

PCS INFOTECH LIMITED

MANAGEMENT & ADMINISTRATION

DIRECTORS : Gajendra kumar Patni, Ashok Kumar Patni, Yash Bhardwaj, S. Ravikumar

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

CIN : U72900PN2012PLC145598

DIRECTORS' REPORT

The Members,

PCS INFOTECH LIMITED

Your Directors of the Company are pleased to present the 6th Annual Report with the statement of Audited financial accounts for the financial year ended 31st March 2018.

FINANCIAL RESULTS (Rs in lakhs)

Particulars	Financial Year ended 31.03.2018	Financial Year ended 31.03.2017
Net Sales and other Income	6.27	9.89
Expenses	0.42	0.24
Profit/ (Loss) before interest , depreciation & taxation	5.85	7.54
Interest	-	-
Depreciation	-	-
Profit /(Loss) before Taxation	05.85	07.54
Provision for Taxation (Net)	03.68	01.91
Net Profit / (loss) for the year	02.17	05.62

OPERATIONS

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

EXTRACTS OF ANNUAL RETURN

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

DIVIDEND

In order to conserve the resources of the Company, your Directors express their inability to recommend any dividend for the financial year ended 31st March 2018.

RESERVES

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

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITIONS OF THE COMPANY

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

DIRECTORS

Retirement by Rotation

As per Article 105 of the Articles of Association of the Company, Mr. Ravi Kumar Sankaran and Mr. Ashok Kumar Patni, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your company.

Meetings

During the year under review, four Board Meetings were convened and held as on 15th May, 2017, 8th August, 2017, 27th November, 2017 and 9th February, 2018. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Statutory Auditors

The Company's Auditors, Mr. S.C Bandi of M/s S.C Bandi & Co., Chartered Accountants, Mumbai were appointed by the shareholders at the 3rd Annual General Meeting held on 10th September, 2015 to hold office until the conclusion of the 8th Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2018 and of the profit of the company for the said year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. Annual Accounts have been prepared on a going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

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

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

Place: Mumbai,
Date: 23rd May, 2018

A.K.Patni
Director
(Din:00014194)

G.K Patni
Director
(Din: 00014163)

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

CIN	U72900PN2012PLC145598
Registration Date	05/12/2012
Name of the Company	PCS Infotech Limited
Category/Sub-category of the Company	Computer Information Technology & Information Technology Enabled Services
Address of the Registered office & contact details	S. No. 1A, F-1, Irani Market Compound, Yerawada, Pune- 411006
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	N.A	N.A	N.A	N.A	N.A

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	7	7	-	-	7	7	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	499993	499993	100%	-	499993	499993	100%	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Director/ Relatives	-	-	-	-	-	-	-	-	-
g) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(1)	-	499993	499993	100%	-	499993	499993	100%	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) Individuals (NRIs /Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total A(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-

PCS INFOTECH LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Any Other	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Other Directors /Relatives	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	500000	500000	100%	-	500000	500000	100%	-

ii. **Shareholding of Promoter & Promoter Group**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s PCS Technology limited (PTL)	499,993	100%	-	499,993	100%	-	-
2	Mr. A. K. Patni- Nominee of PTL	1	0%	-	1	0%	-	-
3	Mr. Gajendrakumar Patni- Nominee of PTL	1	0%	-	1	0%	-	-
4	Mr. Harish Chandra Tandon- Nominee of PTL	1	0%	-	1	0%	-	-
5	Mr.Yash Bhardwaj- Nominee of PTL	1	0%	-	1	0%	-	-
6	Mr. Ravi Kumar Sankaran- Nominee of PTL	1	0%	-	1	0%	-	-
7	Mr. Mir Prakash Jain- Nominee of PTL	1	0%	-	1	0%	-	-
8	Mr. Dinesh Maheshwari- Nominee of PTL	1	0%	-	1	0%	-	-

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

There is no change in Promoters holding as on 31st March, 2018.

