may deem fit for the purpose of the business of the company, notwithstanding that the monies to be borrowed together with the monies already borrowed (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, the reserves not set apart for any specific purpose, provided that the total amount upto which the monies may be borrowed by the Board of Directors of the company shall not exceed the sum of ₹ 100 crores (Rupees one hundred crores only) at any time.”

9. TO CREATE MORTGAGES/CHARGES UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013

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

“**RESOLVED THAT** consent, pursuant to section 180(1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, be and the same is hereby accorded to the Board of Directors of the Company (“the Board”) for creating mortgage and/or other charges in such form and on such terms and conditions and at such time or times as the Board may deem fit, the present and future properties whether movable or immovable belonging or to belong to the Company including the whole or substantially the whole of the undertaking(s) of the Company in favor of any Financial Institution(s), Bank(s), Insurance Companies or any other parties or person(s) for securing any loans or facilities granted by or any obligation incurred or to be incurred towards such financial Institution(s), Bank(s), Insurance Companies or any other parties or person(s) as the case may be, together with interest thereon at agreed rates, compound interest, additional interest, liquidated damages, commitment charges, cost, charges, expenses and any monies payable in connection therewith and further that the Board be and is hereby authorised to finalized with any or all concerned parties aforesaid documents in relation to or for creating the mortgages and/or charges aforesaid and to do all such acts, deeds and things including execution of any documents as may be necessary or expedient for giving effect to this resolution.”

10. RELATED PARTY TRANSACTIONS

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

“**RESOLVED THAT** pursuant to the provisions of the first proviso to Section 188 and other relevant provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby given for entering into transaction or arrangement or contract with the Related Parties (i.e. Kaplavruksh Sytems Ltd. and the Company's WOS - PCS Infotech Ltd.) on the terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting and as further set out in the draft agreements submitted to this meeting be and are hereby specifically approved with liberty to the Board of Directors to alter and vary the said terms and conditions of the said Agreements.”

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.

Bhaskar J Patel
Company Secretary

Mumbai, 30th May, 2014

PCS TECHNOLOGY LIMITED

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 Monday, 8th day of September, 2014 to Wednesday, 17th day of September, 2014, both days inclusive.
- 3) Members are requested to:
 - (a) intimate to the Company / their Depository Participant (“DP”), changes, if any, in their registered address at an early date and also their email ID.
 - (b) quote their Registered Folio No. and/or DP Identity and Client Identity number in their correspondence;
 - (c) bring their copy of the Annual Report and the Attendance Slip with them at the Annual General Meeting.
 - (d) to send their queries, if any, at least 10 (ten) days in advance of the meeting so that the information can be made available at the meeting.
- 4) Information pursuant to Clause 49 of the Listing Agreement for Appointment / Re-appointment of Directors:

Name of the Director	Date of Birth	Date of Appointment	Directorships in other companies incorporated in India	Chairman/Member of Other Committees of Companies
Mr. G. M. Dave	12.07.1938	29.09.1995	Vinati Organics Limited	-Member of the Audit Committee. -Member of the Compensation and Remuneration Committee
			Ultratech Cement Limited	-Member of the Audit Committee. -Member of the Compensation and Remuneration Committee -Member of Stakeholders Relationship Committee
			Grasim Bhiwani Textiles Limited	-Member of Audit Committee
			Aditya Birla Retail Limited	-Chairman of the Audit Committee. -Member of the Compensation and Remuneration Committee
			Terrafirma Agroprocessing (India) Private Limited	-
			H.A.S. Two Holdings Private Limited	-
			Fabmall (India) Private Limited	-
			Trinethra Superretail Private Limited	-Chairman of the Audit Committee.
			Birla Family Investments Private Limited	-
			Samruddhi Cement Limited	-
			Aditya Birla Chemicals (India) Limited	-Member of the Audit Committee.
			Electrotherm Renewables Private Limited	-
			Palace Solar Energy Private Limited	-

THIRTY THIRD ANNUAL REPORT 2013-2014



Name of the Director	Date of Birth	Date of Appointment	Directorships in other companies incorporated in India	Chairman/Member of Other Committees of Companies
Mr. Satish Ajmera	26.10.1944	25.06.1990	Aristocrat Luggage Limited	-
			S. Ajmera Finance Pvt. Ltd.	-
			Srp Infosystems Private Limited	-
			Wires And Fabriks (SA) Ltd.	-
			A & A Mines and Minerals Private Limited	-
Mr. P.V Mehta	02.05.1933	23.07.1987	India Safety Vaults Private Limited	-
			Rajsvi Properties and Holdings Pvt. Ltd.	-
			Advani Hotels and Resorts (India) Limited	-Member of the Audit Committee. -Member of the Remuneration Committee
			Bharat Bijlee Limited	-Member of the Audit Committee. -Member of the Remuneration Committee -Member of Shareholders and Grievance Committee
			Mukand Engineers Limited	-Member of the Audit Committee
			W H Brady and Company Limited	-
			Hikal Limited	-Member of the Audit Committee. -Member of the Remuneration Committee -Member of Shareholders and Grievance Committee
			Tulsidas Khimji Private Limited	-
			Credal Advisory Services Private Limited	-
			Mukand Limited	-Member of the Audit Committee. -Member of the Remuneration Committee
			Iris Investment Advisors Private Limited	-
			Lotus Shopping Centres Private Limited	-
			Camphor and Allied Products Ltd.	-Member of the Audit Committee.
			Pegasus Assets Reconstruction Private Limited	-
			Lexserve India Private Limited	-
			G-Corp Lotus Mall Private Limited	-

PCS TECHNOLOGY LIMITED

Name of the Director	Date of Birth	Date of Appointment	Directorships in other companies incorporated in India	Chairman/Member of Other Committees of Companies
K. K Barjatya	25.03.1938	30.10.1995	Rajshri Productions Private Limited	-
			Rajshri Pictures Private Limited	-
			Sargam Pictures Private Limited	-
			Rajshri Cinemas Private Limited	-
			Rajshri Films Private Limited	-
			The National Storage Private Limited	-
			Rajshri Entertainment Private Limited	-
			Rajshri Media Private Limited	-
			Rajshri International Private Limited	-
			Rajshri Plastiwood Private Limited	-
			Shubh Sudh Trading Company Pvt. Ltd.	-
D.B Engineer	02.05.1933	29.09.1995	Farvol International Services Ltd.	-
			Foods & Inns Limited	-Chairman of the Audit Committee.
			Niikamal Limited	-Member of the Audit Committee
			Protos Engineering Co. Pvt. Ltd.	-
			S.P. Sanghi Airconditioning Pvt. Ltd.	-
			Welspun India Limited	-Member of the Audit Committee. -Member of the Nomination and Remuneration Committee
			Zorastrain Investment Corporation Private Limited	-
			Zuari Global Limited	-Chairman of the Audit Committee. -Member of the Audit Committee. -Member of Stakeholders Relationship Committee

5. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, 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 voting period begins on Wednesday, 10th September, 2014 at 10.30 a.m. and ends on Friday, 12th September, 2014, at 5.30 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 August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA0000100 in the PAN field.
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. <ul style="list-style-type: none"> • Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant PCS Technology Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

PCS TECHNOLOGY LIMITED

- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding 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.

(B) In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(C) General:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at www.evotingindia.com under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your password for casting your vote.
- (c) The e-voting period commences on Wednesday, 10th September, 2014 at 10:30 a.m. and ends on Friday, 12th September, 2014 at 5:30 p.m. During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th August, 2014 (last record date), may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) 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 August, 2014 (last record date).
- (e) M/s. Bhavesh Desai & Associates, Practising Company Secretary, Mumbai, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) 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 favour or against, if any, forthwith to the Chairman of the Company.
- (g) The results of the e-voting along with the scrutinizer's report shall be placed in the Company's website www.pcstech.com and on the website of CDSL within two days of 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.

Registered Office:

Office no.1, Gat no. 478
Alandi Markaal Road,
Tal. Khed, Alandi
Dist Pune 412 106
Mumbai, 30th May, 2014

By Order of the Board
For PCS Technology Ltd.

Bhaskar J Patel
Company Secretary

ANNEXURE TO NOTICE

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

Item No. 3:

Mr. P. V. Mehta is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 23rd July, 1987. Mr. Mehta acts as Director of Nomination and Remuneration Committee of the Company. Mr. Mehta also holds Directorship and Membership of the Committees of the Board of Directors of Companies mentioned above as under Clause 49 of the Listing Agreement.

Mr. Mehta is graduated in Law in 1963 from the university of Bombay and qualified as Solicitor in 1966. He is a member of the Maharashtra and Goa Bar Association and also a member of the Managing Committee of the Bombay Incorporated Law Society. At present he is the Managing Partner of M/s. Malvi Ranchoddas & Co., Advocates and Solicitors, Mumbai. His areas of specialisation include joint ventures, foreign collaboration, property law and corporate law.

Mr. Mehta does not hold himself or by any other person on a beneficial basis, any shares of the Company.

Mr. Mehta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Mehta as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Mehta fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mehta as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mehta as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mehta as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Mehta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No. 4

Mr. Satish Ajmera is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25th June, 1990. Mr. Ajmera is Chairman of Audit Committee and also acts as Chairman for Stakeholders Relationship Committee of the Company. Mr. Ajmera also holds Directorship of Companies mentioned above as under Clause 49 of the Listing Agreement.

Mr. Ajmera is a science graduate and also a Chartered Accountant. He is a practicing Chartered Accountant and has been in practice for the last 45 years.

Mr. Ajmera does not hold himself or by any other person on a beneficial basis, any shares of the Company.

Mr. Ajmera retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ajmera being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Ajmera as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Ajmera fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ajmera as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ajmera as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajmera as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajmera, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

PCS TECHNOLOGY LIMITED

Item No. 5

Mr. G. M. Dave is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29th September, 1995. Mr. Dave acts as Member of Audit Committee and also a member of Nomination and Remuneration committee of the Company. Mr. Dave also holds Directorship and Membership of the Committees of the Board of Directors of Companies mentioned above as under Clause 49 of the Listing Agreement.

Mr. Dave is M.Com., L.L.B. and he is by profession a Lawyer. He has been practising as lawyer since last more than 50 years.

Mr. Dave does not hold himself or by any other person on a beneficial basis, any shares of the Company.

Mr. Dave retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dave being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Dave as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Dave fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Dave as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dave as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dave as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dave, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. K. K Barjatya is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th October, 1995. Mr. Barjatya acts as Director and member of Audit Committee and Director and member of Nomination and Remuneration committee of the Company. Mr. Barjatya also holds Directorship and Membership of the Committees of the Board of Directors of Companies mentioned above as under Clause 49 of the Listing Agreement.

Mr. Barjatya is holding Sr. School certificate of Cambridge University. He is by profession a Producer of Films.

Mr. Barjatya retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Barjatya being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Barjatya as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Barjatya fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Barjatya as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Barjatya as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Barjatya as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Barjatya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. D. B Engineer is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29th September, 1995. Mr. Engineer acts as member of Audit Committee and member of Stakeholders Relationship Committee of the Company. Mr. Engineer also holds Directorship and Membership of the Committees of the Board of Directors of Companies mentioned above as under Clause 49 of the Listing Agreement.

Mr. Engineer is B.A. (Hons.), L.L.B., Solicitors and Advocates and one of the senior most partner of the internationally well known firm of lawyers, M/s. Crawford Bayley & Co. He is recognised expert in the field of indirect taxation and also specialises in various aspects of corporate law and civil litigation. He has practiced and continue to practice law for over 50 years.

Mr. Engineer does not hold himself or by any other person on a beneficial basis, any shares of the Company.

Mr. Engineer retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Engineer being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Engineer as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Engineer fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Engineer as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Engineer as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Engineer as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Engineer, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item no: 8 & 9

The members of the Company at their Annual General meeting held on 30th September, 2000, approved by way of an Ordinary Resolution under section 293(1)(d) of Companies Act, 1956, to borrow in excess of the paid up share capital and its free reserves provided the sums may be borrowed shall not exceed the sum of ₹ 100 crores (Rupees one hundred crores only) at any time.

And also the members of the Company at their Annual General meeting held on 30th September, 2000, approved by way of an Ordinary Resolution under section 293(1)(a) of Companies Act, 1956 to create mortgage / charge on the movable and immovable properties of the Company in favor of Lender/s.

The corresponding Section 180 of the Companies Act, 2013 provides similar powers to the Board to borrow money in excess of the paid up share capital and its free reserves and also to create Charge / mortgage on movable and immovable properties of the Company in favor of Lender/s provided it has been approved by the Members of the Company by passing special resolution.

So to comply this, the company is required to pass the resolution by way of Special resolution for borrowing in excess of the paid up share capital and free reserves , creating charge / mortgage in favour of the lenders of the Company.

Considering the above, your Directors recommend resolutions under section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013, to the Shareholders to be passed as "Special Resolution".

None of the Directors and /or key Managerial Personnel of the Company and their relatives is concerned or interested in the said Resolutions.

Item no: 10

Pursuant to Section 188 of new Companies Act, 2013, provides that except with the Consent of the Board of Directors given by a resolution at the meeting of the Board and subject to such conditions as may be prescribed, no company shall enter into any contract or arrangement with a related party with respect to sales and services.

The First proviso of the said Section provides that a company having a paid up share capital of ₹ 10 crores or more, shall not enter into a contract or arrangement with any related party except with the prior approval of the Company by a Special Resolution

Accordingly your company's proposal to carry out the transactions with the related party for the ensuing years for rendering sales and services require your prior approval.

The Company gives below the brief details of the proposed transactions to be carried out with related parties

PCS TECHNOLOGY LIMITED

RELATED PARTY TRANSACTION

Sr. No.	Particulars	Description
1.	Name of the related party	Kalpavruksh Systems Limited ("KSL")
2.	Name of the Director/ KMP who is related:-	1. Mr. Ashok Kumar Patni 2. Mr. Apoorva Patni 3. Mr. M.P. Jain
3.	Nature of relationship	Mr. Ashok Kumar Patni and Mr. Apoorva Patni, Directors of the Company are also Director and Member of KSL and Mr. M. P. Jain, CFO of the Company is also Director of KSL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	1. The contract period would be for 2 (two) years. 2. The contract is for rendering sales and services like facility management services by the Company. 3. Total estimated value of the contract not exceeding ₹ 5 lakhs for the two years.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	Not Applicable

Sr. No.	Particulars	Description
1.	Name of the related party	PCS Infotech Limited ("PCS Infotech")
2.	Name of the Director/ KMP who is related:-	1. Mr. Ashok Kumar Patni 2. Mr. Gajendra Kumar Patni
3.	Nature of relationship	Mr. Ashok Kumar Patni and Mr. Gajendra Kumar Patni, Directors of the Company are also Director of PCS Infotech.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	1. The contract period would be for 2 (two) years. 2. The contract is for rendering sales and services like facility management services, Annual Maintenance Services with or without supply of hardware parts, manpower supply and other IT support services. 3. Total estimated value of the contract not exceeding ₹ 5 Crores for the two years.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	PCS Infotech is Wholly Owned Subsidiary of the Company.

Registered Office:

Office no.1, Gat no. 478
Alandi Markaal Road,
Tal. Khed, Alandi
Dist Pune 412 106
Mumbai, 30th May, 2014

By Order of the Board
For PCS Technology Ltd.

Bhaskar J Patel
Company Secretary

THIRTY THIRD ANNUAL REPORT 2013-2014



DIRECTORS' REPORT

The Members,

PCS TECHNOLOGY LIMITED

Your Directors of the Company are pleased to present the 33rd Annual Report with the statement of audited financial accounts for the financial year ended 31st March 2014.

FINANCIAL RESULTS

(₹ in lakhs)

Particulars	Financial Year ended 31.03.2014	Financial Year ended 31.03.2013
Net sales and services	10,060	9,753
Gross Profit	821	564
Depreciation	73	73
Profit for the year from Operations	748	491
Provision for Taxation (Net)	346	138
Profit for the year / available for Appropriation	402	354
Balance of Profit/(Loss) available in Balance Sheet	1000	598

OPERATIONS

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

During the year under review, your Company has achieved Net Sales of ₹10,060 lakhs as against ₹ 9,753 lakhs in the previous year.

As planned in the interest of the Company, the Company has started focusing more on expanding IT & Facility Management Services which is now a major key driver over IT Hardware business operations, for improvement of margins & profitability. We are pleased that with the discontinuing of the manufacturing of computer hardware related activities, the overall profitability has improved. However, the current margins will remain under pressure due to rising trend in the manpower cost in the IT industry.

SCHEME OF AMALGAMTION AND ARRANGMENT

The Board of Directors in its meeting held on August 14, 2013 had approved the Scheme of Amalgamation & Arrangement between PCS Positioning Systems (India) Limited ('PPSIL') and PCS International Limited, Mauritius ('PIL Mauritius') and PCS Technology Limited ('PTL' or 'the Company'). The Scheme inter-alia provided for the merger of the PPSIL and PIL Mauritius into PTL effective from March 31, 2014. The Scheme also provided for write off of certain stressed assets against the Securities Premium Reserve and other available Reserves.

In terms of SEBI circular dated February 4, 2013 read with circular dated May 21, 2013, the Company had obtained a No Objection Letter dated November 26, 2013 from BSE Limited, the designated Stock Exchange and also obtained a No Objection Letter dated September 25, 2013 from Pune Stock Exchange Ltd. Due to on-going litigation for some assets of PPSIL, the Company could not proceed with the implementation of the Scheme, due to which the Board of the Company at their meeting held on May 21, 2014 decided to alter the Scheme ('Altered Scheme') providing inter-alia for:

1. Withdrawing the merger of PPSIL with the Company; and
2. Amending the Appointed Date to April 1, 2014.

The Altered Scheme therefore provides for amalgamation of PIL Mauritius with the Company and write-off of certain stressed assets against Securities Premium Reserve and other available Reserves.

The Company has already initiated steps to intimate to the Stock Exchanges about the Altered Scheme which will also be subject to the approval of shareholders and relevant jurisdictional authorities.

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 2014.

DIRECTORS

As per Article 135 of the Articles of Association of the Company, Mr. P. V. Mehta, Mr. Satish Ajmera and Mr. G. M. Dave, 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.

Pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013 and subject to the approval of the Company in Annual General Meeting, the Board of Directors at its meeting held on 30th May, 2014 appointed Mr. P. V. Mehta, Mr. Satish Ajmera, Mr. G M Dave, Mr. K . K. Barjatya and Mr. D B Engineer as Independent Directors of the Company for five consecutive years for a term upto 31st March, 2019.

A brief note on Directors retiring by rotation and being eligible for re-appointment as well as the appointment of Independent Directors is furnished in the Explanatory statement annexed to the notice convening the Annual General Meeting.

PCS TECHNOLOGY LIMITED

DIRECTORS' REPORT

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 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. The Committee will recommend CSR Policy for the Company to the Board for approval in due course and will oversee and monitor its CSR activities in line with the said policy in compliance with the provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2014 and of the profit of the company for the said year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A report on Corporate Governance and Management Discussion Analysis is included as a part of the Annual Report along with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the amended Listing Agreement.

DEPOSITS

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

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956 the Audited Balance sheet and Profit & Loss Account and the respective reports of the Board of Directors' and Auditors' for the financial year ended 31st March 2014 of PCS International Limited, Mauritius, PCS Technology USA., Inc., PCS Positioning Systems (India) Limited and PCS Infotech Limited are annexed.

CONSOLIDATED FINANCIAL STATEMENT

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

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

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

G.K. Patni
Chairman

Mumbai, 30th May, 2014

DIRECTORS' REPORT

ANNEXURE "A" TO THE DIRECTORS REPORT

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

(A) Conservation of Energy

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

(B) Technology Absorption

Not applicable

(C) Foreign Exchange Earnings/Outgo

Your Company has earned foreign exchange worth ₹ 409.64 lakhs and has spent foreign exchange worth ₹ 70.12 lakhs under the following heads.

Particulars:	(₹ in Lacs)
(i) Stores & Spares	16.15
(ii) Capital Goods	-
(iii) Other Expenses	53.97
	<u>70.12</u>

On behalf of the Board of Directors

G.K. Patni
Chairman

Mumbai, 30th May, 2014

PCS TECHNOLOGY LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Scenario & Review

The domestic IT sector comprises of Computer hardware – manufacturing and selling and IT services- software development, implementation, IT infrastructure and facility management services. The Company is mainly engaged in the activities of IT infrastructure facility management services. The domestic IT sourcing services market in India had been under pressure during the last couple of years, with large enterprises either cutting down or deferring their spending decisions largely because of weakness in the domestic economy.

During the year the IT spending in Government as well in private sector were under the impact of slow-down in decision making on account of economic uncertainties, inflation and rupee volatility and others.

Performance & Review

IT Services

The Company continued to focus on its IT infrastructure & Facility Management Services. The Company has achieved Net Sales of ₹10,060 lakhs against previous year's ₹ 9,753 lakhs and net profit of ₹ 401.49 lakhs as against previous year's net profit of ₹ 353.82 lakhs.

Operations

The Company has maintained its upward trend on sales as well as net profit by focusing on its business of IT Infrastructure and Facility Management Services and enjoyed customer confidence. However, the pricing competition continued with MNC and major players also put pressure on margins. 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 Services business. This business requires manpower resources with the background of Information Technology. The margins remained under pressure due to rising manpower cost in IT industry. The growth prospects of the Facility Management Services are impacted by pricing competition from large players.

Future Outlook

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

The Company 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 International Limited, Mauritius

With the operations discontinued in Jebel Ali branch in Dubai, the subsidiary did not involve in the business. The Company is working out to restructure its activities through a Scheme of Amalgamation and Arrangements.

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 Second year of the business operations of the Company, the subsidiary recorded a sale of ₹192.49 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, country's economic development, availability of input and their prices and other incidental factors.

THIRTY THIRD ANNUAL REPORT 2013-2014

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS (BOARD)

The Board of Directors has an optimum mix of Executive and Non-Executive Independent Directors. The present strength of Board is 10 (Ten) members comprising one Managing Director. There are Five Non-Executive

Independent Directors on the Board, which is in conformity with the amended Clause 49(1)(A) of the Listing Agreement. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Independent Directors are Directors, who apart from receiving Director's Sitting Fees and Professional Fees paid 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 2014

4 (Four) Board meeting were held during the financial year ended on 31st March, 2014 on the following dates: 25.05.2013, 14.08.2013, 07.11.2013, 08.02.2014

• 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 11.09.2013	No. of Equity shares held in the Company *
Mr. G. K. Patni Chairman	Promoter - Non-Executive	2	No	579685
Mr. A. K. Patni Vice Chairman	Promoter - Non-Executive	4	No	575995
Mr. N. K. Patni	Promoter – Non-Executive & Non - Independent	None	No	94079
Mr. Apoorva Patni	Non – Executive & Non - Independent	1	No	500745
Mr. D. B. Engineer	Non – Executive & Independent	3	No	Nil
Mr. Satish Ajmera	Non – Executive & Independent	4	No	Nil
Mr. P. V. Mehta	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
Mr. H. C. Tandon Managing Director & CEO	Executive	4	YES	432

* The above shareholding as at 31st March, 2014 is in respect of shares which are held by Directors as a first holder and in which shares they have beneficial interest.

PCS TECHNOLOGY LIMITED

REPORT ON CORPORATE GOVERNANCE (contd.)

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

Name of Director	No. of other public limited Companies in which he is Director *	No. of Board Committees in which he is **	
		Member	Chairman
Mr. G. K. Patni	1	-	-
Mr. A. K. Patni	5	1	-
Mr. D. B. Engineer	5	2	2
Mr. Satish Ajmera	2	2	1
Mr. P. V. Mehta	7	8	-
Mr. G. M. Dave	5	4	2
Mr. K. K. Barjatya	-	-	-
Mr. N. K. Patni	-	-	-
Mr. H. C. Tandon	1	-	-
Mr. Apoorva Patni	4	1	-

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

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

- **Code of Conduct**

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

The Board of Directors at its meeting held on 21st May, 2014 amended the said Code by including the "Vigil Mechanism / Whistle Blowing" mechanism for Directors and employees to report any unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy or other concern to the management or to the Audit Committee. The amendment to the existing "Code of Business Conduct & Ethics For Board Members, Senior Management" **has been renamed as "Code of Business Conduct & Ethics for Board Members, Senior Management and other Employees of the Company"** (Code of Conduct) included the requirement relating to the Vigil Mechanism. The said revised Code of Conduct is also posted on Company's website.

- 3. **AUDIT COMMITTEE**

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

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

Terms of Reference

The Terms of Reference of this Committee covers the matters specified for Audit Committee under revised Clause 49 (Part III) of the listing agreement as well as in Section 292A of the Companies Act, 1956 read with 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, 2014

During the financial period/year 4 (**Four**) Audit Committee Meetings were held on 25.05.2013, 14.08.2013, 07.11.2013, 08.02.2014 respectively. The attendance of the Members at these Meetings during the Financial Period/Year 2013-14 is as follows:

Name of Director	Status	No. of Meetings attended
Mr. Satish Ajmera	Non-executive/ Independent Director	4
Mr. K. K. Barjatya	Non-executive/ Independent Director	4
Mr. G. M. Dave	Non-executive/ Independent Director	4
Mr. D. B. Engineer	Non-executive/ Independent Director	3

- 4. **NOMINATION AND REMUNERATION COMMITTEE**

The Compensation and Remuneration Committee was set up on 28th July, 2007, by merging the Compensation Committee with Remuneration Committee. The Board of Directors at its meeting held on 21st May, 2014 amended and altered the nomenclature of this existing committee to "Nomination and Remuneration Committee" in compliance to provisions of the new Companies Act, 2013 and revised Clause 49 of the listing agreement. This committee comprising of three Independent Directors namely Mr. G. M. Dave is the Chairman of the Committee, Mr. P. V. Mehta and Mr. K. K. Barjatya.

The role of the Committee is:-

- Formulating the criteria for determining the qualifications, positive attributes and independence of Directors and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

THIRTY THIRD ANNUAL REPORT 2013-2014



REPORT ON CORPORATE GOVERNANCE (contd.)

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- Reviewing succession plans for senior management.
- To determine/review the Company's policy on specific remuneration packages for Executive/Managing Director/ Whole-time Directors of the Company and also;
- To review the overall compensation structure and policies of the Company to attract, motivate and retain employees as well as to consider grant of stock options to permanent employees of the Company, its Directors (including Whole-time Directors) of the Company.

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

During the year under review, the Company has held one Remuneration/ Compensation Committee on 25th May, 2013 for considering the Remuneration payable to Mr. H. C. Tandon as Managing Director & CEO.

- Details of remuneration paid to Managing Director for the financial year ended March 31, 2014 are as under:**

(Amount in ₹)

Name of Director	Status	Salary	Perquisites/ Allowances	PF Contribution	Total Remuneration Paid
Mr. H. C. Tandon	Managing Director, CEO	24,04,896/-	1,42,904/-	2,01,600/-	27,49,400/-

- 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, 2014 are as under:

Name of the Director	Sitting fees Paid (₹)	Commission paid (₹)
Mr. Satish Ajmera	80,000/-	Nil
Mr. G. M. Dave	90,000/-	Nil
Mr. P. V. Mehta	30,000/-	Nil
Mr. K. K. Barjatya	90,000/-	Nil
Mr. D. B. Engineer	60,000/-	Nil

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The existing Shareholders'/Investors' Grievance Committee has been renamed as "Stakeholders Relationship Committee" by the Board of Directors at its meeting held on 21st May, 2014 in compliance to provisions of the new Companies Act, 2013 and revised Clause 49 of

the listing agreement. 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

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

The main function of the Stakeholders Relationship Committee is to resolve the grievances of the security holders of the Company.

During the year 11 investor complaints/queries were received. There were **NIL** complaints/queries pending as on March 31, 2014. There were no share transfers pending for more than **30 days** as on the said date.

6. GENERAL BODY MEETINGS

- A. The details of Annual General Meetings ("AGM") 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
31-03-2011	07.09.2011 at 10.00 a.m.	148/151, Alandi Markaal Road, Village Dhanore, Alandi, Dist. Pune 412 106	None
31-03-2012	21.12.2012 at 10.00 a.m.	Meeting hall of Hotel Aaradhana Garden, Gat No. 123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106	Yes 1. For Alteration of articles of Association 2. For Issue of 9% Redeemable, Non-convertible, Non-cumulative Preference shares of ₹ 10 each for cash at premium not exceeding ₹ 125/- per share, together with premium aggregating not exceeding ₹ 53.66 crore
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	Re-Appointment of Mr. H. C. Tandon, as Managing Director & CEO of the Company

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.

PCS TECHNOLOGY LIMITED

REPORT ON CORPORATE GOVERNANCE (contd.)

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

7. Disclosures

- i) Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

None

Transactions with the related parties are disclosed in the notes to the accounts forming part of the Annual Report.

- ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by SEBI, ROC, Stock Exchanges or any other statutory authorities on any matter related to capital market during the last 3 financial years.

None.

- iii) The Company has complied with all the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The Company is yet to adopt the non-mandatory requirements of the Clause 49 of the Listing Agreement pertaining to Corporate Governance.

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

8. Means of Communication

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

9. GENERAL SHAREHOLDER INFORMATION

Date, time & venue of the Annual General Meeting	September 17, 2014 at 12.00 p.m. at Hotel Aaradhana Garden, Gat No. 123, Alandi, Dist. Pune 412 106.		
Financial Calendar 2014 – 15			
i	Financial Year	:	April to March
ii	First Quarterly Results	:	On or before 14 th August 2014
iii	Half Yearly Results	:	On or before 14 th November 2014
iv	Third Quarter Results	:	On or before 14 th February 2015
v	Audited results	:	On or before 30 th May, 2015
Date of Book Closure		:	08.09.2014 to 17.09.2014 (both days inclusive)
Dividend Payment Date		:	Not Applicable
Listing at Stock Exchanges (Stock Code)		:	a) Pune Stock Exchange Limited (11179)
		:	b) The Bombay Stock Exchange Limited, Mumbai (517119)
ISIN Number for NSDL & CDSL INE 834B01012			

Annual Listing Fees have been paid to Bombay stock Exchange and Pune Stock Exchange for the financial year 2014-2015.

Market Price Data:

High/Low of Market price of the Company's shares traded on Bombay Stock Exchange (BSE) during the financial Year 2013-14 furnished below:

Year	Month	Highest (₹)	Lowest (₹)	
2013	April	15.44	12.02	
	May	13.99	11.20	
	June	14.95	11.15	
	July	14.40	11.75	
	August	13.50	11.29	
	September	18.95	13.05	
	October	18.45	14.11	
	November	21.05	15.35	
	December	16.15	13.75	
	2014	January	17.79	13.85
		February	17.25	15.00
		March	18.35	15.15

Graph of Share Price/ BSE Sensex : see Annexure A

THIRTY THIRD ANNUAL REPORT 2013-2014



REPORT ON CORPORATE GOVERNANCE

REGISTRARS AND TRANSFER AGENT FOR SHARES HELD IN DEMAT AS WELL AS PHYSICAL FORM	M/s. Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072. Tel: 2847 0652 / 0653, 2857 3034, Fax: 022-2847 5207
Share Transfer system	All share transfers, subject to correctness and completion of all documents would normally be registered and returned within 2 weeks from the date of receipt.

Shareholding pattern as on March 31, 2014 is as follows :

Category	No. of Shareholders	No. of Shares	% holding
Indian Promoters	34	14700295	70.17
Banks, FIs and Insurance Companies	12	214378	01.02
UTI and Mutual Funds	7	131583	00.63
FIs, NRIs and OBC	47	133828	00.64
Domestic Companies	209	181944	00.87
Resident Individuals	31509	5563229	26.55
Clearing Member	12	25420	0.12
Trusts	0	0	00
Total	31830	20950677	100.00

The distribution of shareholding as on March 31, 2014 is as follows :

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Upto 500	31002	97.39	2467452	11.78
501 to 1000	428	01.34	342692	01.64
1001 to 2000	171	00.53	269910	01.29
2001 to 3000	50	00.16	128073	00.61
3001 to 4000	34	00.11	121332	00.58
4001 to 5000	37	00.12	174409	00.83
5001 to 10000	49	00.15	349077	01.67
10001 & above	59	00.19	17097732	81.60
Grand Total	31830	100.00	20950677	100.00
No. of shareholders in Physical Mode	-	-	1613003	07.70
No. of shareholders in Electronic Mode	-	-	19337674	92.30

Dematerialisation of shares and liquidity	: As on 31 st March, 2014, 92.30% of the paid-up share capital was held in dematerialised form.
Outstanding GDRs/ADRs/ warrants/ convertible instruments etc.	: Not applicable since none of the said instruments are ever issued.

Address for Correspondence:

Shareholders may correspond on all matters relating to transfer/ dematerialization of shares and any other query relating to shares of the Company at the below mentioned address:

M/s. Bigshare Services Private Limited

E- 2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072.
Tel.: 2847 0652 / 0653, 2857 3034 Fax: 022-2847 5207

GREEN INITIATIVE IN CORPORATE GOVERNANCE- SERVICE OF DOCUMENTS IN ELECTRONIC FORM

As you are aware, Ministry of Corporate Affairs (MCA), Government of India vide its Circular Nos.17 and 18 dated 21st April, 2011 and 29th April, 2011 respectively, has now allowed the companies henceforth to send Notices of General Meetings/ other Notices, Audited Financial Statements, Directors' Report, Auditors' Report etc., to their shareholders electronically as a part of its Green Initiative in Corporate Governance.

Keeping in view the aforesaid green initiative of MCA, your Company shall send the Annual Report and other documents to its shareholders in electronic form at the email-address provided by them and made available to us by the Depository.

To,

The Members of

PCS Technology Limited

It is hereby certified and confirmed that as provided in Clause 49 I (D) of the listing agreement entered with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2014.

For **PCS Technology Limited**

Place : Mumbai
Date : 30th May, 2014

H. C. Tandon
Managing Director & CEO

PCS TECHNOLOGY LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

PCS Technology Limited

I have examined the Compliance of conditions of Corporate Governance by PCS Technology Limited for the financial Year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

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

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

For S. C. Bandi & Co.
Chartered Accountants

S. C. Bandi
(Proprietor)

M. No. 16932

Mumbai
30th May, 2014

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, 2014 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.

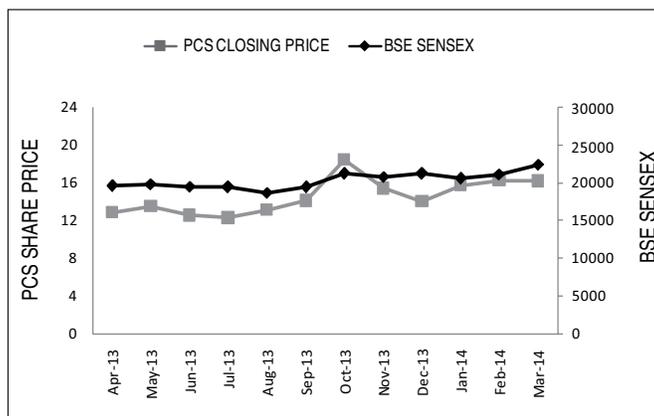
For PCS Technology Limited

H. C. Tandon
Managing Director & CEO

M. P. Jain
CFO

Mumbai, 30th May 2014

ANNEXURE –A



THIRTY THIRD ANNUAL REPORT 2013-2014



INDEPENDENT AUDITORS' REPORT

To the Members of PCS TECHNOLOGY LIMITED

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Technology Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section(3C) of section 211 of the Companies Act, 1956; read with note no. 31 of Notes to the Financial Statements for the year ended 31st March 2014, regarding scheme of Amalgamation and Arrangement.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since, the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due or payable by the Company.

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

Place: Mumbai
Date : 30th May 2014

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

PCS TECHNOLOGY LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
- (c) The fixed assets disposed-off during the year; do not constitute a substantial part of the fixed assets of the Company.
- (ii) (a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted loans to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.270 lakhs and the balance at the end of the year is Rs.270 lakhs.
- (b) In my opinion, the rate of interest and other terms and conditions on which loans have been granted to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- (c) 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 (c) and (d) of clause (iii) of paragraph 4 of the Order are not applicable.
- (e) The Company has taken loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.988 lakhs and the balance at the end of the year is Rs.330 lakhs.
- (f) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- (g) There is no stipulation as to the time period for payment of the principal amount of unsecured loans taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory, fixed asset and with regard to the sale of goods and services. During the course of my audit, no major weakness has been noticed in internal control system.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price.
- (vi) The Company has not accepted any deposits from the public and hence, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- (vii) In my opinion and according to the information and explanations given to me, there is an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
- (ix) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me, the status of disputed dues payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, as at 31st March 2014 is as follows:
- 1 The Commissioner of Service Tax, Mumbai has passed an order confirming the demand of ₹ 2,29,04,559 (Previous Year: ₹ 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 ₹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 ₹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 ₹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 ₹ 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.

- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by my audit or in the immediately preceding financial year.

(xi) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions or banks.

(xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities and hence the clause (xii) of paragraph 4 of the said Order relating to maintenance of documents and records are not applicable.

(xiii) In my opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub-clauses (a) to (d) of clause (xiii) of paragraph 4 of the said Order are not applicable to the Company.

(xiv) In my opinion, the Company is not dealing in shares, securities and debentures and hence, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.

(xv) In my opinion and according to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company has not raised any new term loan during the year and therefore clause (xvi) of the said Order relating to application of term loan for the purpose for which it was obtained is not applicable.

(xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment.

(xviii) During the year, the Company has not made any preferential allotment of preference shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any Debentures during the financial year covered by my audit.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

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

Place: Mumbai
Date : 30th May 2014

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

PCS TECHNOLOGY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars		Note No.	As at 31 st March 2014	As at 31 st March 2013
I. EQUITY AND LIABILITIES				
1 Shareholders' Fund				
	Share capital	3	249,256,770	249,256,770
	Reserves and surplus	4	761,682,342	723,324,079
2 Non-Current Liabilities				
	Long term borrowings	5	33,647,535	107,706,092
	Deferred tax liability (Net)	6	33,838,000	32,934,000
	Long term provisions	7	3,173,424	3,670,583
3 Current Liabilities				
	Short term borrowings	8	118,351,082	143,887,752
	Trade payables	9	93,507,853	128,347,055
	Other current liabilities	10	42,452,760	60,032,398
	Short term provisions	11	847,411	1,103,390
	TOTAL		1,336,757,177	1,450,262,119
II. ASSETS				
1 Non-Current Assets				
	Fixed assets			
	(a) Tangible assets	12	258,376,841	267,498,931
	(b) Intangible assets	12	1,319,841	1,379,569
	(c) Intangible assets under development		1,778,744	5,872,303
	Non-current investments	13	65,574,730	65,734,730
	Long term loans and advances	14	103,548,697	103,758,119
	Other non-current assets	15	2,718,178	3,384,152
2 Current assets				
	Inventories	16	80,373,629	82,125,502
	Trade receivables	17	705,597,053	758,832,984
	Cash and bank balances	18	29,884,504	31,279,842
	Short term loans and advances	19	60,947,358	61,611,789
	Other current assets	20	26,637,602	68,784,198
	TOTAL		1,336,757,177	1,450,262,119

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 : 30th May, 2014

For and on behalf of the Board of Directors

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

A. K. Patni (Vice Chairman)

THIRTY THIRD ANNUAL REPORT 2013-2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014



(Amount in ₹)

Particulars		Note No.	Year Ended 31 st March 2014	Year Ended 31 st March 2013
I.	Revenue from operations (net)	21	1,005,959,499	975,356,285
II.	Other Income	22	13,230,058	7,835,939
III.	Total Revenue (I+II)		1,019,189,557	983,192,224
IV.	Expenses:			
	Purchases of stock-in-trade		190,390,084	132,228,809
	Changes in inventories of stock-in-trade	23	2,139,051	2,436,082
	Employee benefits expense	24	506,068,833	567,841,597
	Other expenses	25	209,441,261	178,338,060
	Total expenses		908,039,229	880,844,548
V.	Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)		111,150,328	102,347,676
	Less: Finance costs	26	29,032,292	45,881,354
	Less: Depreciation and amortization expense	27	7,341,963	7,332,288
VI.	Profit before tax		74,776,073	49,134,034
VII.	Tax expense			
	Current tax		28,661,000	21,600,000
	Deferred tax		904,000	(5,992,000)
	Taxation pertaining to earlier years		5,061,849	(1,856,212)
	Total tax expense		34,626,849	13,751,788
	Profit for the year (VI-VII)		40,149,224	35,382,246
	Basic and Diluted earnings per equity shares of ₹10 each			
	1) Before extra ordinary items		1.92	1.69
	2) After extra ordinary items		1.92	1.69

The accompanying notes are an integral part of financial statements

As per my report of even date attached

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

S. C. Bandi
Proprietor
Membership no. 16932

Place : Mumbai
Date : 30th May, 2014

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	74,776,073	49,134,034
Adjustments for:		
Depreciation	7,341,963	7,332,288
Sundry balances written off	27,388,473	-
Fixed assets written off	2,013,257	-
(Profit)/ Loss from sale of fixed assets	151,187	425,997
Interest received	(4,019,608)	(4,734,255)
Dividend received	(32,400)	(115,820)
Excess provision written back of last year	7,710,019	-
Finance cost	29,032,292	45,881,354
Operating profit before working capital changes	144,361,256	97,923,598
Decrease/ (increase) in trade and other receivables	71,438,699	4,208,936
Decrease/ (increase) in inventories	1,751,873	5,329,390
(Decrease)/ increase in trade and other payables	(53,171,978)	(155,734,229)
Cash generated from operations	164,379,850	(48,272,305)
Income tax paid (net of refunds)	(39,687,101)	(11,276,395)
Net cash flow from/ (used in) operating activities	124,692,749	(59,548,700)
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(2,372,010)	(8,510,066)
Purchase of non-current investments	-	-
Proceeds from sale of fixed assets	150,404	99,544,075
Interest received	4,062,664	5,196,816
Movement in Margin money deposits with original maturity of more than 12 months	665,974	5,200,926
Dividend received	32,400	115,820
Net cash from/ (used in) investing activities	2,539,432	101,547,571
C. Cash from financing activities		
Repayment of long-term borrowings (net)	(74,058,557)	(519,316,649)
Repayment of short-term borrowings (net)	(25,536,670)	(71,887,941)
Issue of shares at premium	-	536,625,000
Finance cost	(29,032,292)	(45,881,354)
Net cash from/ (used in) financing activities	(128,627,519)	(100,460,944)
Net increase/ (decrease) in cash and cash equivalents	(1,395,338)	(58,462,073)
Cash and cash equivalents at beginning of the year	31,279,842	89,741,915
Cash and cash equivalents at end of the year	29,884,504	31,279,842

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 : 30th May, 2014

For and on behalf of the Board of Directors

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

THIRTY THIRD ANNUAL REPORT 2013-2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014



1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention, except for certain revalued fixed assets, and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) Fixed Assets:

- (i) 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.
- (ii) On 1st January 1995, the Company had revalued its immovable property in Rajkot by ₹ 819,300 and in Kolkata by ₹ 12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of ₹ 13,113,800 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Rajkot by ₹ 1,810,939 and in Kolkata by ₹ 7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of ₹ 9,798,105 was transferred to the Revaluation Reserve Account.
- (iv) On 28th December 2011, the Company has revalued its office premises located in Technocity, Navi Mumbai, on the basis of a Government approved valuer. Consequently increase in value of ₹ 87,705,187 is transferred to Revaluation Reserve Account.

(B) Depreciation:

(i) Revalued assets

Depreciation is provided on the revalued amount at the rates calculated as per straight line method over the residual life of revalued assets, as certified by the Government approved valuer. The difference between depreciation provided on revalued amount and on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

(ii) Assets carried at historical cost

At the rates and in the manner as specified in Schedule XIV of the Companies Act, 1956. Individual items of Fixed Assets added during the year costing upto ₹ 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.

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(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 judgements, estimates and assumption that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(N) Measurement of EBITDA

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

THIRTY THIRD ANNUAL REPORT 2013-2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014



(Amount in ₹)

Particulars	As at	
	31 st March 2014	31 st March 2013
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity share of ₹10 each	210,250,000	210,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of ₹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 Shares of ₹10 each	209,506,770	209,506,770
3,975,000 (Previous year - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Shares of ₹10 each	39,750,000	39,750,000
	249,256,770	249,256,770

a) Terms/ Rights attached to Equity Shares:

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

b) Terms/ Rights attached to Preference Shares:

The Company has only one class of preference shares having a par value of ₹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 2014.

Particulars	Equity Shares		Preference Shares	
	Number	Amount in ₹	Number	Amount in ₹
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 31/03/2014		As at 31/03/2013	
	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:

Particulars	As at 31/03/2014		As at 31/03/2013	
	Number	% holding	Number	% 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

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	733,418	-
Add: Transfer from forfeited partly paidup equity shares	-	733,418
Closing balance	<u>733,418</u>	<u>733,418</u>
Securities premium account		
Opening balance	496,875,000	-
Add: on account of issued of Preference Shares	-	496,875,000
Closing balance	<u>496,875,000</u>	<u>496,875,000</u>
Revaluation reserve		
Opening balance	101,415,037	192,635,810
Less: Transfer to Statement of Profit and Loss		
- On account of depreciation	1,790,961	1,815,578
- On account of loss on sale of revalued assets	-	4,557,467
Less: Transfer to General Reserve on sale of revalued fixed assets (see note below)	-	84,847,728
Closing balance	<u>99,624,076</u>	<u>101,415,037</u>
General Reserve		
Opening balance	64,477,728	-
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	-	64,477,728
Closing balance	<u>64,477,728</u>	<u>64,477,728</u>
Surplus in Statement of Profit and Loss		
Opening balance	59,822,896	24,440,650
Add: Profit for the year	40,149,224	35,382,246
Closing balance	<u>99,972,120</u>	<u>59,822,896</u>
Total Reserves and Surplus	<u><u>761,682,342</u></u>	<u><u>723,324,079</u></u>

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

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
5 LONG TERM BORROWINGS		
Secured		
<u>Term loans:</u>		
a) From banks	647,535	1,551,487
b) Other than banks	-	6,404,605
	647,535	7,956,092
Unsecured		
Directors	33,000,000	98,800,000
Inter corporate deposits	-	950,000
	33,000,000	99,750,000
Total long term borrowings	33,647,535	107,706,092
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 ₹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 ₹ 60,730 from January 2013.		
- The vehicle loan of ₹ 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 ₹ 24,272 from January 2013.		
b) The Term Loan from HDFC Limited (original loan amount - ₹ 1.20 crores) carries interest @ 13.5% p.a. and fully repaid in current year.		
c) The loans taken from Directors are interest free and are returnable after 31st March, 2015.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	35,143,000	34,483,000
Deferred tax asset: on expenses allowed on payment basis	(1,305,000)	(1,549,000)
Deferred tax liability (Net)	33,838,000	32,934,000
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	3,173,424	3,670,583
	3,173,424	3,670,583

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars	As at 31 st March 2014	As at 31 st March 2013
8 SHORT TERM BORROWINGS		
Secured		
Term loans	-	77,734
Cash credit from banks	94,096,287	119,515,476
Working capital loan	24,254,795	24,294,542
	118,351,082	143,887,752
a) Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and bookdebts of the Company as well as first charge on the fixed assets of the Company and carries interest @ 12.25%-12.50% p.a.		
9 TRADE PAYABLES		
Trade payables	93,507,853	128,347,055
(Refer note 32 for details of dues to Micro, Small and Medium enterprises)		
	93,507,853	128,347,055
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	903,951	3,118,055
Trade advances	2,637,958	5,466,553
Income received in advance	23,350,722	36,582,721
Statutory dues and taxes payable	15,560,129	14,865,069
	42,452,760	60,032,398
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	847,411	1,103,390
	847,411	1,103,390

12 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at			As at	As at	For current	On	As at	As at	As at
	01/04/2013	Additions	Deductions	31/03/2014	01/04/2013	period	Deductions	31/03/2014	31/03/2014	31/03/2013
Tangible Assets										
1 Leasehold Land	1,177,904	-	-	1,177,904	482,593	31,214	-	513,807	664,097	695,311
2 Building	229,246,352	-	-	229,246,352	9,895,757	3,736,715	-	13,632,472	215,613,880	219,350,595
3 Plant and Equipment	16,019,844	-	2,036,924	13,982,920	5,296,940	682,115	1,686,004	4,293,051	9,689,869	10,722,904
4 Furniture and Fixture	16,294,757	101,320	4,944,084	11,451,993	6,910,773	848,162	3,836,727	3,922,208	7,529,785	9,383,984
5 Vehicle	9,480,271	537,479	580,679	9,437,071	2,375,480	878,928	362,116	2,892,292	6,544,779	7,104,791
6 Office Equipment	36,231,716	1,423,824	8,111,921	29,543,619	15,990,370	2,696,062	7,477,244	11,209,188	18,334,431	20,241,346
	308,450,844	2,062,623	15,673,608	294,839,859	40,951,913	8,873,196	13,362,091	36,463,018	258,376,841	267,498,931
Intangible Assets										
7 Software	1,417,617	200,000	-	1,617,617	38,048	259,728	-	297,776	1,319,841	1,379,569
Total	309,868,461	2,262,623	15,673,608	296,457,476	40,989,961	9,132,924	13,362,091	36,760,794	259,696,682	268,878,500
Previous Year	426,969,699	10,278,472	127,379,710	309,868,461	54,694,268	9,147,866	22,852,173	40,989,961	268,878,500	372,275,432

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars			As at 31 st March 2014	As at 31 st March 2013
13 NON-CURRENT INVESTMENTS				
(Non-trade, at-cost, un-quoted, unless otherwise stated)				
	Number	Face Value per unit		
a) Investments in equity instruments				
In subsidiary companies (Unquoted)				
PCS International Limited, Mauritius	111,000	USD 10	47,088,450	47,088,450
PCS Technology USA., Inc.	2,500	USD 2	217,850	217,850
PCS Positioning Systems (India) Limited	1,760,000	INR 10	17,510,000	17,510,000
PCS Infotech Limited	50,000	INR 10	500,000	500,000
			<u>65,316,300</u>	<u>65,316,300</u>
In Other Companies (Quoted)				
Longview Tea Limited	200	INR 10	13,000	13,000
Chennai Petroleum Corpn	1,300	INR 10	104,000	104,000
NEPC Micon Limited	400	INR 10	12,000	12,000
Asit C Mehta Financial Services limited	5,000	INR 10	50,000	50,000
Riga Sugar Co Limited	2,200	INR 10	110,000	110,000
Western India Industries Limited	7,500	INR 10	450,000	450,000
			<u>739,000</u>	<u>739,000</u>
In Other Companies (Unquoted)				
Saraswat Coop Bank Limited	1,000	INR 10	10,000	10,000
			<u>10,000</u>	<u>10,000</u>
Total of investments in equity instruments			<u>66,065,300</u>	<u>66,065,300</u>
b) Investment in Government securities				
National Savings Certificate	4	INR 1000	4,000	4,000
c) Investment in Mutual funds (Quoted)				
Master shares of UTI	14,400	INR 10	140,430	140,430
Total investments			<u>66,209,730</u>	<u>66,209,730</u>
Less: Provision for diminution in value of quoted investments			<u>635,000</u>	<u>475,000</u>
Net investments			<u>65,574,730</u>	<u>65,734,730</u>
Aggregate amount of quoted Investments (Market value ₹ 6,08,834 previous year ₹ 770,342)			<u>879,430</u>	<u>879,430</u>
Aggregate amount of Unquoted Investments			<u>65,330,300</u>	<u>65,330,300</u>
Aggregate provision for diminution in value of investments			<u>635,000</u>	<u>475,000</u>
14 LONG TERM LOANS AND ADVANCES				
Unsecured, Considered good				
Security Deposits			12,666,853	13,895,541
Rent deposit - Related Parties (refer note 36)			4,306,700	4,306,700
Income tax paid (Net of provisions)			55,309,544	80,084,168
Advances recoverable in cash or in kind			4,265,600	5,471,710
Advances-Related Parties (refer note 36)			27,000,000	-
			<u>103,548,697</u>	<u>103,758,119</u>
15 OTHER NON CURRENT ASSETS				
Non Current Bank Balances (refer note no 18)			2,718,178	3,384,152
			<u>2,718,178</u>	<u>3,384,152</u>

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

	(Amount in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
16 INVENTORIES		
Stores & Spares*	76,995,892	76,608,714
Stock-in-trade	3,377,737	5,516,788
	<u>80,373,629</u>	<u>82,125,502</u>
17 TRADE RECEIVABLES		
Unsecured		
Over six months*	424,017,053	447,748,407
Other Debts	281,580,000	311,084,577
	<u>705,597,053</u>	<u>758,832,984</u>
18 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	5,982,062	8,240,125
Balances with Banks		
In Current account	19,214,458	12,993,645
Deposits with original maturity of less than 3 months	1,608,733	4,366,147
	<u>26,805,253</u>	<u>25,599,917</u>
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	3,079,251	5,679,925
Deposits with Original maturity of more than 12 months	2,718,178	3,384,152
	<u>5,797,429</u>	<u>9,064,077</u>
Total Cash & Bank Balances	<u>32,602,682</u>	<u>34,663,994</u>
Less: Non-current portion included in Other Non current assets	<u>2,718,178</u>	<u>3,384,152</u>
	<u>29,884,504</u>	<u>31,279,842</u>
19 SHORT TERM LOANS AND ADVANCES		
Loans and advances to Employees	869,225	687,705
Deposits/ Balance with Excise/ Sales Tax Authorities	10,921,934	12,917,556
Advances to Suppliers*	23,541,282	25,686,899
Earnest Money Deposit	13,462,468	19,138,212
Advances recoverable in cash or in kind (short term)	11,608,022	3,181,417
Advances - Related Parties (refer note 36)	544,427	-
	<u>60,947,358</u>	<u>61,611,789</u>
20 OTHER CURRENT ASSETS		
Revenue Accrued	26,498,424	68,601,964
Interest Accrued	139,178	182,234
	<u>26,637,602</u>	<u>68,784,198</u>

* Refer note no.31 of Notes to the Financial Statements for Scheme of Amalgamation and Arrangement and setting off certain stressed assets upto ₹ 65 cr. using Security Premium Reserve and other available Reserves. The effect will be considered upon approval of the Scheme.

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
21 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	232,785,405	173,747,221
Sales of Services		
Computers related IT services	773,174,094	799,379,618
Other operating revenue	-	2,229,446
Net Sales	1,005,959,499	975,356,285
22 OTHER INCOME		
Dividend from long term investments	32,400	115,820
Foreign exchange difference (Net)	1,231,499	878,200
Interest income	4,019,608	4,734,255
Other non-operating income	7,946,551	2,107,664
	13,230,058	7,835,939
23 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	3,377,737	5,516,788
Inventory at the beginning of the year		
Trading - Computers peripherals & software	5,516,788	7,952,870
(Increase)/ Decrease in Inventory	2,139,051	2,436,082
24 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	463,316,918	519,105,194
Contribution to Provident fund etc	36,322,553	40,730,832
Staff Welfare expenses	6,429,362	8,005,571
	506,068,833	567,841,597
Refer Note No.28 for disclosures as required by AS -15 "Employee Benefits"		

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	As at 31 st March 2014	As at 31 st March 2013
25 OTHER EXPENSES		
Power & Fuel	4,309,692	6,952,478
Rent	6,833,659	6,100,695
Rates & Taxes	978,249	583,008
Insurance	2,611,550	3,143,088
Advertisement & sales promotion	2,144,657	2,238,978
Travelling & Conveyance expenses	37,889,676	37,364,241
Consumable, stores and spares	51,955,803	51,096,778
Office Maintainence	4,296,281	3,505,158
Printing & Stationery	3,553,399	3,349,888
Repairs to Building	964,696	968,877
Communication expenses	4,129,827	5,727,231
Auditor's Remuneration		
- As auditors	417,500	417,500
- For Tax Audit	50,000	50,000
- For Certificate/ Limited Review	170,143	151,686
Legal, Professional & Consultancy charges	9,503,197	8,768,735
Freight & Forwarding	7,459,151	6,806,769
Directors Sitting fees	350,000	450,000
Bad debts written off	14,979,948	-
Capital work in progress written off	4,202,946	-
Subcontracting charges paid	33,428,560	26,281,065
Sales & Work contract tax paid	1,620,282	2,425,830
Loss on sale/disposal of non-revalued fixed assets	2,164,444	425,997
Miscellaneous expenses	15,427,601	11,530,058
	<u>209,441,261</u>	<u>178,338,060</u>
26 FINANCE COST		
Interest Expense	25,925,156	43,165,599
Other Borrowing cost	3,107,136	2,715,755
	<u>29,032,292</u>	<u>45,881,354</u>
27 DEPRECIATION		
Depreciation and amortisation	9,132,924	9,147,866
Less: Transfer from Revaluation Reserve	(1,790,961)	(1,815,578)
	<u>7,341,963</u>	<u>7,332,288</u>

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

28. Employee Benefits

- a) Contribution to Provident Fund of ₹ 1,95,70,530 (previous year ₹ 2,03,40,368) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss.
- b) Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

(Amount in ₹)

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	15,700,842	4,773,973	16,949,209	6,865,490
Interest cost	1,142,992	327,911	717,303	410,819
Current service cost	1,655,268	1,324,327	1,771,018	1,435,870
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(2,826,878)	(1,350,182)	(15,965,848)	(3,460,494)
Actuarial (Gain)/ Loss	(349,670)	(1,055,194)	12,229,160	(477,712)
Liability at the end of the year	15,322,554	4,020,835	15,700,842	4,773,973
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	15,827,046	-	17,434,869	-
Adjustments to opening balance	(977,451)	-	9,306,628	-
Expected Return on Plan assets	1,843,339	-	2,536,029	-
Contributions	3,850,000	1,350,182	4,750,000	3,460,494
Benefit paid	(2,826,878)	(1,350,182)	(15,965,848)	(3,460,494)
Actuarial (Gain)/ Loss on plan assets	(1,688,419)	-	(2,234,632)	-
Fair value of Plan assets at end of year	16,027,637	-	15,827,046	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,655,268	1,324,327	1,771,018	1,435,870
Interest cost	1,142,992	327,911	717,303	410,819
Expected Return on Plan assets	(1,843,339)	-	(2,536,029)	-
Actuarial (Gain)/ Loss	1,338,749	(1,055,194)	14,463,792	(477,712)
Expenses recognized in the P&L a/c	2,293,670	597,044	14,416,084	1,368,977
4 Actuarial Assumptions				
Discount rate		8.00%		8.00%
Salary escalation rate		5.00%		5.00%
Expected Return on Plan assets		12.00%		12.00%
Retirement age		58 Years		58 Years
Mortality		LIC (1994-96)		LIC (1994-96)

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

29. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2014 is ₹7,05,10,715 (Previous Year – ₹ 13,69,30,473).

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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

- 1 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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.

- 2 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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.

- 3 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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 ₹2,29,04,559 (Previous Year: ₹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 ₹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 ₹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 ₹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 ₹ 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.

c) Status of statutory dues under disputes and settled during the current year:

- 1 In the current year the Appellate Tribunal Customs, Central Excise & Service Tax, Mumbai has passed the order in favor of the Company and set aside the demand of ₹20,20,103 which was earlier raised by Commissioner of Customs, Pune on Custom Duty on import of raw material used in manufacturing of copper cladlaminates for the period from 1997 - 2002.

31. "The Board of Directors in their meeting held on August 14, 2013 had approved the Scheme of Amalgamation & Arrangement between PCS Positioning Systems (India) Limited ('PPSIL') and PCS International Limited, Mauritius ('PIL Mauritius') and PCS Technology Limited ('PTL' or 'the Company'). The Scheme inter-alia provided for the merger of PPSIL and PIL Mauritius into PTL effective from March 31, 2014 (Appointed Date). The Scheme also provided for write off of certain stressed assets against the Securities Premium Account and other available reserves. In terms of SEBI circular dated February 4, 2013 read with circular dated May 21, 2013, the Company had also obtained a No Objection Letter dated November 26, 2013 from BSE Limited, the designated Stock Exchange. Due to certain delays the Company did not proceed with the implementation of the Scheme. There were also certain developments impacting PPSIL, due to which the Board of the Company at their meeting held on May 21, 2014 decided to alter the Scheme ('Altered Scheme') by (a) Withdrawing the merger of PCS Positioning Systems (India) Limited with the Company; and (b) Amending the Appointed Date to April 1, 2014. The Altered Scheme therefore provides for amalgamation of PCS International Limited, Mauritius ('PIL Mauritius') with the Company and write off of certain stressed assets against Securities Premium Account and other available reserves. As the Scheme intends to adjust some assets using above Reserves, the adjustment does not impact on Statement of Profit & Loss of current year. The Company has already initiated steps to intimate Stock Exchanges & SEBI about the Altered Scheme which will also be subject to the approval of shareholders and relevant jurisdictional authorities.

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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

(Amount in ₹)

Particulars	As at 31/3/2014	As at 31/3/2013
Principle amount due to suppliers under MSMED Act at the year end	28,164	39,999
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	3,367	594
Payment made to suppliers (other than interest) beyond the appointed day during the year	16,875	14,063
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	566	111
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	3,933	705

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

(Amount in ₹)

Particulars	31/3/2014		31/3/2013	
	Value	%	Value	%
Imported	1,526,742	0.80	2,414,462	1.83
Indigenous	188,863,342	99.20	129,814,347	98.17
	190,390,084	100.00	132,228,809	100.00

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

(Amount in ₹)

Particulars	31/3/2014	31/3/2013
Raw Material, Store & spares and Computer Peripherals	1,615,246	2,658,962

(C) Expenditure in foreign currency:

(Amount in ₹)

Particulars	31/3/2014	31/3/2013
Traveling	5,396,786	4,030,235

(D) Earning in foreign currency:

(Amount in ₹)

Particulars	31/3/2014	31/3/2013
Export sales and services	40,964,140	9,571,868

34. Particulars of Earnings per Shares:

	Particulars	31/3/2014	31/3/2013
a)	Net Profit for the year		
	Before extraordinary items (₹)	40,149,224	35,382,246
	After extraordinary items (₹)	40,149,224	35,382,246
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 (₹)	10.00	10.00
d)	Basic and diluted Earning per share (₹) (a/b)		
	Before extraordinary items	1.92	1.69
	After extraordinary items	1.92	1.69

35. 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.

36.1 Related parties disclosures:

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

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

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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 (Director)
(Son of Mr. A.K.Patni)
4. Mr. Arihant Patni
(Son of Mr. G.K. Patni)
5. Mrs. Ruchi Patni
(Daughter-in-law of Mr. G.K. Patni)
6. Sobhagmal M. Patni HUF
(Mr.G.K.Patni & Mr. A.K.Patni are members of HUF)
7. Estate of Late Mr. Sobhagmal M. Patni
8. Estate of Late Mrs. Kanchanbai Patni

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

1. Ashoka Computer Systems Private Limited
2. PCS Cullinet Private Limited
3. PCS Finance Private Limited
4. Kalpavruksh Systems Limited
5. Saulese Energija Limited
6. AAP & Associates, LLP
7. Patni Healthcare Limited

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

(Amount in ₹)

Descriptions	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Sales of goods and services	19,613,697 (5,084,759)	- -	- -	930,987 (2,693,977)	20,544,684 (7,778,736)
Rent paid	- -	255,000 (-)	- -	- -	255,000 (-)
Reimbursement of expenses paid	- (323,992)	- -	- -	428,988 (-)	428,988 (323,992)
Advances given	27,000,000 (-)	- -	- -	- -	27,000,000 (-)
Recovery of expenses received	665,569 (132,957)	- -	- -	436,894 (-)	1,102,463 (132,957)
Investments	- (500,000)	- -	- -	- -	- (500,000)
Security Deposit -Rent given	- -	54,000 (-)	- -	- -	54,000 (-)
Security Deposit -Rent refund received	- -	- -	- -	406,700 (-)	406,700 (-)
Loan taken	- -	- (110,000,000)	- -	- -	- (110,000,000)

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Descriptions	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Loan Refunded	-	65,800,000	-	950,000	66,750,000
	-	(556,000,000)	-	(-)	(556,000,000)
Advance refunded against sale of Property	-	-	-	-	-
	-	(110,000,000)	-	-	(110,000,000)
Remuneration to Directors	-	2,749,400	-	-	2,749,400
	-	(2,748,876)	-	-	(2,748,876)

36.3 Balance outstanding as on 31st March 2014:

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Receivable	29,678,158 (25,850,664)	-	-	438,878 (1,709,557)	30,117,036 (27,560,221)
Loan taken	-	33,000,000 (98,800,000)	-	-	33,000,000 (99,750,000)
Advances given	27,000,000 (-)	-	-	-	27,000,000 (-)
Property deposits	-	-	3,954,000 (3,900,000)	-	3,954,000 (4,306,700)
	-	-	-	(406,700)	(4,306,700)

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

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Sales of goods and services				
PCS Infotech Limited	19,613,697 (-)	-	-	-
PCS International Limited, Mauritius	-	-	-	-
	(5,084,759)	-	-	-
Kalpavruksh Systems Limited	-	-	-	930,987 (902,592)
Patni Healthcare Limited	-	-	-	-
	-	-	-	(1,756,608)
Rent paid				
Mr. A. K. Patni	-	180,000 (-)	-	-
Mr. Apoorva Patni	-	75,000 (-)	-	-
Recovery of expenses received				
PCS Infotech Limited	77,625 (104,867)	-	-	-
Saulese Energija Limited	-	-	-	135,297 (-)
Patni Healthcare Limited	-	-	-	301,597 (-)
Kalpavruksh Systems Limited	-	-	-	43,517 (-)
PCS Technology USA, Inc.	-	-	-	-
	(16,854)	-	-	-
PCS International Limited, Mauritius	544,427 (11,236)	-	-	-
Advances given				
PCS Positioning Systems (India) Limited	25,000,000 (-)	-	-	-

PCS TECHNOLOGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Reimbursement of expenses paid				
PCS International Limited, Mauritius	-	-	-	-
	(323,992)	-	-	-
AAP & Associates LLP	-	-	-	428,988
	-	-	-	(-)
Investments				
PCS Infotech Limited	-	-	-	-
	(500,000)	-	-	-
Loan Taken				
Mr. A.K.Patni	-	-	-	-
	-	(110,000,000)	-	-
Loan Refunded				
Mr. A. K. Patni	-	65,800,000	-	-
	-	(356,000,000)	-	-
Mr. G.K. Patni	-	-	-	-
	-	(200,000,000)	-	-
Ashoka Computer Systems Private Limited	-	-	-	200,000
	-	-	-	(-)
PCS Cullinet Private Limited	-	-	-	200,000
	-	-	-	(-)
PCS Finance Private Limited	-	-	-	550,000
	-	-	-	(-)
Advance refunded against sale of Property				
A K Patni	-	-	-	-
	-	(110,000,000)	-	-
Security Deposit - Rent refunded				
Ashoka Computer Systems Private Limited	-	-	-	100,270
	-	-	-	(-)
PCS Cullinet Private Limited	-	-	-	101,400
	-	-	-	(-)
PCS Finance Private Limited	-	-	-	205,030
	-	-	-	(-)
Remuneration to Directors				
H.C.Tandon	-	2,749,400	-	-
	-	(2,748,876)	-	-

36.5 Significance closing balances outstanding as on 31st March 2014:

(Amount in ₹)

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Receivable				
PCS Positioning Systems (India) Limited	11,685,851	-	-	-
	(11,685,851)	-	-	-
PCS Infotech Limited	3,774,975	-	-	-
	(-)	-	-	-
PCS International Limited, Mauritius	8,903,506	-	-	-
	(9,022,275)	-	-	-
PCS Technology USA, Inc.	5,313,826	-	-	-
	(5,142,538)	-	-	-
Patni Healthcare Limited	-	-	-	438,878
	-	-	-	(1,709,557)

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Description	Subsidiaries Companies	Key Management Personnel	Relative of key Management Personnel	Affiliates
Loan Taken				
Mr. A.K. Patni	-	23,000,000	-	-
	-	(88,800,000)	-	-
Mr. G.K. Patni	-	10,000,000	-	-
	-	(10,000,000)	-	-
Ashoka Computer Systems Pvt. Ltd.	-	-	-	(200,000)
PCS Finance Private Limited	-	-	-	(550,000)
PCS Cullinet Private Limited	-	-	-	(200,000)
Advances given				
PCS Positioning Systems (India) Limited	25,000,000	-	-	-
	(-)	-	-	-
Property Deposits				
Late Mrs. Kanchanbai Patni	-	-	1,100,000	-
	-	-	(1,100,000)	-
Mrs. Rajnikanta Patni	-	-	600,000	-
	-	-	(600,000)	-
Mrs. Sadhana Patni	-	-	700,000	-
	-	-	(700,000)	-
Mr. Apoorva Patni	-	-	600,000	-
	-	-	(600,000)	-
Mr. Arihant Patni	-	-	500,000	-
	-	-	(500,000)	-

(Note: Previous year figures are shown in brackets)

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

Amount of loans and advances in nature of loans outstanding from subsidiaries: (Amount in ₹)

PCS Positioning Systems (India) Limited	25,000,000
	(-)
PCS Infotech Limited	2,000,000
	(-)

(Note: Previous year figures are shown in brackets)

37(b) Details of Investment by the Loanee in the shares of the company:

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

38. 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 : 30th May, 2014

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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

Particulars	PCS Positioning Systems (India) Ltd.	PCS Infotech Ltd.	PCS International Ltd., Mauritius	PCS Technology USA, Inc.
Financial Year ending of the subsidiary	31st March 2014	31st March 2014	31st March 2014	31st March 2014
No. of Equity Shares held by PCS Technology Limited	1,760,000 Equity Shares of ₹10 each fully paid-up	50,000 Equity Shares of ₹10 each fully paid-up	111,000 Equity Shares of USD 10 each fully paid-up	2,500 Equity Shares of USD 2 each fully paid-up
Extent of interest of PCS Technology Limited	100%	100%	100%	100%
Net aggregate amount of the profit/ (loss) of subsidiaries so far it concerns the members of PCS Technology Limited as it is not dealt with the Company's Accounts.				
i) For the Current Financial Year ended 31st March 2014	(340,542) INR	(28,609) INR	(1,888,878) INR	(18,821) INR
ii) For the Previous Financial Year ended since it became a subsidiary	(338,971) INR	(45,518) INR	(453,703) INR	(17,107) INR
Net aggregate amount of the profit/ (loss) of the subsidiaries so far as dealt with or provision is made for those losses in the accounts of PCS Technology Limited				
i) For the Current Financial Year ended 31st March 2014	Nil	Nil	Nil	Nil
ii) For the Previous Financial Year since it became a subsidiary	Nil	Nil	Nil	Nil

As per my report of even date attached

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

S. C. Bandi
Proprietor
Membership no. 16932

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board of Directors

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

A. K. Patni
(Vice Chairman)

ANNUAL REPORT 2013-2014

PCS POSITIONING SYSTEMS (INDIA) LTD.



MANAGEMENT & ADMINISTRATION

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

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

CIN : U72900PN2004PLC019448

DIRECTORS' REPORT

To,

The Members,

PCS Positioning Systems (India) Limited

Your Directors have the pleasure in presenting their Tenth Annual Report together with Audited Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Sales & other Income	-	-
Profit / (Loss) before interest, depreciation & taxation	(0.15)	(0.14)
Interest	-	-
Depreciation	3.25	3.25
Profit/(Loss) before Taxation	(3.40)	(3.39)
Profit/(Loss) after Taxation	(3.40)	(3.39)
Profit/(Loss) as per last Balance sheet	(470)	(466)
Balance Carried to Balance Sheet	(473)	(470)

OPERATIONS

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

DIVIDEND

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

DIRECTORS

Mr. Yash Bharadwaj and Mr. Ashok Kumar Patni, retire by rotation and being eligible for appointment, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied consistently and have made judgments' and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the said year;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Annual Accounts have been prepared on a going concern basis.