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	N.A.	N.A.	N.A.	N.A.	N.A.

iv. **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Gajendrakumar Patni	1	0%	1	0%
2	Mr. Ashokkumar S. Patni	1	0%	1	0%
3	Mr. Yash Bhardwaj	1	0%	1	0%
4	Mr. Ravi kumar Sankaran	1	0%	1	0%

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

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

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount Rs.
		-	-
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

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

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

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

(Rupees)

SN	Particulars of Remuneration	Name of the KMP		
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

TO THE MEMBERS OF PCS INFOTECH LIMITED

Report on the Standalone Financial Statements

1. I have audited the accompanying standalone financial statements of PCS Infotech Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

8. In my opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016' issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me, I give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

1. I have sought and obtained all the information and explanations which to the best of I knowledge and belief were necessary for the purposes of my audit.
2. In my opinion, proper books of account as required by law have been kept by the

Company so far as it appears from our examination of those books.

3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to my separate report in "Annexure-B" and
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
 - i. There were no pending litigations on Company's financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with books of accounts maintained by the Company.

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

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

Place: Mumbai
Date : 22 May 2018

ANNEXURE-A TO THE AUDITOR'S REPORT

- (i) (a) The Company is not holding physical fixed assets during the current period covered under audit. Therefore, the provisions of sub-clauses (a) and (b) of clause (i) of paragraph 3 of the Order are not applicable.
- (ii) The Company do not hold any physical inventories during the current financial year covered under audit and also in immediately preceding financial year. Therefore, the provisions of sub-clauses (a) to (c) of clause (ii) of paragraph 3 of the Order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees, and securities, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the Company.
- (v) The Company has not accepted any deposits, hence, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 for any of the products of the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed

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amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to me, there are no cases in which dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute as at 31st March 2018.
- (viii) According to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions, banks or Government.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not raised term loan during the year. Hence, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to me, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to me, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company. Hence the provisions of the clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to me, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

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

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

Place: Mumbai
Date : 22 May 2018

ANNEXURE-B TO THE AUDITOR'S REPORT

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

I have audited the internal financial controls over financial reporting of PCS Infotech Limited ("the Company") as of 31st March 2018 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai
Date : 22 May 2018

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PCS INFOTECH LIMITED



BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
I ASSETS				
1 Non-Current assets				
a) Other assets	3	-	-	1,416,764
Total Non-Current Assets				1,416,764
2 Current assets				
b) Financial assets				
i) Investments	4	6,016,200	-	-
ii) Trade receivables	5	-	-	220,562
iii) Cash and cash equivalents	6	2,151,436	938,149	896,460
iv) Loans	7	153,904	7,193,315	5,023,693
C) Current tax assets (net)	8	-	-	-
d) Current assets	9	80,718	80,718	61,324
Total Assets		8,402,258	8,212,182	7,618,803
		-	-	-
II EQUITY AND LIABILITIES				
1 Equity				
(a) Share Capital	10	5,000,000	5,000,000	5,000,000
(b) Other equity	11	3,238,160	3,021,350	2,458,582
2 Non-current liabilities				
Other liabilities	12	133,948	150,608	-
3 Current Liabilities				
(a) Trade and other payables	13	30,150	29,626	156,768
(b) Other liabilities	14	-	10,598	3,453
		8,402,258	8,212,182	7,618,803

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : 22nd May, 2018

Place: Mumbai
Date : 23rd May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note	Year ended 31-Mar-2018	Period ended 31-Mar-2017
I REVENUE			
Revenue from operations (Net)	15	-	-
II Other Income	16	627,338	989,091
III Total Revenue		627,338	989,091
IV EXPENSES			
Employee benefits expense	17	-	4,299
Other expenses	18	42,267	230,899
Total Expenses		42,267	235,198
V Profit before tax		585,071	753,893
VI Tax expenses:			
Current tax		171,000	245,000
Short Provision for Income Tax		197,261	(53,875)
Total tax expenses		368,261	191,125
VII Profit for the year (V-VI)		216,810	562,768
VIII OTHER COMPREHENSIVE INCOME / (LOSSES)			
(a) i Items that will be reclassified subsequently to the statement of profit and loss:			
ii Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(b) i Items that will not be reclassified subsequently to the statement of profit and loss:			
ii Income tax on items that will not be reclassified subsequently to statement of profit and loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) (i-ii)		-	-
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		216,810	562,768
Earning per equity share of face value of Rs. 10 each			
I) For Continuing operation			
Basic (in Rs.)		0.43	1.13
Diluted (in Rs.)		0.43	1.13
II) For Discontinued Operations			
Basic (in Rs.)		-	-
Diluted (in Rs.)		-	-
II) For Discontinued & Continuing Operations			
Basic (in Rs.)		0.43	1.13
Diluted (in Rs.)		0.43	1.13