COMPLIANCE CERTIFICATE

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

PARTICULARS OF EMPLOYEES

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

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

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

AUDITORS

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2014

H. C. Tandon
Director

A. K. Patni
Director

ANNEXURE "A" TO THE DIRECTORS REPORT

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

(A) Conservation of Energy

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

(B) Technology Absorption

Not applicable

(C) Foreign Exchange Earnings/ Outgo

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

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

On behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2014

H. C. Tandon
Director

A. K. Patni
Director

PCS POSITIONING SYSTEMS (INDIA) LIMITED

COMPLIANCE CERTIFICATE

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

To,

The Members

PCS Positioning Systems (India) Limited

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

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

I have examined the registers, records, books and papers of PCS Positioning Systems (India) Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on March 31, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Subsidiary of a Public Company, thus Comment on minimum prescribed paid up Capital and maximum number of members is not required..
4. The Board of Directors of the Company duly met Five (5) times respectively on 22/05/2013 14/08/2013, 08/10/2013, 02/12/2013 and 06/02/2014 in respect of meeting of the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
5. Being wholly owned subsidiary and having only shareholder, the Company has not closed its Register of Members during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2013 was convened and held on 10/09/2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meetings was held during the financial year dated 30/10/2013.
8. According to the information and explanation given to me, the Company has not advanced any loan to its Directors or persons or firms or Companies referred in the Section 295 of the Act during the financial year under review.
9. According to the information and explanation given to me, The Company has not entered into any Contract falling within the purview of Section 297 of the Act during the financial year under review.
10. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
11. The Company has made necessary entries in the register maintained u/s 301 of the Act for contracts entered during the year.
12. The Company has not issued any duplicate share certificates during the year.
13.
 - a. The Company has not made any allotment of Shares and there were no transmission, however there were some transfers of securities during the year.
 - b. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the year.
 - c. The Company was not required to post warrants to any members of the Company as no dividend was declared during the year.
 - d. There is no unpaid dividend; application money due for refund, matured deposits, matured debentures and the interest accrued

thereon, which have remained unclaimed or unpaid for a period of seven years.

- e. The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company has not appointed any Director/Managing Director, Whole Time Director during the year under review.
15. The Company has not appointed any Managing Director or Whole Time Director or Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. According to the information and explanation given to me, The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued Equity Shares and Preference Shares during the year.
20. The Company has not bought back any shares during the year.
21. The Company has not redeemed any shares during the year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of sections 58A during the year.
24. The Company has borrowed the funds under the provisions of Section 293(1)(d) of the Companies Act, 1956 and/or 180(1)(c) of Companies Act, 2013 to the extent applicable.
25. According to the information and explanation provided to me, the Company has not made loans and investments or given guarantees or provided securities to other bodies corporate during the year under review.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the Objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum of Association with respect to Authorized Share Capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review
31. As informed to me, there was no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year for offences under the Act.
32. The Company has not received any money as security from its employees during the year as there are no employees.
33. The Company has not deducted Provident Fund and has not deposited with the bank as there are no employees during the year.

**For Bhavesh Desai & Associates
Company Secretaries**

(Bhavesh Desai)
C.P.No.7711

Mumbai
Date: 28th May, 2014

ANNEXURE 'A'

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

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

For Bhavesh Desai & Associates
Company Secretaries

(Bhavesh Desai)
 C.P.No.7711

Mumbai
Date: 28th May, 2014

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government during the financial year ending on **31st March 2014**.

Sr. No	Form No/ Return	Filed under Section	For	Date of filing	Whether filed within Prescribed Time yes/no
1	Form - 66	383A	Filing of compliance certificate	08/10/2013	Yes
2	XBRL Form - 23 AC & ACA	220	Filing of balance sheet, P & L accounts	09/10/2013	Yes
3	Form - 20B	159	Filing of annual return	29/11/2013	No
4	Form -23B	224 (1A)	Information by Auditor to Registrar	22/10/2013	No
5	Form- 23	180(1)(c) of Companies Act,2013	Filing of resolution under section 180(1)(c) of Companies Act 2013	24//03/2014	No

For Bhavesh Desai & Associates
Company Secretaries

(Bhavesh Desai)
 C.P.No.7711

Mumbai
Date: 28th May, 2014

PCS POSITIONING SYSTEMS (INDIA) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

To the Members of PCS Positioning Systems (India) Limited

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Positioning Systems (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, I report that:
 - I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Mumbai
Date :29th May, 2014

ANNEXURE TO THE AUDITOR'S REPORT

- The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - The assets have been physically verified by the Management during the year and no discrepancies were noticed on such verification.
 - During the year company has not disposed off any substantial part of its fixed assets.

ANNUAL REPORT 2013-2014

PCS POSITIONING SYSTEMS (INDIA) LTD.



- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 4 of the Order are not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable.
- (b) The Company has taken unsecured interest free loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹ 250.00 lakhs and the balance at the end of the year is ₹ 250.00 lakhs.
- (c) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, not prima facie, prejudicial to the interest of the company.
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and advance taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order is not applicable.
- (vii) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
- (ix) (a) According to the information and explanations given to me and on the basis of my examination of the record of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.

- (b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they become payable.
- (x) The Company has accumulated losses and also it has incurred cash losses during the year covered by my audit. The company had incurred cash loss during immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the Company has not defaulted during the year in repayment of dues to any financial institution, banks or debenture holders.
- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, and according to the information and explanations given to me, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub-clause (a) to (d) of clause (xiii) of paragraph 4 of the Order are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities and debentures or other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable.
- (xv) According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any new term loans during the year.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the company, I report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the financial year covered by my audit.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

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

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

Place: Mumbai
Date : 29th May, 2014

PCS POSITIONING SYSTEMS (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	17,600,000	17,600,000
Reserves and Surplus	4	(47,313,557)	(46,973,015)
Non-current liabilities			
Long term borrowings	5	25,000,000	25,000,000
Current liabilities			
Trade payables	6	12,671,443	12,663,016
Other current liabilities	7	373,374	373,374
TOTAL		8,331,260	8,663,375
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	8	3,660,499	3,985,581
Intangible Assets	8	450,747	450,747
Long term Loans and advances	9	441,627	441,627
Current assets			
Trade Receivables	10	3,062,965	3,062,965
Cash and Bank balances	11	36,416	43,449
Short Term loans and advances	12	679,006	679,006
TOTAL		8,331,260	8,663,375

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 : 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 ST MARCH 2014

Particulars	Note	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
Revenue from Operation (net)		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Other expenses	13	15,460	13,889
Total Expenses		15,460	13,889
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		(15,460)	(13,889)
Less: Depreciation	8	325,082	325,082
Loss before tax		(340,542)	(338,971)
Tax expense		-	-
Loss for the year		(340,542)	(338,971)
Basic & Diluted earning per share of ₹ 10/- each		(0.19)	(0.19)

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 : 29th May, 2014

ANNUAL REPORT 2013-2014

PCS POSITIONING SYSTEMS (INDIA) LTD.



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2014

PARTICULARS	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
Cash flow arising from operating activities:		
Net loss before tax	(340,542)	(338,971)
Adjustment for:		
Depreciation	325,082	325,082
Operating loss before working capital changes	(15,460)	(13,889)
Decrease/ (Increase) in Trade and other Receivables	-	-
(Decrease)/ Increase in Trade and other payables	8,427	8,427
Cash generated from operations	(7,033)	(5,462)
Income Tax paid (net of refunds)	-	-
Net cash flow from/used operating activities	(7,033)	(5,462)
Cash flow arising from investing activities	-	-
Cash flow arising from financing activities		
Proceeds from Unsecured Loans taken from holding company	25,000,000	-
Repayment of Unsecured Loan taken from Directors	(25,000,000)	-
Net Cash from financing activities	-	-
Net Increase/(Decrease) in Cash/ Cash Equivalents	(7,033)	(5,462)
Cash and Cash Equivalents at the beginning of the year	43,449	48,911
Cash and Cash Equivalents at end of the year 31st March, 2014	36,416	43,449

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 : 29th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention, and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements.

2 Significant Accounting Policies

Fixed Assets

Fixed Assets are stated at cost of acquisitions net of modvat/ 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 XIV to the Companies Act, 1956.

Revenue Recognition

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

Foreign Exchange Transaction

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

Borrowing cost

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

Measurement of EBITDA

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

	31.03.2014 (Amount in ₹)	31.03.2013 (Amount in ₹)
3 SHARE CAPITAL		
Authorised		
3,000,000 Equity shares of ₹ 10/- each	30,000,000	30,000,000
Issued, Subscribed and Paid up		
1,760,000 Equity shares of ₹ 10/- each fully paid up	17,600,000	17,600,000
	17,600,000	17,600,000

PCS POSITIONING SYSTEMS (INDIA) LIMITED

a) Terms /Rights attached to equity shares

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

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

Name of the Share holder	31.03.2014		31.03.2013	
	Number	%	Number	%
PCS Technology Limited	1760000	100	1760000	100

(Amount in ₹)

Particulars	31.03.2014	31.03.2013
4 RESERVES AND SURPLUS		
Deficit in the statement of profit and loss		
Balance as per last Financial Statement	(46,973,015)	(46,634,044)
Loss for the year	(340,542)	(338,971)
Total	(47,313,557)	(46,973,015)
5 LONG TERM BORROWINGS		
Unsecured		
Directors	-	25,000,000
Inter corporate deposits	25,000,000	-
	25,000,000	25,000,000
6 TRADE PAYABLE		
Trade Payable	12,671,443	12,663,016
(Refer note 14 for details of dues to Micro and small enterprises)	12,671,443	12,663,016
7 OTHER CURRENT LIABILITIES		
Trade Advances	373,374	373,374
	373,374	373,374

(Amount in ₹)

Particulars	31.03.2014	31.03.2013
9 LONG TERM LOANS AND ADVANCES		
Income tax paid (Net)	318,483	318,483
FBT paid (Net)	123,144	123,144
	441,627	441,627
10 TRADE RECEIVABLE		
Unsecured, considered good		
- Over six months	3,062,965	3,062,965
- Other debts	-	-
	3,062,965	3,062,965
11 CASH AND BANK BALANCES		
Cash and Cash Equivalent		
Cash in hand	2,000	2,000
Balances with Banks		
In Current account	34,416	41,449
	36,416	43,449
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
	679,006	679,006
13 OTHER EXPENSES		
Rates & Taxes	2,033	3,110
Legal, Professional & Consultancy charges	5,000	1,685
Auditor's Remuneration - As auditors	8,427	8,427
Depreciation	325,082	325,082
Bank Charges	-	667
	340,542	338,971

8. FIXED ASSETS

(Amount in ₹)

Sr no	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01/04/2013	Additions/ Deductions	As at 31/03/2014	As at 01/04/2013	For the year	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
	TANGIBLE ASSETS								
1	Plant & Equipments	5,186,612	-	5,186,612	1,828,126	250,531	2,078,657	3,107,955	3,358,486
2	Furniture & Fixtures	1,135,157	-	1,135,157	592,526	71,855	664,381	470,776	542,631
3	Office equipments	1,100,408	-	1,100,408	1,015,944	2,696	1,018,640	81,768	84,464
	INTANGIBLE ASSETS								
4	Software	9,014,964	-	9,014,964	8,564,217	-	8,564,217	450,747	450,747
	TOTAL	16,437,141	-	16,437,141	12,000,813	325,082	12,325,895	4,111,246	4,436,328
	Total Previous year	16,437,141	-	16,437,141	11,675,731	325,082	12,000,813	4,436,328	

ANNUAL REPORT 2013-2014

PCS POSITIONING SYSTEMS (INDIA) LTD.



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	31.03.2014	31.03.2013
(a) Net (Loss) for the year (₹)	(340,542)	(338,971)
(b) Number of equity shares outstanding at the beginning and at the end of the year	1,760,000	1,760,000
(c) Weighted average number of shares outstanding during the year	1,760,000	1,760,000
(d) Nominal value of the shares (₹)	10	10
(e) Basic Earning per share (₹) (a /c)	(0.19)	(0.19)

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

b) Affiliates (Enterprises over which Key Management Personnel or relatives has significant influence) :

1. PCS Technology USA, Inc

18 Balance outstanding as on 31/03/2014

(Amount in ₹)

Description	Holding Company	A. K. Patni	Affiliates	Total
Receivable				
PCS Technology USA, Inc.	-	-	129,719	129,719
	-	-	(129,719)	(129,719)
Payables				
PCS Technology Limited	11,685,851	-	-	11,685,851
	(11,685,851)	-	-	(11,685,851)
Other Loan Taken				
Mr. A. K. Patni	-	-	-	-
	-	(25,000,000)	-	(25,000,000)
Inter corporate deposits				
PCS Technology Limited	25,000,000	-	-	25,000,000
	(-)	-	-	(-)

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

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

As per my Report of even date

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

For and on behalf of the Board of Directors

S C Bandi
(Proprietor)
Membership No.16932

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

Place : Mumbai
Date : 29th May, 2014

PCS INFOTECH LIMITED

MANAGEMENT & ADMINISTRATION

DIRECTORS : G. K. Patni A. K. Patni Yash Bhardwaj
D. B. Maheshwari 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 you the 2nd Annual Report with the statement of Audited Financial Accounts for financial year ended 31st March 2014.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended 31.03.2014	Period ended 31.03.2013
Net sales and services	192.50	-
Gross Profit	(0.29)	(0.45)
Depreciation	-	-
Profit for the year from Operations	(0.29)	(0.45)
Provision for Taxation (Net)	-	-
Profit for the year	(0.29)	(0.45)
Less: Extraordinary items	-	-
Net Surplus available for Appropriation	(0.29)	(0.45)
Balance of Profit/(Loss) available in Balance Sheet	(0.74)	(0.45)

OPERATIONS

The business operations of the Company have started in the current year and are in the initial stages. Also, interactions with customers are in progress and some orders are in pipeline and expected shortly.

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 2014.

DIRECTORS

Mr. G. K. Patni and Mr. A. K. Patni, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the said period;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.

DEPOSITS

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

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

The information required in accordance with the provision of section 217(1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as under :

A) Conservation of Energy -

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

B) Technology Absorption - Not Applicable

C) Foreign Exchange Earning/ Outgo - Nil

ACKNOWLEDGEMENTS

Your directors express their warm appreciation to all the employees for their diligence and contribution made towards the successful commencement of operations of the Company. The Board of Directors takes this opportunity to thank every stakeholder including customers of the company for their co-operation extended to the Company.

On behalf of the Board of Directors

G. K. Patni
Director

A. K. Patni
Director

Place: Mumbai
Date : 29th May 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of PCS Infotech Limited

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Infotech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, I report that:

- a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place: Mumbai
Date : 29th May 2014

ANNEXURE TO THE AUDITOR'S REPORT

- (i) The Company is not holding physical fixed assets during the current period covered under audit and this is second year of incorporation of the Company. Therefore, the provisions of sub-clauses (a) to (c) of clause (i) of paragraph 4 of the Order are not applicable.
- (ii) The Company do not hold any physical inventories during the current financial period covered under audit and this is first year of incorporation of the Company. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 4 of the Order are not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) to (d) of clause (iii) of paragraph 4 of the Order are not applicable.
(b) The Company has taken unsecured interest free loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was ₹20.00 lakhs and the balance at the end of the period is ₹20.00 lakhs.

PCS INFOTECH LIMITED

- (c) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, not prima facie, prejudicial to the interest of the company.
- (d) There is no stipulation as to the time period for payment of the principal amount of unsecured loans and advance taken.
- (iv) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the Company and the nature of business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services.
- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In my opinion, and according to the information and explanations given to me, the contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order is not applicable.
- (vii) In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 for any of the products of the Company.
- (ix) (a) According to the information and explanations given to me and on the basis of my examination of the record of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities.
- According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me, no disputed amounts are payable by the Company in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess during the period covered under audit.

- (x) The Company has been registered for a period less than five years. Therefore, the provisions of clause (x) of paragraph 4 of the Order are not applicable.
- (xi) In my opinion and according to the information and explanations given to me, the Company is not holding any dues payable to financial institution or bank or debenture-holders during the period covered under audit.
- (xii) According to the information and explanations given to me, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, and according to the information and explanations given to me, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub-clause (a) to (d) of clause (xiii) of paragraph 4 of the Order are not applicable.
- (xiv) The Company is not dealing or trading in shares, securities and debentures or other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable.
- (xv) According to the information and explanations given to me, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not taken any term loans during the period covered under audit.
- (xvii) According to the information and explanations given to me and on an overall examination of the Balance Sheet of the company, I report that no funds raised on short-term basis have been used for long-term investment during the period covered under audit.
- (xviii) During the year, the Company has not made any preferential allotment of preference shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the period covered under audit.
- (xx) The Company has not raised any money through a public issue during the period covered under audit.
- (xxi) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the course of my audit.

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

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

Place: Mumbai
Date : 29th May 2014

ANNUAL REPORT 2013-2014

PCS INFOTECH LIMITED



BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in ₹)

Particulars	Note	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	500,000	500,000
Reserves and Surplus	4	(74,127)	(45,518)
Non-Current Liabilities			
Long term borrowings	5	2,000,000	-
Current Liabilities			
Trade payables	6	4,023,193	-
Other current liabilities	7	372,993	-
		<u>6,822,059</u>	<u>454,482</u>
ASSETS			
Non-current assets			
Long Term Loans and advances	8	547,332	10,025
Other Non-Current Assets	9	-	24,704
Current assets			
Trade receivables	10	5,784,658	-
Cash and Bank balances	11	320,256	395,049
Short term loans and advances	12	145,109	-
Other Current Assets	13	24,704	24,704
		<u>6,822,059</u>	<u>454,482</u>

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

G. K. Patni
(Director)

S. Ravikumar
(Director)

Place: Mumbai
Date : 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note	Year ended 31 st March, 2014	Period ended 31 st March, 2013
REVENUE			
Revenue from operations (Net)	14	19,249,150	-
Other Income		-	-
Total Revenue		<u>19,249,150</u>	<u>-</u>
EXPENSES			
Purchases of stock-in-trade		628,529	-
Employee benefits expense	15	1,066,426	-
Other expenses	16	17,582,804	45,518
Total Expenses		<u>19,277,759</u>	<u>45,518</u>
Profit before tax		<u>(28,609)</u>	<u>(45,518)</u>
Tax expenses:			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		<u>-</u>	<u>-</u>
Profit after tax		<u>(28,609)</u>	<u>(45,518)</u>
Earning per equity share:			
Basic		(0.57)	(0.91)
Diluted		(0.57)	(0.91)

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

G. K. Patni
(Director)

S. Ravikumar
(Director)

Place: Mumbai
Date : 29th May, 2014

PCS INFOTECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	Year ended 31 st March, 2014	Period ended 31 st March, 2013
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	(28,609)	(45,518)
Operating profit before working capital changes	(28,609)	(45,518)
Decrease/ (increase) in trade and others receivables	(6,442,370)	(59,433)
(Decrease)/ increase in trade and other payables	4,396,186	-
Cash generated from operations	(2,074,793)	(104,951)
Income tax paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities	(2,074,793)	(104,951)
B. Cash flow from investing activities	-	-
C. Cash from financing activities		
Proceeds from unsecured Loan taken from holding Companies	2,000,000	-
Issue of share capital	-	500,000
Net cash from/ (used in) financing activities	2,000,000	500,000
Net increase/ (decrease) in cash and cash equivalents	(74,793)	395,049
Cash and cash equivalents at beginning of the period	395,049	-
Cash and cash equivalents at end of the period	320,256	395,049

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)

Y. V. Bhardwaj
(Director)

G. K. Patni
(Director)

S. Ravikumar
(Director)

Place: Mumbai
Date : 29th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 Basis of preparation:

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

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

2 Significant Accounting Policies:

A Revenue recognition:

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

B Fixed Assets

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

C Depreciation:

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

D Taxes on income:

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

E Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

ANNUAL REPORT 2013-2014

PCS INFOTECH LIMITED



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
3 SHARE CAPITAL		
Authorised		
50,000 Equity Share of ₹10 each	500,000	500,000
Issued, Subscribed and Paid-up		
50,000 Equity Shares of ₹10 fully paid-up	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

a) Terms/ Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹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

Particulars	Number	Amount in ₹
Shares outstanding at the beginning of the year	50,000	500,000
Shares outstanding at the end of the year	<u>50,000</u>	<u>500,000</u>

c) Details of shareholding more than 5% shares of total shares in the Company:

Name of shareholder	As at 31/03/2014		As at 31/03/2013	
	No. of shares	% holding	No. of shares	% holding
PCS Technology Limited	50,000	100.00	50,000	100.00

(Amount in ₹)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
4 Reserves and Surplus		
Opening balance	(45,518)	-
Add: Profit for the year	(28,609)	(45,518)
Closing balance	<u>(74,127)</u>	<u>(45,518)</u>
5 Long term borrowings		
Unsecured		
Inter corporate deposits	2,000,000	-
	<u>2,000,000</u>	<u>-</u>
6 Trade Payables		
Trade Payables	4,023,193	-
	<u>4,023,193</u>	<u>-</u>

(Amount in ₹)

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
7 Other current liabilities		
Income received in advance	143,750	-
Statutory dues and taxes payable	229,243	-
	<u>372,993</u>	<u>-</u>
8 Long Term Loans and Advances		
Unsecured, Considered good		
Security Deposits	35,025	10,025
Income tax paid (Net of provisions)	512,307	-
	<u>547,332</u>	<u>10,025</u>
9 Other Non-Current Assets		
Unamortized expenses	-	24,704
	<u>-</u>	<u>24,704</u>
10 Trade Receivables		
Unsecured, considered good		
Over six months	-	-
Other Debts	5,784,658	-
	<u>5,784,658</u>	<u>-</u>
11 Cash and Bank Balances		
Cash & Cash Equivalents		
Cash in hand	-	-
Balances with Banks		
In Current account	320,256	395,049
	<u>320,256</u>	<u>395,049</u>
12 Short Term Loans and Advances		
Prepaid Expenses	145,109	-
	<u>145,109</u>	<u>-</u>
13 Other Current Assets		
Unamortized expenses (to write off in next 12 months)	24,704	24,704
	<u>24,704</u>	<u>24,704</u>
14 Revenue from operations		
Traded goods		
Computers peripherals & softwares	1,005,312	-
Sales of Services		
Computers related IT services	18,243,838	-
Net Sales	<u>19,249,150</u>	<u>-</u>
15 Employee benefit expenses		
Salaries & Wages	1,046,093	-
Contribution to Provident fund etc	-	-
Staff Welfare expenses	20,333	-
	<u>1,066,426</u>	<u>-</u>

PCS INFOTECH LIMITED

Particulars	(Amount in ₹)	
	As at 31 st March, 2014	As at 31 st March, 2013
16 Other expenses		
Subcontracting expenses	17,369,647	-
Travelling expenses	220	-
Rates & Taxes	58,066	3,837
Audit Fees	7,500	-
Legal & Professional Charges	96,349	16,000
Telephone Expense	19,040	893
Preliminary Expense Amortized	24,704	24,704
Miscellaneous expenses	7,278	84
	<u>17,582,804</u>	<u>45,518</u>

17 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.

18 Particulars of Earnings Per Shares:

Particulars	31-Mar-14	31-Mar-13
a) Net Profit for the year		
Before extraordinary items (₹)	(28,609)	(45,518)
After extraordinary items (₹)	(28,609)	(45,518)
b) Number of equity shares outstanding at the beginning and at the end of the year	50,000	50,000
c) Nominal Value of the shares (₹)	10.00	10.00
d) Basic and diluted Earning per share (₹) (a/b)		
Before extraordinary items	(0.57)	(0.91)
After extraordinary items	(0.57)	(0.91)

19 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:

Description	(Amount in ₹)	
	Holding Company	Total
Outsourcing services taken	17,435,622	17,435,622
	(-)	(-)
Purchase of trading goods	52,080	52,080
	(-)	(-)
Loan taken	2,000,000	2,000,000
	(-)	(-)
Reimbursement of expenses given	77,625	77,625
	(164,867)	(164,867)

C Balance outstanding as on 31st March 2014:

Description	(Amount in ₹)	
	Holding Company	Total
Trade payables	3,774,975	3,774,975
	(-)	(-)
Loan taken	2,000,000	2,000,000
	(-)	(-)

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

Description	(Amount in ₹)	
	Holding Company	Total
Outsourcing services taken		17,435,622
		(-)
Purchase of trading goods		52,080
		(-)
Loan taken		2,000,000
		(-)
Reimbursement of expenses given		77,625
		(164,867)

E Significance closing balances outstanding as on 31st March 2014:

Description	(Amount in ₹)	
	Holding Company	Total
Trade payables	3,774,975	
	(-)	
Loan taken	2,000,000	
	(-)	

Note: Previous year figures are shown in brackets

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

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

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

For and on behalf of the Board of Directors

A. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

G. K. Patni
(Director)

S. Ravikumar
(Director)

Place: Mumbai
Date : 29th May, 2014

ANNUAL REPORT 2013-2014

PCS INTERNATIONAL LIMITED, MAURITIUS



MANAGEMENT & ADMINISTRATION

DIRECTORS : Gajendra Kumar Patni Ashok Kumar Patni
Amit Kumar Patni, Aveenash Ramtohol
Gyaneshwamath Gowrea

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

DIRECTORS' REPORT

The Members,

PCS International Limited

Your Directors have the pleasure in presenting the Annual Report of your company together with Audited Balance Sheet for the year ended on 31st March 2014.

The Company has closed its sole branch located at Jebel Ali in Dubai and surrendered the Trade Licence to the authorities on 24th December 2012.

In the current year the Company has changed its legal regime from a Category 1 Global Business Licence to a Category 2 Global Business Licence pursuant to Section 72(6) of the Financial Services Act as applicable in the Republic of Mauritius for the purpose of processing the scheme of amalgamation with the Parent Company.

During the financial year under review, the Company has not done any business transaction as against ₹70.99 lakhs in the previous year. The operations have resulted in a Net loss of ₹18.89 lakhs on account of surrender of Licence, conversion of Global Business Licence and other sundry expenses.

SCHEME OF AMALGAMATION AND ARRANGEMENT

The Directors of the Company vide their resolution dated August 14, 2013 approved the "Scheme of Amalgamation and Arrangement between PCS Positioning Systems (India) Limited ("PPSIL"), PCS International Limited, Mauritius (the Company) and PCS Technology Limited (PTL) (the Scheme). The Scheme inter-alia provided merger of the PPSIL, the Company into the PTL effective from March 31, 2014.

Due to certain delays the PTL could not proceed with the implementation of the Scheme, therefore the PTL has proposed and decided to alter the Scheme ("Altered Scheme") providing inter-alia for:

1. Withdrawing the merger of PPSIL with the PTL and
2. Amending the Appointed Date to April 1, 2014.

The Altered Scheme therefore provides for the 'Amalgamation and Arrangement between the Company with the PTL with effect from the Appointed Date April 1, 2014 which also has been approved by the Directors of the Company vide their resolution dated May 21, 2014.

DIVIDEND

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the Preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the said year.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

During the Financial year under review, the Company has not carried out any manufacturing activities. Hence information required pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

AUDITORS

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

By Order of the Board of Directors

Place : Mumbai
Date: 29th May, 2014

A K Patni **Amit Kumar Patni**
Director Director

PCS INTERNATIONAL LIMITED, MAURITIUS

INDEPENDENT AUDITOR'S REPORT

To the Members of PCS International Limited

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and

(b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, the said Order is not applicable in this case.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place : Mumbai
Date : 29th May, 2014

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

ANNUAL REPORT 2013-2014

PCS INTERNATIONAL LIMITED, MAURITIUS



BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	4	47,088,450	47,088,450
Reserves and Surplus	5	(29,257,606)	(29,140,742)
Current liabilities			
Trade payables	6	9,172,015	9,440,676
Other current liabilities	7	448,005	308,224
TOTAL		27,450,864	27,696,608
Assets			
Non-current assets			
Other non-current assets	8	-	1,176,331
Current assets			
Trade Receivables	9	26,984,874	25,572,870
Cash and Bank balances	10	361,563	842,980
Short-term loans and advances	11	104,427	104,427
TOTAL		27,450,864	27,696,608

The accompanying notes are an integral part of the financial statements

As per my report of even date

For S.C.Bandi & Co. Chartered Accountants
For and on behalf of Board of Directors

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

A. K. Patni
(Director)

Amit Kumar Patni
(Director)

Place : Mumbai
Date: 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
Revenue from Operations (net)	12	-	7,098,706
Other Income	13	-	248,759
Total Revenue		-	7,347,465
Expenses			
Changes in inventories of stock in trade	14	-	1,164,459
Other expenses	15	1,888,878	6,636,709
Total Expenses		1,888,878	7,801,168
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)		(1,888,878)	(453,703)
Less: Finance costs		-	-
Less: Depreciation and amortisation expense		-	-
Loss before tax		(1,888,878)	(453,703)
Tax expense		-	-
Loss for the year		(1,888,878)	(453,703)
Basic and Diluted Earnings per share		(17.02)	(4.09)

The accompanying notes are an integral part of the financial statements

As per my report of even date

For S.C.Bandi & Co. Chartered Accountants
For and on behalf of Board of Directors

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

A. K. Patni
(Director)

Amit Kumar Patni
(Director)

Place : Mumbai
Date: 29th May, 2014

PCS INTERNATIONAL LIMITED, MAURITIUS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 BACKGROUND

PCS International Limited was incorporated in Port Louis on 3rd September 1999 as a wholly owned subsidiary of PCS Technology Ltd. The Financial statements are for year ended 31st March 2014. PCS International Limited is engaged in the business of providing Consultancy services.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

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

- Income and expenditure incurred in foreign exchange have been translated at the average conversion rate of the accounting year. Current assets and current liabilities have been translated at the conversion rate as at 31st March 2014

(Amount in ₹)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
-------------	-----------------------------------	-----------------------------------

4 SHARE CAPITAL

Authorised

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

Issued Subscribed and Paid up

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

47,088,450 47,088,450

- Terms /Rights attached to equity shares

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

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

Name of Shareholder	31.03.2014		31.03.2013	
	No.	%	No.	%
PCS Technology Limited	111000	100	111000	100

(Amount in ₹)

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
-------------	-----------------------------------	-----------------------------------

5 RESERVES AND SURPLUS

Deficit in the Statement of Profit and Loss

Opening balance (40,114,791) (39,661,088)

Loss for The Year (1,888,878) (453,703)

Closing balance (42,003,669) (40,114,791)

Currency Fluctuation Reserve 12,746,063 10,974,049

Total Reserves and Surplus (29,257,606) (29,140,742)

6 TRADE PAYABLES

Trade Payables 9,172,015 9,440,676

9,172,015 9,440,676

ANNUAL REPORT 2013-2014

PCS INTERNATIONAL LIMITED, MAURITIUS



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
7 OTHER CURRENT LIABILITIES		
Trade Advances	172,820	157,294
Other Payables	275,185	150,930
	<u>448,005</u>	<u>308,224</u>
8 OTHER NON-CURRENT ASSETS		
Non-current Bank Balances	-	1,176,331
	<u>-</u>	<u>1,176,331</u>
9 TRADE RECEIVABLES		
Unsecured, Considered good		
Over Six months	26,984,874	25,572,870
Other Debts	-	-
	<u>26,984,874</u>	<u>25,572,870</u>
10 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in hand	-	-
Balances with Banks		
In Current account	361,563	842,980
Total Cash & Cash Equivalents	<u>361,563</u>	<u>842,980</u>
Other Bank Balances		
Deposits with original maturity of more than 12 months	-	1,176,331
	<u>-</u>	<u>1,176,331</u>
Total Cash & Bank Balances	<u>361,563</u>	<u>2,019,311</u>
Less : Non-current portion included in the other Non-current assets	-	1,176,331
	<u>361,563</u>	<u>842,980</u>
11 SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind	104,427	104,427
	<u>104,427</u>	<u>104,427</u>

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2014	Year Ended 31st March, 2013
12 REVENUE FROM OPERATIONS		
Sales of Services	-	7,098,706
	<u>-</u>	<u>7,098,706</u>
13 OTHER INCOME		
Miscellaneous Income	-	248,759
	<u>-</u>	<u>248,759</u>
14 CHANGES IN INVENTORIES		
Opening Stock	-	1,164,459
Purchases	-	-
Closing Stock	-	-
	<u>-</u>	<u>1,164,459</u>
15 OTHER EXPENSES		
Rates & Taxes	150,710	185,266
Rent	-	589,148
Communication Expenses	-	219,918
Subcontracting charges paid	-	5,196,296
Sundry balances written off	1,153,735	-
Legal Professional & Consultancy	179,274	141,217
Audit fees	127,882	23,844
Director Fees	89,637	81,471
Foreign Exchange Difference	-	6,518
Misc. Expenses	187,640	193,031
	<u>1,888,878</u>	<u>6,636,709</u>
16 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 Board of Directors

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

A. K. Patni
(Director)

Amit Kumar Patni
(Director)

Place : Mumbai
Date: 29th May, 2014

PCS TECHNOLOGY USA., INC

MANAGEMENT & ADMINISTRATION

DIRECTORS : H. C. Tandon Yash Bhardwaj
Sunil Doshi

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

DIRECTORS' REPORT

The Members,

PCS TECHNOLOGY USA, INC.

Your Directors have the pleasure in presenting their Tenth Annual Report of your company together with Audited Balance Sheet for the Financial Year ended on 31st March 2014.

During the financial year under review, the Company did not make any business transaction due to Companies operations were adversely affected in the past. The operations have resulted in a Net loss of ₹0.19 lakhs on account of sundry expenses.

DIVIDEND

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March 2014 and of the loss of the company for the said year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

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

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

During the year under review, the Company has not carried out any manufacturing activities. Hence information required pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

AUDITORS

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

By Order of the Board of Directors

Place : Mumbai Yash Bhardwaj H. C. Tandon
Date : 29th May 2014 Director Director

AUDITOR'S REPORT TO THE MEMBERS

To the Members of PCS Technology USA, Inc.

Report on the Financial Statements:

I have audited the accompanying financial statements of PCS Technology USA, Inc. ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956

("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion:

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, the said Order is not applicable in this case.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. in my opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

S.C.BANDI
(Proprietor)

Place : Mumbai
Date : 29th May 2014

Membership No.: 16932

ANNUAL REPORT 2013-2014

PCS TECHNOLOGY USA., INC



BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
Equity and Liabilities			
Shareholders' funds			
Share Capital	4	217,850	217,850
Reserves and Surplus	5	(4,137,562)	(3,768,282)
Current liabilities			
Trade payables	6	34,252,909	31,158,474
Other current liabilities	7	1,725,243	1,570,246
TOTAL		32,058,440	29,178,288
Assets			
Non-current assets			
Long term loans and advances	8	453,451	412,713
Current assets			
Trade Receivables	9	29,277,810	26,647,471
Cash and Bank balances	10	40,240	36,625
Short-term loans and advances	11	2,286,939	2,081,479
TOTAL		32,058,440	29,178,288

The accompanying notes are an integral part of the financial statements

As per my Report of even date attached

For S.C.Bandi & Company Chartered Accountants

For and on behalf of Board of Directors

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

Yash Bharadwaj
Director

H.C.Tandon
Director

Place : Mumbai
Date: 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
Revenue from Operations (net)		-	-
Other Income		-	-
Total Revenue		-	-
Expenses			
Other expenses	12	18,821	17,107
Total Expenses		18,821	17,107
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)		(18,821)	(17,107)
Less: Finance costs		-	-
Less: Depreciation and amortisation expense		-	-
Loss before tax		(18,821)	(17,107)
Tax expense		-	-
Loss for the year		(18,821)	(17,107)
Basic and Diluted Earnings per share		(7.53)	(6.84)

The accompanying notes are an integral part of the financial statements

As per my Report of even date attached

For S.C.Bandi & Company Chartered Accountants

For and on behalf of Board of Directors

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

Yash Bharadwaj
Director

H.C.Tandon
Director

Place : Mumbai
Date: 29th May, 2014

PCS TECHNOLOGY USA., INC

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1 BACKGROUND

PCS Technology USA Inc. was incorporated in the State of New Jersey USA on 29th November 2004 as a wholly owned subsidiary of PCS Technology Ltd. The Financial statement are for the year from 1st April, 2013 to 31st March, 2014. PCS Technology USA, Inc. is engaged in the business of providing Consultancy Services.

2 PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

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

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

- Income and expenditure incurred in foreign exchange have been translated at the average conversion rate of the accounting year. Current assets and current liabilities have been translated at the conversion rate as at 31st March, 2014.