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : 22nd May, 2018

Place: Mumbai
Date : 23rd May, 2018

PCS INFOTECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

A Equity Share Capital

Particulars	Amount in Rupees
As at April 01, 2016	5,000,000
Changes in Equity share capital during the year	-
As at March 31, 2017	5,000,000
Changes in Equity share capital during the year	-
As at March 31, 2018	5,000,000

B Other Equity

Particulars	Reserves and Surplus						Total Other Equity
	Securities Premium Reserve	General Reserve	Capital reserve	Capital redemption reserve	Retained Earnings	Revaluation Reserve	
As at April 01, 2016	-	-	-	-	2,458,582	-	2,458,582
Profit for the year	-	-	-	-	562,768	-	562,768
Other Comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	562,768	-	562,768
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	3,021,350	-	3,021,350
Profit for the year	-	-	-	-	216,810	-	216,810
Other Comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	216,810	-	216,810
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	3,238,160	-	3,238,160

The accompanying notes form an integral part of the Financial Statements
Significant Accounting Policies and Notes to Financial Statements

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

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

Place: Mumbai
Date : 22nd May, 2018

For and on behalf of the Board of Directors

A. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

Place: Mumbai
Date : 23rd May, 2018

G. K. Patni
(Director)

R. Sankaran
(Director)

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	(Amount in Rs.)	
	Year ended 31-Mar-2018	Year ended 31-Mar-2017
A. Cash flow from operating activities		
Net profit before tax and extra ordinary items	585,071	753,893
Operating profit before working capital changes	585,071	753,893
Decrease/ (increase) in trade and others receivables	-	(551,690)
(Decrease)/ increase in trade and other payables	(26,734)	30,611
Cash generated from operations	558,337	232,814
Income tax paid (net of refunds)	(368,261)	(191,125)
Net cash flow from/ (used in) operating activities	190,076	41,689
B. Cash flow from investing activities	1,023,211	-
C. Cash from financing activities		
Repayment of long-term borrowings (net)	-	-
Issue of share capital	-	-
Purchase of non-current investments	-	-
Net cash from/ (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	1,213,287	41,689
Cash and cash equivalents at beginning of the period	938,149	896,460
Cash and cash equivalents at end of the period	2,151,436	938,149

The accompanying notes are an integral part of the financial statements

As per my report of even date attached

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

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : 22nd May, 2018

Place: Mumbai
Date : 23rd May, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Basis of preparation:

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2017. Previous periods have been restated to IndAS. In accordance with IndAS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rule, 2006 ("Previous GAAP") to IndAS of shareholders' equity as at 31 March 2017 and 1 April 2016 and of the comprehensive net income for the year ended 31 March 2017.

These financial statements have been prepared in accordance with IndAS as notified under the Companies (Indian Accounting Standards) Rule, 2015 read with Section 133 of the Companies Act, 2013.

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, 2013

B 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.

C 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.

D. 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.

(Amount in Rs.)