Particulars	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
4 SHARE CAPITAL		
Authorised		
2,500 Equity shares of par value of USD 2 each	217,850	217,850
Issued Subscribed and Paid up		
2,500 Equity shares of par value of USD 2 each	217,850	217,850
	217,850	217,850

- Terms /Rights attached to equity shares

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

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

Name of Shareholder	31.03.2014		31.03.2013	
	No.	%	No.	%
PCS Technology Limited	2500	100	2500	100

Particulars	Year Ended 31st March 2014 (Amount in ₹)	Year Ended 31st March 2013 (Amount in ₹)
5 RESERVES AND SURPLUS		
Deficit in the Statement of Profit and Loss		
Opening balance	(3,285,716)	(3,268,609)
Loss for The Year	(18,821)	(17,107)
Closing balance	(3,304,537)	(3,285,716)
Currency Fluctuation Reserve	(833,025)	(482,566)
Total Reserves and Surplus	(4,137,562)	(3,768,282)
6 TRADE PAYABLES		
Trade Payables	34,252,909	31,158,474
	34,252,909	31,158,474
7 OTHER CURRENT LIABILITIES		
Consultancy Charges Payable	1,725,243	1,570,246
	1,725,243	1,570,246
8 LONG TERM LOANS AND ADVANCES		
Security Deposits	17,870	16,265
Taxes paid	435,581	396,448
	453,451	412,713
9 TRADE RECEIVABLES		
Unsecured, Considered good		
Over Six months	29,277,810	26,647,471
Other Debts	-	-
	29,277,810	26,647,471
10 CASH AND BANK BALANCES		
Cash in hand	5,879	5,351
Balances with Banks		
In Current account	34,361	31,274
	40,240	36,625
11 SHORT TERM LOANS AND ADVANCES		
Advances to Related Parties	2,286,939	2,081,479
	2,286,939	2,081,479
12 OTHER EXPENSES		
Auditors Fees	18,821	17,107
	18,821	17,107
13		

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

As per my Report of even date attached

For S.C.Bandi & Company
Chartered Accountants

For and on behalf of Board of Directors

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

Yash Bharadwaj
Director

H.C.Tandon
Director

Place : Mumbai
Date: 29th May, 2014

THIRTY THIRD ANNUAL REPORT 2013-2014



INDEPENDENT AUDITOR'S REPORT (CONSOLIDATED ACCOUNTS)

To the Board of Directors of PCS Technology Limited

I have audited the accompanying consolidated financial statements of PCS Technology Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

Other Matter

I did not audit the financial statement of PCS International Limited, Mauritius included in consolidated financial statement, constituting total assets of ₹274.51 lakhs and net assets of ₹178.31 lakhs as at 31st March 2014, total revenue of ₹ Nil, net loss of ₹18.89 lakhs and net cash flows amounting to ₹4.81 lakhs for the year ended. This financial statement and other financial information have been audited by other auditor whose report have been furnished to me and my opinion on the consolidated financial statements to the extent they have been derived from such financial statement is based solely on the report of management report.

Opinion

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai
Date : 30th May, 2014

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

PCS TECHNOLOGY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in ₹)

Particulars		Note No.	As at 31 st March 2014	As at 31 st March 2013
I.	EQUITY AND LIABILITIES			
1	Shareholders' Fund			
	Share capital	3	249,256,770	249,256,770
	Reserves and surplus	4	680,989,491	643,486,522
2	Non-Current Liabilities			
	Long term borrowings	5	33,647,535	132,706,092
	Deferred tax liability (net)	6	33,838,000	32,934,000
	Long term provisions	7	3,173,424	3,670,583
3	Current Liabilities			
	Short term borrowings	8	118,351,082	143,887,752
	Trade payables	9	125,674,498	157,328,803
	Other current liabilities	10	43,647,132	60,713,996
	Short term provisions	11	847,411	1,103,390
	TOTAL		1,289,425,343	1,425,087,908
II.	ASSETS			
1	Non-Current Assets			
	Fixed assets			
	(a) Tangible assets	12	262,037,340	271,484,512
	(b) Intangible assets	12	1,770,588	1,830,316
	(c) Intangible assets under development		1,778,744	5,872,303
	Non-current investments	13	258,430	418,430
	Long term loans and advances	14	77,991,107	104,622,484
	Other non-current assets	15	2,718,178	4,585,187
2	Current assets			
	Inventories	16	80,373,629	82,125,502
	Trade receivables	17	741,029,203	788,265,626
	Cash and bank balances	18	30,642,979	32,597,945
	Short term loans and advances	19	64,162,839	64,476,701
	Other current assets	20	26,662,306	68,808,902
	TOTAL		1,289,425,343	1,425,087,908

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

For and on behalf of the Board of Directors

S. C. Bandi
Proprietor
Membership no. 16932

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

Place : Mumbai
Date : 30th May, 2014

THIRTY THIRD ANNUAL REPORT 2013-2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014



(Amount in ₹)

Particulars		Note No.	Year Ended 31 st March 2014	Year Ended 31 st March 2013
I.	Revenue from operations (Net)	21	1,005,594,952	977,406,334
II.	Other Income	22	13,230,058	8,083,677
III.	Total Revenue (I+II)		1,018,825,010	985,490,011
IV.	Expenses:			
	Purchases of stock-in-trade		191,018,613	132,228,809
	Changes in inventories of stock-in-trade	23	2,139,051	3,600,541
	Employee benefits expense	24	487,521,562	567,841,597
	Other expenses	25	228,947,223	180,001,605
	Total expenses		909,626,449	883,672,552
V.	Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (III-IV)		109,198,561	101,817,459
	Less: Finance costs	26	29,032,292	45,881,354
	Less: Depreciation and amortisation expense	27	7,667,045	7,657,370
VI.	Profit before tax		72,499,224	48,278,735
VII.	Tax expense			
	Current tax		28,661,000	21,600,000
	Deferred tax		904,000	(5,992,000)
	Taxation pertaining to earlier years		5,061,849	(1,856,212)
	Total tax expense		34,626,849	13,751,788
	Profit for the year (VI-VII)		37,872,375	34,526,947
	Basic and Diluted earnings per equity shares of ₹ 10 each			
	1) Before extra ordinary items		1.81	1.65
	2) After extra ordinary items		1.81	1.65

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

For and on behalf of the Board of Directors

S. C. Bandi
Proprietor
Membership no. 16932

G. K. Patni
(Chairman)

H.C. Tandon
(Managing Director & CEO)

A. K. Patni
(Vice Chairman)

Place : Mumbai
Date : 30th May, 2014

PCS TECHNOLOGY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹)

Particulars	Year Ended 31 st March 2014	Year Ended 31 st March 2013
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	72,499,224	48,278,735
Adjustments for:		
Depreciation	7,667,045	7,657,370
Sundry balances written off	27,353,999	-
Fixed assets written off	2,013,257	-
(Profit)/ Loss from sale of fixed assets	151,187	425,997
Interest received	(4,019,608)	(4,734,255)
Dividend received	(32,400)	(115,820)
Excess provision written back of last year	7,710,019	-
Finance cost	29,032,292	45,881,354
Currency fluctuation reserve on capitalisation	1,421,555	529,064
Operating profit before working capital changes	143,796,570	97,922,445
Decrease/ (increase) in trade and others receivables	92,086,722	732,275
Decrease/ (increase) in inventories	1,751,873	6,493,849
(Decrease)/ increase in trade and other payables	(49,474,307)	(157,555,229)
Cash generated from operations	188,160,858	(52,406,660)
Income tax paid (net of refunds)	(44,501,156)	(11,299,753)
Net cash flow from/ (used in) operating activities	143,659,702	(63,706,413)
B. Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress and capital advances)	1,925,078	(7,881,545)
Purchase of non-current investments	-	-
Sale of non-current investments	-	500,000
Proceeds from sale of fixed assets	150,404	99,544,075
Interest received	4,062,664	5,196,816
Movement in Margin money deposits with original maturity of more than 12 months	1,842,305	6,315,891
Dividend received	32,400	115,820
Net cash from/ (used in) investing activities	8,012,851	103,791,057
C. Cash from financing activities		
Repayment of long-term borrowings (net)	(99,058,557)	(519,316,649)
Repayment of short-term borrowings (net)	(25,536,670)	(71,887,941)
Issue of shares at premium	-	536,625,000
Finance cost	(29,032,292)	(45,881,354)
Net cash from/ (used in) financing activities	(153,627,519)	(100,460,944)
Net increase/ (decrease) in cash and cash equivalents	(1,954,966)	(60,376,300)
Cash and cash equivalents at beginning of the year	32,597,945	92,974,245
Cash and cash equivalents at end of the year	30,642,979	32,597,945

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 : 30th May, 2014

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 THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1. CONSOLIDATION OF ACCOUNTS

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

Name of the Subsidiary	Country of Incorporation	Percentage of Holding
PCS International Limited	Mauritius	100%
PCS Technology USA, Inc.	United States	100%
PCS Positioning System (India) Limited	India	100%
PCS Infotech Limited	India	100%

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

The Company has prepared its financial statements in accordance with Revised Schedule VI notified under the Companies Act, 1956. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements.

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

- The Financial Statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses.
- Figures pertaining to the Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

(B) SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets:

- (i) Fixed Assets other than mentioned in item no.(ii) and (iii) below, are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use less accumulated depreciation. Preoperative expenses capitalized forms part of the cost of assets.
- (ii) On 1st January 1995, the Company had revalued its immovable property in Rajkot by ₹819,300 and in Kolkata by ₹12,294,500 on the basis of a report of Government approved valuer. Consequently, increase in value of ₹13,113,800 was transferred to the Revaluation Reserve Account.
- (iii) On 30th June 2009, the Company has revalued Land and Buildings in Rajkot by ₹1,810,939 and in Kolkata by ₹7,987,166 on the basis of a report of Government approved valuer. Consequently, increase in value of ₹9,798,105 was transferred to the Revaluation Reserve Account.
- (iv) On 28th December 2011, the Company has revalued its office premises located in Technocity, Navi Mumbai, on the basis of a Government approved valuer. Consequently increase in value of ₹87,705,187 is transferred to Revaluation Reserve Account.

Other Accounting Policies

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

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
3 SHARE CAPITAL		
Authorised:		
21,025,000 Equity shares of ₹ 10 each	210,250,000	210,250,000
3,975,000 Redeemable, Non-Convertible & Non-Cumulative Preference Shares of ₹ 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 Shares of ₹ 10 each	209,506,770	209,506,770
3,975,000 (Previous year - 3,975,000) 9% Redeemable, Non-Convertible & Non-Cumulative Preference Shares of ₹ 10 each	39,750,000	39,750,000
	249,256,770	249,256,770

a) Terms/ Rights attached to Equity Shares:

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

b) Terms/ Rights attached to Preference Shares:

The Company has only one class of preference shares having a par value of ₹ 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.

c) Reconciliation of the shares outstanding at the beginning and end of the year 31st March 2014.

Particulars	Equity Shares		Preference Shares	
	Number	Amount in ₹	Number	Amount in ₹
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 31/03/2014		As at 31/03/2013	
	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 31/03/2014		As at 31/03/2013	
	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

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
4 RESERVES AND SURPLUS		
Capital reserves		
Opening balance	733,418	-
Add: Transfer from forfeited partly paidup equity shares	-	733,418
Closing balance	<u>733,418</u>	<u>733,418</u>
Securities premium account		
Opening balance	496,875,000	-
Add: on account of issued of Pref shares during Current year issue	-	496,875,000
Closing balance	<u>496,875,000</u>	<u>496,875,000</u>
Revaluation reserve		
Opening balance	101,415,037	192,635,810
Less: Transfer to Statement of Profit and Loss		
- On account of depreciation	1,790,961	1,815,578
- On account of loss on sale of revalued assets	-	4,557,467
Less: Transfer to General Reserve on sale of revalued fixed assets (see note below)	-	84,847,728
Closing balance	<u>99,624,076</u>	<u>101,415,037</u>
General Reserve		
Opening balance	64,477,728	-
Add: Transfer from Revaluation Reserve (net of taxes-see note below)	-	64,477,728
Closing balance	<u>64,477,728</u>	<u>64,477,728</u>
Surplus in Statement of Profit and Loss		
Opening balance	(30,506,144)	(65,033,091)
Add: Profit for the year	37,872,375	34,526,947
Closing balance	<u>7,366,231</u>	<u>(30,506,144)</u>
Currency Fluctuation Reserve	11,913,038	10,491,483
	<u>11,913,038</u>	<u>10,491,483</u>
Total Reserves and Surplus	<u>680,989,491</u>	<u>643,486,522</u>
Note: Profit on revalued assets, to the extent of revalued portion has been transferred from Revaluation Reserve to General Reserve, net of current and deferred tax charge.		
5 LONG TERM BORROWINGS		
Secured		
<u>Term loans:</u>		
a) From banks	647,535	1,551,487
b) Other than banks	-	6,404,605
	<u>647,535</u>	<u>7,956,092</u>
Unsecured		
Directors	33,000,000	123,800,000
Inter corporate deposits	-	950,000
	<u>33,000,000</u>	<u>124,750,000</u>
Total long term borrowings	<u>33,647,535</u>	<u>132,706,092</u>

- 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 ₹ 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 ₹ 60,730 from January 2013.
 - The vehicle loan of ₹ 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 ₹ 24,272 from January 2013.

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
b) The Term Loan from HDFC Limited (original loan amount - ₹1.20 crores) carries interest @ 12 to 15% p.a. and fully repaid in current year.		
c) The loans taken from Directors are interest free and are returnable after 31st March, 2015.		
6 DEFERRED TAX LIABILITY		
Deferred tax liability: on account of depreciation	35,143,000	34,483,000
Deferred tax asset: on expenses allowed on payment basis	(1,305,000)	(1,549,000)
Deferred tax liability (Net)	33,838,000	32,934,000
7 LONG TERM PROVISIONS		
Long-term provision for leave benefits	3,173,424	3,670,583
	3,173,424	3,670,583
8 SHORT TERM BORROWINGS		
Secured		
Term loans	-	77,734
Cash credit from banks	94,096,287	119,515,476
Working capital loan	24,254,795	24,294,542
	118,351,082	143,887,752
a) Cash credit and Working Capital Demand Loan is secured against hypothecation of inventories and bookdebts of the Company as well as first charge on the fixed assets of the Company and carries interest @ 12.00%-12.50% p.a.		
9 TRADE PAYABLES		
Trade payables (Refer note 32 for details of dues to Micro, Small and Medium enterprises)	125,674,498	157,328,803
	125,674,498	157,328,803
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (refer note 5)	903,951	3,118,055
Trade advances	3,459,337	5,997,221
Income received in advance	23,494,472	36,582,721
Statutory dues and taxes payable	15,789,372	14,865,069
Other payables	-	150,930
	43,647,132	60,713,996
11 SHORT TERM PROVISIONS		
Short-term provision for leave benefits	847,411	1,103,390
	847,411	1,103,390

12 FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block		
	As at			As at	As at	For the		As at	As at	As at	
	01/04/2013	Additions	Deduction	31/03/2014	01/04/2013	year	Deduction	31/03/2014	31/03/2014	31/03/2013	
Tangible Assets											
1 Leasehold Land	1,177,904	-	-	1,177,904	482,593	31,214	-	513,807	664,097	695,311	
2 Building	229,246,352	-	-	229,246,352	9,895,757	3,736,715	-	13,632,472	215,613,880	219,350,595	
3 Plant and Equipment	21,206,456	-	2,036,924	19,169,532	7,125,066	932,646	1,686,004	6,371,708	12,797,824	14,081,390	
4 Furniture and Fixture	17,429,914	101,320	4,944,084	12,587,150	7,503,299	920,017	3,836,727	4,586,589	8,000,561	9,926,615	
5 Vehicle	9,480,271	537,479	580,679	9,437,071	2,375,480	878,928	362,116	2,892,292	6,544,779	7,104,791	
6 Office Equipment	37,332,124	1,423,824	8,111,921	30,644,027	17,006,314	2,698,758	7,477,244	12,227,828	18,416,199	20,325,810	
	315,873,021	2,062,623	15,673,608	302,262,036	44,388,509	9,198,278	13,362,091	40,224,696	262,037,340	271,484,512	
Intangible Assets											
7 Software	10,432,581	200,000	-	10,632,581	8,602,265	259,728	-	8,861,993	1,770,588	1,830,316	
Total	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	273,314,828	
Previous Year	448,332,448	10,278,472	128,008,230	330,602,690	70,667,087	9,472,948	22,852,173	57,287,862	273,314,828	-	

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars			As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
13 NON-CURRENT INVESTMENTS				
(Non-trade, at-cost, un-quoted, unless otherwise stated)				
	Number	Face Value P.U.		
a) <u>Investments in equity instruments</u>				
<u>In Other Companies (Quoted)</u>				
Longview tea Limited	200	10	13,000	13,000
Chennai Petroleum Corpn	1,300	10	104,000	104,000
NEPC Micon Limited	400	10	12,000	12,000
Asit C Mehta Financial Services Limited	5,000	10	50,000	50,000
Riga Sugar Co Limited	2,200	10	110,000	110,000
Western India Industries Limited	7,500	10	450,000	450,000
			739,000	739,000
<u>In Other Companies (Unquoted)</u>				
Saraswat Coop Bank Limited	1,000	10	10,000	10,000
Total of investments in equity instruments			749,000	749,000
b) <u>Investment in Government securities</u>				
National Savings Certificate	4	1000	4,000	4,000
			4,000	4,000
c) <u>Investment in Mutual funds (Quoted)</u>				
Master shares of UTI	14,400	10	140,430	140,430
			140,430	140,430
Total investments			893,430	893,430
Less: Provision for diminution in value of quoted investments			635,000	475,000
Net investments			258,430	418,430
Aggregate amount of quoted Investments			879,430	879,430
(Market value ₹6,08,834 previous year ₹7,70,342)				
Aggregate amount of Unquoted Investments			14,000	14,000
Aggregate provision for diminition in value of investments			635,000	475,000
14 LONG TERM LOANS AND ADVANCES				
Unsecured, Considered good				
Security Deposits			12,666,853	13,921,831
Rent deposit - Related Parties (refer note 36)			4,306,700	4,306,700
Income tax paid (Net of provisions)			56,699,059	80,922,243
Advances recoverable in cash or in kind			4,318,495	5,471,710
Advances - Related Parties (refer note 36)			-	-
			77,991,107	104,622,484
15 OTHER NON CURRENT ASSETS				
Non Current Bank Balances (refer note no 18)			2,718,178	4,560,483
Unamortised expenses			-	24,704
			2,718,178	4,585,187
16 INVENTORIES				
Stores & Spares*			76,995,892	76,608,714
Stock-in-trade			3,377,737	5,516,788
			80,373,629	82,125,502
17 TRADE RECEIVABLES				
Unsecured, considered good				
Over six months*			453,664,544	477,181,049
Other Debts			287,364,659	311,084,577
			741,029,203	788,265,626

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
18 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash in hand	5,989,941	8,247,476
Balances with Banks		
In Current account	19,965,054	14,304,397
Deposits with original maturity of less than 3 months	1,608,733	4,366,147
	<u>27,563,728</u>	<u>26,918,020</u>
Other Bank Balances		
Deposits with Original maturity of more than 3 months but less than 12 months	3,079,251	5,679,925
Deposits with Original maturity of more than 12 months	2,718,178	3,384,152
	<u>5,797,429</u>	<u>9,064,077</u>
Total Cash & Bank Balances	33,361,157	35,982,097
Less: Non-current portion included in Other Non current assets	<u>2,718,178</u>	<u>3,384,152</u>
	<u>30,642,979</u>	<u>32,597,945</u>
19 SHORT TERM LOANS AND ADVANCES		
Loans and advances to employees	869,225	687,705
Deposits/ Balance with Excise/ Sales Tax Authorities	10,921,934	12,917,556
Advance to Suppliers*	24,041,785	26,187,402
Earnest Money Deposit	13,482,468	19,158,212
Advances recoverable in cash or in kind (short term)	14,303,000	5,525,826
Advances - Related Parties (refer note 36)	544,427	-
	<u>64,162,839</u>	<u>64,476,701</u>
20 OTHER CURRENT ASSETS		
Revenue Accrued	26,498,424	68,601,964
Interest Accrued	139,178	182,234
Unamortised expenses	24,704	24,704
	<u>26,662,306</u>	<u>68,808,902</u>
21 REVENUE FROM OPERATIONS		
Traded goods		
Computers peripherals & softwares	233,790,717	173,747,221
Sales of Services		
Computers related IT services	771,804,235	801,393,565
Other operating revenue	-	2,265,548
Net Sales	<u>1,005,594,952</u>	<u>977,406,334</u>
22 OTHER INCOME		
Dividend from long term investments	32,400	115,820
Foreign exchange difference (Net)	1,231,499	878,200
Interest income	4,019,608	4,734,255
Other non-operating income	7,946,551	2,355,402
	<u>13,230,058</u>	<u>8,083,677</u>

*Refer note no.31 of the Notes to the Consolidated Financial Statements for Scheme of Amalgamation and Arrangement and setting off certain stressed assets upto ₹65 cr. using Security Premium Reserve and other available Reserves. The effect will be considered upon approval of the Scheme.

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

TECHNOLOGY

Particulars	As at 31st March 2014 (Amount in ₹)	As at 31st March 2013 (Amount in ₹)
23 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventory at the end of the year		
Trading - Computers peripherals & software	3,377,737	5,516,788
Inventory at the beginning of the year		
Trading - Computers peripherals & software	5,516,788	9,117,329
(Increase)/ Decrease in Inventory	<u>2,139,051</u>	<u>3,600,541</u>
24 EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	444,749,314	519,105,194
Contribution to Provident Fund etc.	36,322,553	40,730,832
Staff Welfare expenses	6,449,695	8,005,571
	<u>487,521,562</u>	<u>567,841,597</u>
Refer Note No.28 for disclosures as required by AS -15 "Employee Benefits"		
25 OTHER EXPENSES		
Power & fuel	4,309,692	6,952,478
Rent	6,833,659	6,689,841
Rates & taxes	1,189,058	775,221
Insurance	2,611,550	3,143,088
Advertisement & sales promotion	2,144,657	2,238,978
Travelling and conveyance expenses	37,889,896	37,364,241
Consumable, stores and spares	69,325,450	51,096,778
Office maintainence	4,296,281	3,505,158
Printing & stationery	3,553,399	3,349,888
Repairs to building	964,696	968,877
Communication expenses	4,148,867	5,948,042
Auditor's remuneration		-
- As Auditors	580,130	466,878
- For Tax audit	50,000	50,000
- For Certificate/ limited review	170,143	151,686
Legal, professional & consultancy charges	9,783,820	8,927,637
Freight & forwarding	7,459,151	6,806,769
Directors sitting fees	439,637	531,471
Bad debts written off	14,979,948	-
Capital work in progress written off	4,202,946	-
Subcontracting charges paid	33,428,560	26,392,602
Sales & Work contract tax paid	1,620,282	2,425,830
Loss on sale/ disposal of non-revalued fixed assets	2,164,444	425,997
Miscellaneous expenses	16,800,957	11,790,145
	<u>228,947,223</u>	<u>180,001,605</u>
26 FINANCE COST		
Interest expense	25,925,156	43,165,599
Other borrowing cost	3,107,136	2,715,755
	<u>29,032,292</u>	<u>45,881,354</u>
27 DEPRECIATION		
Depreciation and amortisation	9,458,006	9,472,948
Less: Transfer from revaluation reserve	(1,790,961)	(1,815,578)
	<u>7,667,045</u>	<u>7,657,370</u>

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

28. Employee Benefits

- a) Contribution to Provident Fund of ₹1,95,70,530 (previous year ₹2,03,40,368) is recognized as an expense and included in Contribution to Provident Funds etc. in the Statement of Profit and Loss..
- b) Defined Benefit plans in respect of Gratuity and leave encashment - as per actuarial valuation.

(Amount in ₹)

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	15,700,842	4,773,973	16,949,209	6,865,490
Interest cost	1,142,992	327,911	717,303	410,819
Current service cost	1,655,268	1,324,327	1,771,018	1,435,870
Past service cost-(vested benefits)	-	-	-	-
Benefit paid	(2,826,878)	(1,350,182)	(15,965,848)	(3,460,494)
Actuarial (Gain)/ Loss	(349,670)	(1,055,194)	12,229,160	(477,712)
Liability at the end of the year	15,322,554	4,020,835	15,700,842	4,773,973
2 Change in Fair value of Plan Assets				
Fair value of Plan assets at beginning of year	15,827,046	-	17,434,869	-
Adjustments to opening balance	(977,451)	-	9,306,628	-
Expected Return on Plan assets	1,843,339	-	2,536,029	-
Contributions	3,850,000	1,350,182	4,750,000	3,460,494
Benefit paid	(2,826,878)	(1,350,182)	(15,965,848)	(3,460,494)
Actuarial (Gain)/ Loss on plan assets	(1,688,419)	-	(2,234,632)	-
Fair value of Plan assets at end of year	16,027,637	-	15,827,046	-
3 Expenses recognized in Profit & Loss				
Current service cost	1,655,268	1,324,327	1,771,018	1,435,870
Interest cost	1,142,992	327,911	717,303	410,819
Expected Return on Plan assets	(1,843,339)	-	(2,536,029)	-
Actuarial (Gain)/ Loss	1,338,749	(1,055,194)	14,463,792	(477,712)
Expenses recognized in the P&L a/c	2,293,670	597,044	14,416,084	1,368,977
4 Actuarial Assumptions				
Discount rate	8.00%		8.00%	
Salary escalation rate	5.00%		5.00%	
Expected Return on Plan assets	12.00%		12.00%	
Retirement age	58 Years		58 Years	
Mortality	LIC (1994-96)		LIC (1994-96)	

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

29. Note on Contingent Liability:

In respect of outstanding performance bank guarantees furnished to various customers against margin deposits as on 31st March 2014 is ₹7,05,10,715 (Previous Year – ₹13,69,30,473).

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

- 1 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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.

- 2 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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.

- 3 The Company has received a show cause notice u/s 73 of Finance Act 1994 from Commissioner of Service Tax, Mumbai demanding ₹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 ₹2,29,04,559 (Previous Year: ₹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 ₹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 ₹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 ₹44,28,762 from the Commissioner of Central Excise(Appeal), Vapi on the ground of irregular availment of Central Excise during the period April 2004 - March 2005.

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

- 5 The Company has received a Show Cause Notice from Director of Intelligence demanding ₹ 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.

(c) Status of statutory dues under disputes and settled during the current year:

- 1 In the current year the Appellate Tribunal Customs, Central Excise & Service Tax, Mumbai has passed the order in favor of the Company and set aside the demand of ₹20,20,103 which was earlier raised by Commissioner of Customs, Pune on Custom Duty on import of raw material used in manufacturing of copper cladlaminates for the period from 1997 - 2002.

31. The Board of Directors in their meeting held on August 14, 2013 had approved the Scheme of Amalgamation & Arrangement between PCS Positioning Systems (India) Limited ('PPSIL') and PCS International Limited, Mauritius ('PIL Mauritius') and PCS Technology Limited ('PTL' or 'the Company'). The Scheme inter-alia provided for the merger of PPSIL and PIL Mauritius into PTL effective from March 31, 2014 (Appointed Date). The Scheme also provided for write off of certain stressed assets against the Securities Premium Account and other available reserves.

In terms of SEBI circular dated February 4, 2013 read with circular dated May 21, 2013, the Company had also obtained a No Objection Letter dated November 26, 2013 from BSE Limited, the designated Stock Exchange. Due to certain delays the Company did not proceed with the

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

implementation of the Scheme. There were also certain developments impacting PPSIL, due to which the Board of the Company at their meeting held on May 21, 2014 decided to altered the Scheme ('Altered Scheme') by (a) Withdrawing the merger of PCS Positioning Systems (India) Limited with the Company; and (b) Amending the Appointed Date to April 1, 2014.

The Altered Scheme therefore provides for amalgamation of PCS International Limited, Mauritius ('PIL Mauritius') with the Company and write off certain stressed assets against Securities Premium Account and other available reserves. As the Scheme is intends to adjust some assets using above Reserves, the adjustment does not impact on Statement of Profit & Loss of current year.

The Company has already initiated steps to intimate Stock Exchanges & SEBI about the Altered Scheme which will also be subject to the approval of shareholders and relevant jurisdictional authorities.

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

(Amount in ₹)

Particulars	As at 31/3/2014	As at 31/3/2013
Principle amount due to suppliers under MSMED Act at the year end	28,164	39,999
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid at the year end	3,367	594
Payment made to suppliers (other than interest) beyond the appointed day during the year	16,875	14,063
Interest paid to suppliers under MSMED Act during the year	-	-
Interest due & payable to suppliers under MSMED Act for payments already made	566	111
Interest accrued & remaining unpaid at the end of the year to supplier under MSMED Act.	3,933	705

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

Particulars	31/3/2014		31/3/2013	
	Amount in ₹	%	Amount in ₹	%
Imported	1,526,742	0.80%	2,414,462	1.83
Indigenous	189,491,871	99.20%	129,814,347	98.17
	191,018,613	100.00%	132,228,809	100.00

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

Amount in ₹

Particulars	31/3/2014	31/3/2013
Raw Material, Store & spares and Computer Peripherals	1,615,246	2,658,962

(C) Expenditure in foreign currency:

Particulars	31/3/2014	31/3/2013
Traveling	5,396,786	4,030,235

(D) Earning in foreign currency:

Particulars	31/3/2014	31/3/2013
Export sales and services	40,964,140	9,571,868

34. Particulars of Earnings per Shares:

Particulars	31/3/2014	31/3/2013
a) Net Profit for the year		
Before extraordinary items (₹)	37,872,375	34,526,947
After extraordinary items (₹)	37,872,375	34,526,947
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 (₹)	10.00	10.00
d) Basic and diluted Earning per share (₹) (a/b)		
Before extraordinary items	1.81	1.65
After extraordinary items	1.81	1.65

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

35. 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.

36.1 Related parties disclosures:

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

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

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

a Key Management Personnel

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

b Relatives of Key Management Personnel

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

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

1. Ashoka Computer Systems Private Limited
2. PCS Cullinet Private Limited
3. PCS Finance Private Limited
4. Kalpavruksh Systems Limited
5. Saulese Energija Limited
6. AAP & Associates LLP
7. Patni Healthcare Limited

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

36.2 Transactions carried out with related parties referred above, in ordinary course of business: (Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Sales of goods and services	-	-	930,987	930,987
	-	-	(2,693,977)	(2,693,977)
Rent paid	255,000	-	-	255,000
	(-)	-	-	(-)
Reimbursement of expenses paid	-	-	428,988	428,988
	-	-	(-)	(-)
Advances given	-	-	-	-
	-	-	-	(-)
Recovery of expenses received	-	-	436,894	436,894
	-	-	(-)	(-)
Investments	-	-	-	-
	-	-	-	-
Security Deposit -Rent given	54,000	-	-	54,000
	(-)	-	-	(-)
Security Deposit -Rent refund received	-	-	406,700	406,700
	-	-	(-)	(-)
Loan taken	-	-	-	-
	(110,000,000)	-	-	(110,000,000)
Loan Refunded	65,800,000	-	950,000	66,750,000
	(556,000,000)	-	(-)	(556,000,000)
Advance refunded against sale of Property	-	-	-	-
	(110,000,000)	-	-	(110,000,000)
Remuneration to Directors	2,749,400	-	-	2,749,400
	(2,748,876)	-	-	(2,748,876)

36.3 Balance outstanding as on 31st March 2014: (Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates	Total
Receivable	-	-	438,878	438,878
	-	-	(1,709,557)	(1,709,557)
Loan taken	33,000,000	-	-	33,000,000
	(98,800,000)	-	(950,000)	(99,750,000)
Advances given	-	-	-	-
	-	-	-	-
Property deposits	-	3,954,000	-	3,954,000
	-	(3,900,000)	(406,700)	(4,306,700)

36.4 Significant transactions carried out with related parties referred above, in ordinary course of business: (Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Sales of goods and services			
PCS Infotech Limited	-	-	-
	-	-	-
PCS International Limited, Mauritius	-	-	-
	-	-	-
Kalpavruksh Systems Limited	-	-	930,987
	-	-	(902,592)
Patni Healthcare Limited	-	-	-
	-	-	(1,756,608)
Rent paid			
Mr. A. K. Patni	180,000	-	-
	(-)	-	-
Mr. Apoorva Patni	75,000	-	-
	(-)	-	-
Recovery of expenses received			
PCS Infotech Limited	-	-	-
	-	-	-
Saulese Energija Limited	-	-	135,297
	-	-	(-)
Patni Healthcare Limited	-	-	301,597
	-	-	(-)

THIRTY THIRD ANNUAL REPORT 2013-2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Kalpavruksh Systems Limited			43,517 (-)
PCS Technology USA, Inc.	-	-	-
PCS International Limited, Mauritius	-	-	-
Advances given			
PCS Positioning Systems (India) Limited	-	-	-
Reimbursement of expenses paid			
PCS International Limited, Mauritius	-	-	-
AAP & Associates LLP			428,988 (-)
Investments			
PCS Infotech Limited	-	-	-
Loan Taken			
Mr. A.K.Patni	(110,000,000)	-	-
Loan Refunded			
Mr. A. K. Patni	65,800,000 (356,000,000)	-	-
Mr. G.K. Patni	(200,000,000)	-	-
Ashoka Computer Systems Private Limited	-	-	200,000 (-)
PCS Cullinet Private Limited	-	-	200,000 (-)
PCS Finance Private Limited	-	-	550,000 (-)
Advance refunded against sale of Property			
Mr. A K Patni	(110,000,000)	-	-
Security Deposit - Rent refunded			
Ashoka Computer Systems Private Limited	-	-	100,270 (-)
PCS Cullinet Private Limited	-	-	101,400 (-)
PCS Finance Private Limited	-	-	205,030 (-)
Remuneration to Directors			
Mr. H.C.Tandon	2,749,400 (2,748,876)	-	-

36.5 Significance closing balances outstanding as on 31st March 2014:

(Amount in ₹)

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Receivable			
PCS Positioning Systems (India) Limited	-	-	-
PCS Infotech Limited	-	-	-
PCS International Limited, Mauritius	-	-	-
PCS Technology USA., Inc.	-	-	-
Patni Healthcare Limited	-	-	438,878 (1,709,557)
Loan Taken			
Mr. A.K. Patni	23,000,000 (88,800,000)	-	-
Mr. G.K. Patni	10,000,000 (10,000,000)	-	-

PCS TECHNOLOGY LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Description	Key Management Personnel	Relative of key Management Personnel	Affiliates
Ashoka Computer Systems Pvt. Ltd.	-	-	-
	-	-	(200,000)
PCS Finance Private Limited	-	-	-
	-	-	(550,000)
PCS Cullinet Private Limited	-	-	-
	-	-	(200,000)
Advances given			
PCS Positioning Systems (India) Limited	-	-	-
	-	-	-
Property Deposits			
Late Mrs. Kanchanbai Patni		1,100,000 (1,100,000)	
Mrs. Rajnikanta Patni	-	600,000 (600,000)	-
	-	(600,000)	-
Mrs. Sadhana Patni	-	700,000 (700,000)	-
	-	(700,000)	-
Ms. Apoorva Patni	-	600,000 (600,000)	-
	-	(600,000)	-
Mr. Arihant Patni	-	500,000 (500,000)	-
	-	(500,000)	-

Note: Previous year figures are shown in brackets

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

Amount of loans outstanding from subsidiaries

Name of the subsidiaries	Amount in ₹
PCS Positioning Systems (India) Limited	25,000,000
	(-)
PCS Infotech Limited	2,000,000
	(-)

Note: Previous year figures are shown in brackets

37(b) Details of Investment by the Loanee in the shares of the Company:

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

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

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 : 30th May, 2014

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

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



PROXY

DP. Id	
--------	--

Folio No.	
-----------	--

Client Id	
-----------	--

No. of Shares held	
--------------------	--

I/We _____

of _____ in the district of _____

_____ being a member/members of the above named Company

hereby appoint _____

of _____ in the district of _____

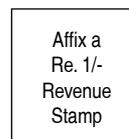
_____ or failing him _____

of _____ in the district of _____

as my/our proxy to vote for me/us, on my/our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the members of PCS Technology Limited to be held at Hotel Aaradhana Garden situated at Gat No.123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 17th September, 2014 at 12.00 p.m. and at any adjournment thereof.

Signed by the said _____

Signed this _____ day of _____ 2014



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



ATTENDANCE SLIP

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

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

DP. Id	
--------	--

Folio No.	
-----------	--

Client Id	
-----------	--

Name of the Proxy (in Block Letters to be filled in, if the Proxy attends instead of the member) or Company Representative

_____ No. of Shares held _____

I hereby record my presence at the THIRTY THIRD ANNUAL GENERAL MEETING of the members of PCS Technology Limited held at Hotel Aaradhana Garden situated at Gat No.123, Alandi Markaal Road, Tal. Khed, Alandi, Dist. Pune 412 106 on Wednesday, 17th September, 2014 at 12.00 p.m.

Signature of the Shareholder or Proxy or Company Representative



PCS TECHNOLOGY LIMITED

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