Particulars	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
3 Other assets			
Income tax paid (Net of provisions)	-	-	1,416,764
	-	-	1,416,764
4 Current Investments			
Unsecured, considered good			
8.75% Axis Bank - Perpetual Bonds (Unquoted) (Book Value 6016200/-)	6,016,200	-	-
	6,016,200	-	-
5 Trade receivables			
Sundry Debtors	-	-	220,562
	-	-	220,562
6 Cash & Cash Equivalents			
Cash in hand	-	-	-
Balances with Banks			
In Current account	2,151,436	938,149	896,460
	2,151,436	938,149	896,460
7 Short Term Loans and Advances			
a) Mukand Limited	-	7,000,000	5,000,000
Other receivables	153,904	193,315	23,693
	153,904	7,193,315	5,023,693

PCS INFOTECH LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	(Amount in Rs.)		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
8 Current tax assets (net)			
Income tax paid (Net of provisions)	-	-	-
	-	-	-
9 Other Current Assets			
Prepaid expenses	-	-	4,299
Security Deposits	80,718	80,718	57,025
	80,718	80,718	61,324

Particulars	(Amount in Rs.)		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
10 SHARE CAPITAL			
Authorised			
10,00,000 (Previous Year - 1,00,000) Equity Share of Rs.10 each	10,000,000	10,000,000	10,000,000
Issued, Subscribed and Paid-up			
500,000 (Previous Year - 50,000) Equity Shares of Rs.10 fully paid-up	5,000,000	5,000,000	5,000,000
	5,000,000	5,000,000	5,000,000

a) Terms/ Rights attached to Equity Shares:

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

b) Reconciliation of the shares outstanding at the beginning and end of the year:

Particulars	Number	Amount	Amount
Shares outstanding at the beginning of the year	500,000	5,000,000	50,000,000
Shares issued during the year	-	-	-
Shares outstanding at the end of the year	500,000	5,000,000	50,000,000

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

Name of shareholder	As at 31/03/2018		As at 31/03/2017	
	No. of shares	% holding	No. of shares	% holding
PCS Technology Limited	499,993	100.00	499,993	100.00

Particulars	(Amount in Rs.)		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
11 Other Equity			
Opening balance	3,021,350	2,458,582	1,053,920
Add: Profit for the year	216,810	562,768	1,404,662
Closing balance	3,238,160	3,021,350	2,458,582
12 Other non-current liabilities			
Income tax Provision (Net of taxes paid)	133,948	150,608	-
	133,948	150,608	-
13 Trade Payables			
Trade Payables	30,150	29,626	156,768
	30,150	29,626	156,768
14 Other current liabilities			

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	(Amount in Rs.)		
	As at 31-Mar-2018	As at 31-Mar-2017	As at 31-Mar-2016
Statutory dues and taxes payable	-	10,598	3,453
	-	10,598	3,453

Particulars	(Amount in Rs.)	
	Period ended 31-Mar-2018	Period ended 31-Mar-2017
15 Revenue from Operations		
Sale of Goods		
Sales of Services		
	-	-
16 Other Income		
Interest Received	625,109	989,091
Misc Income	2,229	-
	627,338	989,091
17 Employee benefit expenses		
Staff Welfare expenses	-	4,299
	-	4,299
18 Other expenses		
Rates & Taxes	7,800	9,155
Audit Fees	8,850	8,626
Bad Debts	-	12,854
Legal & Professional Charges	19,300	175,600
Telephone Expense	2,159	4,539
Sales Tax Paid	-	2,951
Miscellaneous expenses	4,158	17,174
	42,267	230,899

19 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.

20 Particulars of Earnings Per Shares:

Particulars	31-Mar-18	31-Mar-17
a) Net Profit for the year		
Before extraordinary items (Rs.)	216,810	562,768
After extraordinary items (Rs.)	216,810	562,768
b) Number of equity shares outstanding at the beginning and at the end of the year	500,000	500,000
c) Nominal Value of the shares (Rs.)	10.00	10.00
d) Basic and diluted Earning per share (Rs.) (a/b)	0.43	1.13

21 Related parties disclosures:

A Names of the related parties (where control exists)

PCS Technology Limited - Holding Company

B There are no transactions during the current & previous year with any of the related party of the year

As per my report of even date attached

For S.C. Bandi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

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

A. K. Patni
(Director)

G. K. Patni
(Director)

Y. V. Bhardwaj
(Director)

R. Sankaran
(Director)

Place: Mumbai
Date : 22nd May, 2018

Place: Mumbai
Date : 23rd May, 2018